



## **VAIBHAV GLOBAL LIMITED**

**Registered Office:** K – 6B, Fateh Tiba, Adarsh Nagar, Jaipur – 302004

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### **VAIBHAV GLOBAL LIMITED MANAGEMENT STOCK OPTION PLAN – 2021**

#### **1. Short title, extent and commencement**

**1.1** This Plan may be called the Vaibhav Global Limited Management Stock Option Plan – 2021 or “VGL MSOP Plan – 2021 (hereinafter referred to as “the Plan”).

**1.2** It applies only to the eligible employees (as defined under this plan) of Vaibhav Global Limited and its subsidiaries whether in India or outside India, who are in whole time employment with the Company and/or its Subsidiary. It shall be deemed to have come into force with effect from the date of approval by the shareholders i.e. \_\_\_\_\_.

#### **2. Purposes of the Plan**

**2.1** This Plan has been formulated by the Board of Directors of Vaibhav Global Limited, (hereinafter called the “Company/VGL”), at their meeting held on 29<sup>th</sup> January, 2021 and has been approved by the members of the company by way of special resolution passed on \_\_\_\_\_.

**2.2** The objective of the Plan is:

- Retain and motivate senior employees.
- Encourage senior employees to align individual performance with Company objectives; and
- Reward senior employee performance with ownership.

#### **3. Term of Plan**

3.1. This plan shall be valid for a period of 10 years from the date of approval of shareholders.

3.2. Except as provided elsewhere specifically, the Plan shall continue in effect unless terminated by the Board or the Committee or until all Stock Options available to be granted under the Plan are fully exercised.



3.3. Any such termination of the Plan shall not affect Stock Options already granted and such Stock Options shall remain in full force and effect as if the Plan had not been terminated unless mutually agreed otherwise between the Employee/Beneficiary and the Committee/the Company.

#### 4. Definitions and Interpretation

##### 4.1. Definitions

- a) **“Applicable Laws”** means the legal requirements relating to Management Stock Option Plan, including, without limitation, the tax, securities or corporate laws of India, any stock exchange or quotation on which the Shares are listed or quoted and legal regulations as may be required in the country where the Company or its Subsidiaries are incorporated, including, but not limited to the Income Tax Act, 1961, The Companies Act, 2013 and also the Regulations issued under the Securities and Exchange Board of India Act, 1992.
- b) **“Associate Company”** shall have the same meaning as defined under section 2(6) of the Companies Act, 2013.
- c) **“Beneficiary(ies)”** shall mean the person(s), trust(s) designated by the Employee or in the absence of any designation by the Grantee, person(s) who is or are entitled by the will of the Grantee to receive the benefit specified in the plan, the legal heirs of the Grantee, if the Grantee dies intestate and includes his executors or administrators, if no other beneficiary is designated and able to act under the circumstances and such other person as may be added from time to time to the class of beneficiaries by notice in writing and by the nomination form in the exercise of any powers conferred under the plan or any other agreements forming part thereof.
- d) **“Board”** means the Board of Directors for the time being of the Company and includes any Committee(s) consisting of one or more members of the Board and/ or one or more officials of the Company which the Board may constitute to exercise powers of the Board.
- e) **“Cash Exercise”** means an application made by the Grantee to the Company through the Trust for issue of equity shares against vested stock options in pursuance of this Plan.
- f) **“Cashless Exercise”** means application made by the Grantee to the Company authorizing the Trust to sell the shares of respective Grantee and credit the receipt of sale proceeds of the shares equivalent to the number of the Stock



Options in accordance with the terms and conditions of the Plan after deduction of Exercise Price (if funded by trust) and the applicable taxes from such sale proceeds including any other expenses thereon.

- g) **“Cause”** means any act or omission by an eligible Grantee amounting to misconduct, breach of contract including breach of a non-compete covenant, gross negligence, unethical practices or any other non – compliance or violation of any law in force in India and includes any misconduct under the Company’s policies and under Applicable Laws.
- h) **“Compensation Committee or Committee”** means the Nomination and Remuneration Committee of the Company. The Board has designated the Nomination and Remuneration Committee as Compensation Committee for the purpose of this Plan inter – alia for administration and superintendence of this plan. The Committee may delegate the administration of the plan to the Trust fully or partially.
- i) **“Company”** means Vaibhav Global Limited incorporated under the Companies Act, 1956 and having registered office at K- 6B, Fateh Tiba, Adarsh Nagar, Jaipur, Rajasthan, 302004.
- j) **“Director”** means a member of the Board of the Company.
- k) **“Disability or Disablement”** means total and permanent disability as defined under the Workmen's Compensation Act, 1923.
- l) **“Effective Date”** for the Plan shall be the date as decided by the Board of the Directors / Compensation Committee.
- m) **“Eligible Employee”** means
- an Employee who is in employment or employed on or after the Effective Date, either through an employment contract or as an officer or a Director; and as defined under this plan;
- and
- an employee, who is falling under the category of senior employee of the Company / Subsidiary(ies).
- or
- an employee, having high potential and determined by the Managing Director / Chairman of the Board.
- or
- an employee, who fulfils criteria and the terms & Conditions as decided by the Compensation Committee.



Explanation: Senior employee means an employee not below two levels from the Board of directors of the Company and respective subsidiaries.

**n) “Employee” means**

- (i) A permanent employee of the Company who has been working in India or outside India; or;
- (ii) A Director of the Company, whether a whole-time Director or not, but excluding an independent director; or
- (iii) An employee as defined in clauses (i) and (ii) of a present and future subsidiary / step down subsidiary, in India or outside India.

but does not include –

- (i) a person 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 anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company.

Provided that the plan would include all employees subject to the consideration & final approval of the Compensation Committee for the purpose of granting the Stock Option, but would not include employee belonging to the class of contract labourers.

Provided further that an Employee shall not cease to be an Employee for purpose of this plan in case of:

- (i) any leave of absence approved by the Company and/or Subsidiary or
  - (ii) transfers between offices of the Company and/or Subsidiary or its holding company or associate company.
- o) “Employee Compensation” means the total cost incurred by the Company or Subsidiary towards Employee Compensation including basic salary, dearness allowance, other allowances, bonuses and commissions, and the value of all perquisites provided, but does not include the fair value of the Stock Option granted under this plan.**
- p) “Exercise” means making of an application by a Grantee to the Company through trust under cash exercise or cashless exercise, as the case may be in pursuance of this Plan.**



- q) **“Exercise Period”** means the time period after vesting within which a Grantee should exercise his right to apply for shares against the vested Stock Options in pursuance of the Plan.
- r) **“Exercise Price”** means the price payable by the Grantee for exercising the Stock Option granted to him in pursuance of this plan.
- s) **“Grant”** means the process by which the Company issues Stock Options to Eligible Employees under this plan.
- t) **“Grant Date”** means the date on which the Compensation Committee / Board approves the grant.
- u) **“Independent Director”** means a Director, not being a whole – time director and who is neither a Promoter nor belongs to the Promoter group and fulfills all conditions specified in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (LODR) Regulations, 2015 (as amended from time to time).
- v) **“Market Price”** means the latest available closing price on recognized stock exchange on which the shares of the company are listed on the date immediately prior to the relevant date.
- Explanation –The closing price on the stock exchange having higher trading volume shall be considered as the market price;
- w) **“Nominee”** means the spouse, any child of the Option holder or any other person as nominated by the Option holder.
- x) **“Non-Executive Director”** means any Director as appointed on this designation and shall include Independent –Non Executive Directors and Non Independent-Non Executive Directors.
- y) **“Plan”** means the Vaibhav Global Limited Management Stock Option Plan – 2021 or VGL MSOP – 2021 under which the Company grants Stock Options to Eligible Employees.
- z) **“Promoter”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.



**aa) “Promoter Group”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.

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 the company;

**bb) “Relative”** shall have the same meaning as defined under section 2(77) of the Companies Act, 2013

**cc) “Relevant date”** means-

- (i) in the case of grant, the date of the meeting of the Compensation Committee / Board on which the grant is made; or
- (ii) in the case of exercise, the date on which the notice of exercise is given to the Company or to the trust by the Grantee;

**dd) “Stock Options”** means stock options granted pursuant to the Plan, comprising of a right but not an obligation available to a Grantee under the Plan to apply for and be allotted Shares at a pre – determined Exercise Price.

**ee) “Retirement”** means the termination of employment or service of a Grantee on attainment of age of 60 years as per the policy of the Company or its Subsidiary, as the case may be, or any other age as may be determined by the Company or its Subsidiary with respect to the Grantee.

**ff) “SEBI Regulations”** means Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

**gg) “Shares”** means the equity shares of the Company with a nominal par value of Rs.10/- (Rupees ten only) each.

**hh) “Subsidiary”** means a subsidiary of the Company, whether now or hereafter existing as defined under Companies Act, 2013 and rules made there under. Subsidiaries includes stepdown subsidiaries (present & future).

**ii) “Trust”** means ‘Vaibhav Global Employee Stock Option Welfare Trust’ established by the Company under the provisions of Indian Trust Act, 1882, including any statutory modification or re-enactment thereof, for implementing the plan.



- jj) **“Option holder” or “Option Grantee” or “Grantee”** means an employee or his beneficiary having right but not an obligation to exercise the vested Stock Option in pursuance of this plan.
- kk) **“Vesting”** means the process by which the Stock Option granted under the Plan becomes capable of being exercised by the Option holder.
- ll) **“Vesting Period”** means the period between the date of Grant and the date of Vesting of the Stock Option granted to the Option holder.
- mm) **“Year”** means the financial year of the Company.

#### 4.2. Interpretation

- a) The headings/sub-headings/titles/sub-titles are for the sake of convenience only and shall not be interpreted to restrict or otherwise affect the meaning or import of the Articles, which shall be interpreted solely in the light of the contents thereof.
- b) Use of words in the singular includes the plural and vice versa and the masculine gender includes the feminine.
- 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) Words and expressions used and not defined in this Plan but defined in the Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 or the Companies Act, 2013 and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation.

#### 5. Pool under the Plan

- 5.1. The maximum number of Stock Options that may be issued pursuant to this Plan is 2,50,000 (Two lakh fifty thousand only) convertible into 2,50,000 (Two lakh fifty



thousand only) Equity shares of the Company. Accordingly, the maximum aggregate number of Shares that may be subject to Stock Option and granted under the Plan is 2,50,000 (Two lakh fifty thousand only) Equity Shares.

- 5.2. The number of Shares which shall be issued under the Plan post exercise of the Stock Option by the Option holders will not exceed the authorized equity share capital of the Company. This plan involves only new issue of shares by the Company.
- 5.3. If a Stock Option expires, lapses, forfeited or surrendered under any provision of the Plan, as per the conditions mentioned in the plan, such Stock Option subject thereto shall become available for future grant under this Plan as per the discretion of the Committee within the overall ceiling of Equity shares.
- 5.4. Further, the maximum number of Stock Options that can be granted and the shares arise upon exercise of these Stock Options shall stand adjusted in case of Bonus shares, Consolidation, Split and Re-organization of capital structure.
- 5.5. The abovesaid pool of stock options shall be available for grant, in one or more trenches as to be determined by Committee/Board from time to time, till the validity of this plan.
- 5.6. The Company reserves the right to increase or decrease such number of Stock Option/shares as it deems fit, in accordance with the applicable laws.

## **6. Implementation and Administration of the Plan**

- 6.1. The Plan shall be administered by Compensation Committee for proper administration of the Plan. The Compensation Committee is authorized to interpret the Plan, to establish, amend and rescind 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 and shall ensure the compliance with Applicable Laws and shall meet on a regular basis, as and when the need arises. The Committee may delegate the administration of the plan to the Trust fully or partially.
- 6.2. The Company proposes to implement the Plan, through the Trust Route wherein the Trust shall acquire the shares by direct allotment from the Company upon request of option holders, which will subsequently:
  - In Cash Exercise: be transferred to the option holder as and when the stock option are exercised.
  - In Cashless Exercise: be sold in market as and when the stock Option are exercised and the net proceeds will be transferred to the option holder.





- 6.3. The Company believes that the implementation of the Plan through trust will be in the best interests of the Company and its shareholders and will enable the Company to retain & engage quality talent. Through the Trust, the employees may opt to sell their shares resulting pursuant to exercise and receive the sale proceeds net of taxes & related expenses via the Trust mechanism.
- 6.4. The Committee may correct any defect, omission or reconcile any inconsistency in the Plan in the manner and to the extent as may be deemed necessary or desirable.
- 6.5. The powers of the Committee, inter alia, include the power:
- i)** To adopt rules and regulations for implementing the plan and revise it from time to time in accordance with the law for the time being in force;
  - ii)** To determine the quantum of stock options to be granted under the plan per option holder and in aggregate subject to the ceiling under the plan;
  - iii)** To Identification of eligibility criteria and determine the class of Employees to whom stock option may from time to time be granted hereunder;
  - iv)** To determine the criteria for determining the number of stock option to be granted to each option holder;
  - v)** To formulate the conditions under which stock option vested in the option holders may lapse in case of termination of employment for misconduct;
  - vi)** To determine the vesting period, vesting conditions, exercise price, exercise period and other terms & conditions of the stock options granted under this plan;
  - vii)** To specify the time period within which the option holder shall exercise the vested stock option in the event of his/her termination or resignation;
  - viii)** To determine the number of shares to be covered by each such stock option granted hereunder;
  - ix)** To determine the conditions under which a option holder shall have the right to exercise all the Stock Option vested in him at one time or at various points of time within exercise period;
  - x)** To decide the procedure for making a fair and reasonable adjustment to the number of Stock Option and to the exercise price in case of corporate actions;



- xi)** To grant, vest and exercise of Stock Option in case of Option holder who are on long leave;
- xii)** To decide the procedure for cash exercise and/or cashless exercise of Stock Option through trust in accordance with the applicable law;
- xiii)** To accelerate or reduce or amend the vesting period of options on a case to case basis, as the Committee deems fit, subject to completion of minimum one year from the date of Grant of Options;
- xiv)** The procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of stock option and to the Exercise Price in case of Corporate Action such as rights issues, bonus issues, Split and consolidation of capital. In this regard, the following shall, inter alia, be taken into consideration by the Committee:
  - the number and price of stock option shall be adjusted in a manner such that total value to the Grantee of the stock option remains at least the same after such change;
  - the vesting period and the life of the stock option shall be left unaltered as far as possible to protect the rights of the Grantee(s) who is granted such stock option;
- xv)** To decide upon the right of a Option holder to exercise all the stock option vested in him at one time or at various points of time within the Exercise Period;
- xvi)** To approve forms of agreement for use under the Plan;
- xvii)** To determine the terms and conditions, not inconsistent with the terms of the Plan, of any stock option granted hereunder;
- xviii)** To construe and interpret the terms of the Plan and Stock Option granted pursuant to the Plan;
- xix)** Make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the plan;
- xx)** Frame suitable policies and systems to ensure that there is no violation of securities laws including SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) regulations, 2003, by an Employee or Director.



Provided that Nomination, Remuneration and Compensation Committee (“NRC”) shall delegate its power to the Trust to the extent it deems fit for proper implementation and administration of the plan.

No member of the Board or Committee or Trust shall be personally liable for any decision or action taken in good faith with respect to the Plan and all members of the Board or Committee or Trust or officer of the Company shall be fully protected and indemnified by the Company with respect to any such action, determination, or interpretation.

A member of the Committee / Board / Trust shall abstain from participating in and deciding on any matter relating to grant of any Stock Option to him.

All decisions, determinations and interpretations by the Committee/Board shall be final and binding on all Option holders and the Employees.

## **7. Vaibhav Global Employee Stock Option Welfare Trust**

- 7.1. Vaibhav Global Employee Stock Option Welfare Trust is the trust established by the Settlor i.e. Vaibhav Global Limited, for the purpose of extending benefits of the plan to the existing and future employees of the Company/subsidiaries.
- 7.2. The Trust shall acquire shares by way of fresh allotment from the Company, as per the direction received from Option holder upon due exercise and shall transfer such shares and/or net proceeds in case of cash exercise and cashless exercise respectively.
- 7.3. Company may implement several employee benefit plans through the Trust.
- 7.4. The trust will keep and maintain proper books of account, records and documents, for the plan so as to explain its transactions and to disclose at any point of time the financial position of the plan and in particular give a true and fair view of the state of affairs of Plan.
- 7.5. A person shall not be appointed as a trustee, if he
  - is a director, key managerial personnel or promoter of the company or its holding, subsidiary or associate company or any relative of such director, key managerial personnel or promoter; or
  - Beneficially holds ten percent or more of the paid-up share capital of the company.



- 7.6. The trustees of a trust shall not vote in respect of the shares held by such trust, so as to avoid any misuse arising out of exercising such voting rights.
- 7.7. The trustee shall ensure that appropriate approval from the shareholders has been obtained by the company in order to enable the trust to implement the Plan.
- 7.8. For the purposes of disclosures to the stock exchange, the shareholding of the trust shall be shown as 'non-promoter and non-public' shareholding.
- 7.9. The Trust shall transfer the Shares and / or net proceeds pursuant to exercise of Stock Options in case of Cash exercise and/or Cashless exercise respectively, to Option holder in the manner specified in the Trust Deed/Plan. The Trustee(s) of the Trust shall administer the transfer of shares and/or net proceeds to the Option holders as per their request and as per the directions of the Committee and as stipulated in the plan.
- 7.10. For the purpose of acquisition of shares by the said trust, the Trust may be funded by the Company, either through a loan or any other form of financial assistance permissible under Applicable Laws. Further, the Trust may take loan from banks or any other source under Applicable Laws.
- 7.11. The Company may provide loan to the trust of such amount as may be required by the trust from time to time under the Plan. The amount of loan shall be utilized for payment of Share Application/allotment money for subscription of shares. The Trust shall repay the loan to the company by utilizing the proceeds realized from exercise of Stock Options by the Option holders.
- 7.12. The trust shall not become a mechanism for trading in shares and hence shall not sell the shares in secondary market except under the following circumstances:-
  - i. Cashless exercise of Stock Options under the Plan;
  - ii. Participation in buy back or open offers or delisting offers or any other exit offered by the company generally to its shareholders, if required;
  - iii. For repaying the loan, if the un-appropriated inventory of shares held by the Trust is not appropriated within the time line as provided above;
  - iv. Winding up of the Plan(s);
  - v. Based on approval granted by SEBI upon application.

## **8. Eligibility**

- 8.1. The Board / Compensation Committee shall, based on the various criteria for selection of the Eligible Employees, decide the Employees who qualify under the Plan as "Eligible Employees" and the number of stock option of the Company that may be issued to them.



- 8.2. The appraisal process shall include evaluation of an Employee based on one or more criteria for determining eligibility of the Employees to be granted Stock Option, including but not limited to role, designation/grade, length of service with the Company, performance, future potential of the employees and/or such other factors as the Board/Committee shall deem relevant for accomplishing the Plan.
- 8.3. New Joinees can also participate in the Scheme and be granted Stock Options based upon the discretion of the Committee in accordance with applicable laws & regulations.
- 8.4. Nothing in the Scheme or in any Stock Option granted pursuant to the Scheme shall confer on any Employee, any right to continue in the employment of the Company or interfere in any way with the right of the Company to terminate the Employee's employment at any time.

## **9. Grant of Stock Option:**

- 9.1. The Compensation Committee may, on such dates as it shall determine, grant to such Employees as it may in its absolute discretion select, stock option of the Company on the terms and conditions and for the consideration as it may decide.
- 9.2. The maximum number of Stock Options that can be granted to any eligible Employee during any one year shall not be equal to or exceed 1% of the issued capital of the Company at the time of grant of the Stock Options or such limit as prescribed under regulation 6(3)(d) of the SEBI (SBEB) Regulations applicable for the in being in force. The Committee may decide to grant Stock Options exceeding the above limits, subject to the separate approval of the shareholders in a general meeting.
- 9.3. The maximum quantum of benefit that will be provided to every eligible Employee under the Plan will be the difference between the market price of Company's Share on the Stock Exchanges as on the date of exercise of stock option and the Exercise Price.
- 9.4. Unless agreed otherwise between the Company and any employee and subject to the Corporate Action(s) taken by the Company, if any, the grant of 1 (One) Stock Option to an employee under this Plan shall entitle the holder of the Stock Option to apply for 1 (One) Equity Share of the Company upon payment of Exercise Price.
- 9.5. The date of Grant of Stock Option shall, for all purposes, be the date on which the Compensation Committee/Board makes the determination granting such Stock Option, or such other date as is determined by the Compensation Committee/Board. Notice of the determination shall be given to each Eligible Employee to whom a Stock Option is so granted within a reasonable time after the date of such Grant.
- 9.6. No amount is payable by the Option holder at the time of Grant of Option.



## **10. Vesting of Stock Option**

- 10.1. The Vesting period shall be determined by the Committee/ Board at the time of grant of Stock Option. However, the minimum vesting period shall be one year from the date of grant and maximum vesting period shall be three years from the date of grant..
- 10.2. Vesting of Options can vary from Grantee to Grantee as per the discretion of the Committee whose decision shall be final and binding. The vesting schedule will be clearly defined in their grant letter of respective Grantees subject to minimum and maximum vesting period as specified in Article 10.1 above.
- 10.3. The Committee shall have the power to modify or accelerate the vesting on a case-to-case basis subject to the minimum gap of 1 (One) Year between the grant and vesting as per subject to applicable laws, if any.
- 10.4. The Actual vesting may further be linked with the eligibility criteria, as to be determined by the Committee and be mentioned in the grant letter. The Options which get lapsed due to eligibility criteria in any of the vesting, if any, will get lapsed from the hands of the Grantee.
- 10.5. Further any fraction entitlement, to which the Grantee would become entitled to upon vesting of Options, then the Options to be actually vested be rounded off to nearest lower integer.

## **11. Exercise of Stock Option**

- 11.1. Every option holder who wishes to exercise the vested Stock Option is required to make an application in the prescribed format to the Company or through the trust. Application shall specify for cash exercise and/or cashless exercise.
- 11.2. The vested Stock Options shall be exercisable either wholly or in part, according to the terms and conditions as determined and mentioned under the Plan during the exercise period.
- 11.3. The Exercise period for the vested Stock Options will be 7 (seven) years from the date of respective vesting.
- 11.4. Failure to comply within the exercise period, after accepting the same, shall result in lapsing of vested Stock Options in the hands of employee.
- 11.5. Once the Stock Options are exercised, the Grantee will receive:



- **In Cash exercise:** the shares from the Trust equivalent to the number of the Stock Options exercised in accordance with the terms and conditions of the Plan after he has made the payment of the exercise price and applicable taxes.
  - **In case of Cashless exercise:** allow the Trust to sell part or all the Shares arising out of the Stock Options exercised and transfer the sale proceeds of the resultant shares, after adjusting the requisite amount towards exercise price (if funded by trust), taxes & expenses related to the exercise & sale of shares.
- 11.6. No person other than the Option holder whom stock option is granted shall be entitled to exercise the Stock Option, subject to any transmission of Stock Option as per the conditions of this plan or by the operation of law.
- 11.7. Option granted hereunder shall be exercisable according to the terms hereof at such times and under such conditions as determined by the Compensation Committee.
- 11.8. Exercise of stock option in any manner shall result in a decrease in the number of Shares thereafter available, both for purposes of the Plan and for sale under the stock option, by the number of Shares as to which the stock option is exercised.
- 11.9. Upon the transfer of the shares, pursuant to exercise, the Grantee shall become member of the Company. An employee can exercise the vested Stock Options & sell the shares pursuant to exercise subject to the adherence of Insider Trading Code of Conduct of the Company and the provisions of the Insider Trading Laws & Regulations.

## **12. Exercise Price**

- 12.1. Under this Plan, the Exercise price of the stock options will be the face value of the equity share as on date of exercise.. The present face value of the equity share is Rs 10/- each. The exercise price shall not be less than the face value of equity share of the Company.
- 12.2. The aggregate Exercise Price payable at the time of Exercise shall be paid by through banking channels in the name of the Trust i.e. Vaibhav Global Employee Stock Option Welfare Trust.

## **13. Rights of a Shareholder**

- 13.1. Equity Shares issued on the Exercise of Stock Option shall rank pari-passu with all other Equity Shares for the time being in issue.



13.2. Until the Shares are issued (as evidenced by the appropriate entry in the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares, notwithstanding the exercise of the stock option. Equity Shares pursuant to exercise of stock option shall be issued as per Article 11 of the Plan. No adjustments will be made for dividend or any other right for which the record date is prior to the date on which the Shares are issued.

13.3. The Employee shall abide by the Company's Code of Conduct for prevention of insider trading and Code of practices and procedures for fair disclosure of unpublished price sensitive information adopted by the Company under SEBI (Prohibition of Insider Trading) Regulations, 2015 (as may be amended from time to time).

#### **14. Lock-in-period**

14.1. There shall be no lock-in period for the shares issued / allotted pursuant to exercise of Stock Option. 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 on Exercise of Stock Option.

#### **15. Bonus Issue**

15.1. In the event of a bonus issue of Shares being made by the Company during the Vesting Period or the Exercise Period, the Option holder would be entitled to apply for and be allotted proportionately higher number of stock option exercisable on the same terms as are applicable to the original stock option, except that these additional stock option would be convertible without any further payments over and above the Exercise Price payable for the original stock option. For the purpose of the Vesting Period and Exercise Period, the bonus Shares will be treated at par with the original Shares on which the bonus Shares have been issued.

#### **16. Rights Issue**

16.1. In the event of the rights issue of Shares being made by the Company during the Vesting Period or the Exercise Period, the Option holder would be entitled to apply for and be allotted proportionately higher number of Stock Option exercisable on the same terms of the original Stock Option, except that these additional Stock Option would be convertible on payment of the rights issue price. For the purpose of the Vesting period and Exercise Period, the rights Shares will be treated at par with the original Shares on which the rights Shares have been issued. The payment for the rights Shares will have to be made at the time of Exercise of the Stock Option.





## 17. Termination of Stock Option:

17.1. If a Option holder ceases to be an Employee of the Company and/or Subsidiary Company or Associate Company (in case of transfer/deputation) as the case may be, his or her rights to Exercise the Stock Option then held shall be only as follows:

### a) Disability

In the event of permanent disability of the option holder while in employment of the Company and/or Subsidiary Company or Associate Company (in case of transfer/deputation), as the case may be, **all the Stock Option granted to him, whether vested or not, as on the date of permanent disability shall vest in him on that day.**

In such a case, the Option holder or his Nominee (in the event of the Option holder's mental disability) shall have the right for a period of 2(two) months after the date on which the disability occurs to Exercise the Stock Option to the extent the Option holder was entitled to exercise on that date, provided the date of Exercise is in no event after the expiration of the term of the Stock Option. To the extent the Stock Option is not exercised within this period, the Stock Option will terminate.

### b) Death

In the event of the death of the Option holder while in employment of the Company and/or Subsidiary Company or Associate Company (in case of transfer/deputation), as the case may be, **all the Stock Option granted to him till such date, whether vested or not, shall vest** in the legal heirs or Nominee of such deceased Option holder.

If an Option holder dies while he or she is employed by the Company and/or Subsidiary Company or Associate Company (in case of transfer/deputation) as the case may be, the Option holder's legal heirs or Nominee shall have the right for a period of 2 (two) months (or such longer period as the Board/Committee may determine at the date of Grant or during the term of the Stock Option) after the death of the Option holder or if nominee was not appointed by the legal heirs of the Option holder within a period of 2 (two) months from the date of receipt of succession certificate from the Court to Exercise the Stock Option to the extent the Option holder was entitled to exercise on that date, provided the date of Exercise is in no event after the expiration of the term of the Stock Option. To the extent the Stock Option is not exercised within this period, the Stock Option will terminate.

### c) Resignation

In the event of resignation of the Option holder, **all the Stock Option not vested as on that date shall expire.**



If a Option holder resigns from the Company and/or Subsidiary Company or Associate Company (in case of transfer/deputation) as the case may be, the Option holder shall have the right for a period of 2(two) months after the date of resignation, subject to the exercise period as mentioned in Article 11 of the said plan, to Exercise the Stock Option to the extent the option holder was entitled to Exercise on that date, provided that date of Exercise is in no event after the expiration of the term of the Stock Option. To the extent Stock Option is not exercised within this period, the Stock Option will terminate.

Note: The resignation shall be counted from the date of last working in the company/subsidiary.

**d) Termination for reasons other than cause**

- (i) In case of Option holder's retirement or his employment is terminated by the Company and/or Subsidiary Company or Associate Company (in case of transfer/deputation) as the case may be, for the reasons other than cause, the Option holder shall have the **right for a period of 2(two) months after the date of retirement / termination to exercise the Stock Option to the extent the Option holder was entitled to exercise on that date**, provided the date of Exercise is in no event after the expiration of the term of the Stock Option. To the extent the Stock Option is not exercised within this period, the Stock Option will terminate.
- (ii) In case an employee has worked for at least three years as on the date of retirement, the Stock Option falling due in next six months post retirement will get vest on the last date of the retirement, subject to the condition of minimum one year from the date of grant.

**e) Other reasons**

In the event that an employee who has been granted benefits under this Plan is **transferred or deputed to an associate/group/subsidiary company** prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

In the event of an employee going on **Long Leave**, i.e. absence from the office for more than three months, the treatment of option granted to him/her, whether vested or not, shall be determined by the Committee, whose decision shall be final & binding.

If a option holder's employment with the Company and/or Subsidiary Company or Associate Company (in case of transfer/deputation), as the case may be, ends for any reason not mentioned above in this Article (including without limitation, termination for cause), all rights of the option holder in stock option to the extent that it has not been exercised, shall terminate on the date on which Option holder's employment ends.



**f) Termination and Suspension for reasons of cause:**

The Stock Option granted but not vested and stock option vested but not exercised in case of an employee who has been suspended from the services of the Company or to whom a show cause notice has been issued or against whom an enquiry is being or has been initiated, for any reason whatsoever including but not limited to misconduct, violation of the Company's policies, codes of the Company or terms of employment / services or for having committed or abetted any illegal or unlawful activity may on the recommendation of the management, be suspended or kept in abeyance or cancelled at the sole discretion of the Compensation Committee. In case of stock option that have been suspended or kept in abeyance, the same may be vested in the concerned employee on such additional terms and conditions, as may be imposed by the Compensation Committee in its absolute discretion. Cancelled Stock Option, if any, shall be treated as lapsed stock option and shall be available for grant, as provided under Article 5.3.

The termination of a option holder's employment by the Company and/or Subsidiary Company or Associate Company (in case of transfer/deputation), as the case may be, will be considered as cause if the termination is due to an act by the Option holder as follows:

- embezzlement, fraud, dishonesty or breach of fiduciary duty to the Company and/or Subsidiary Company or Associate Company (in case of transfer/deputation) as the case may be, or
- of deliberate disregard by the Option holder of the rules of the Company and/or Subsidiary Company or Associate Company (in case of transfer/deputation) as the case may be resulting in loss, damage, or injury to the Company and/or Subsidiary as the case may be, or
- to any unauthorised disclosure by the option holder of any of the secrets or confidential information of the Company and/or Subsidiary as the case may be, or to the option holder's having induced any client or customer of the Company and/or Subsidiary Company or Associate Company (in case of transfer/deputation) as the case may be to breach any contract with the Company and/or Subsidiary Company or Associate Company (in case of transfer/deputation) as the case may be, or
- the option holder's having induced any principal for whom the Company and/or Subsidiary as the case may be acts as agent to terminate the agency relationship, or any conduct of the Option holder that constitutes unfair competition with the Company and/or Subsidiary Company or Associate Company (in case of transfer/deputation) as the case may be.



## **18. Adjustments, Dissolution or Liquidation, Merger or Change in Control**

### **a) Changes in Capitalization:**

Subject to any required action by the shareholders of the Company, the number of Shares covered by each outstanding Stock Option, and the number of Shares, which have been authorized for issuance under the Plan but as to which no Stock Option have yet been granted or which have been returned to the Plan upon cancellation or expiration of an Stock Option, as well as the price per Share covered by each such outstanding Stock Option, shall be proportionately adjusted for any increase or decrease in the number of issued Shares resulting from a stock split, reverse stock split, stock dividend, bonus issue, combination or reclassification of the Shares, or any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company. The conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Board/ Compensation Committee, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance of Shares or stock of any class, or securities convertible into Shares or stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of the Shares subject to a Stock Option.

### **b) Dissolution or Liquidation:**

In the event of a proposed dissolution or liquidation of the Company, the Compensation Committee shall notify each Option holder as soon as practicable, prior to the effective date of such proposed dissolution or liquidation. The Compensation Committee in its discretion may provide for an Option holder to have the right to Exercise his Stock Option until 15(fifteen) days prior to such dissolution or liquidation as to all of the Stock Option covered thereby, including Shares as to which the Stock Option would not otherwise be exercisable. To the extent it has not been previously exercised, the Stock Option will terminate immediately prior to the consummation of such proposed action.

### **c) Merger or Asset Sale:**

In the event of a merger of the Company with or into another corporation, or the sale of substantially all of the assets of the Company, each outstanding stock option shall be assumed or an equivalent stock option substituted by the successor corporation or a holding company or a subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the stock option, the Option holder shall fully vest in and have the right to Exercise the Stock Option as to all of the option, including Shares as to which it would not otherwise be vested or exercisable. If an stock option becomes fully vested and exercisable in lieu of assumption or substitution in the event of a merger or sale of assets, the



Compensation Committee shall notify the Option holder in writing that the stock option shall be fully exercisable for a period of 15(fifteen) days from the date of such notice, and the stock Option shall terminate upon the expiration of such period. For the purposes of this paragraph, the Stock Option shall be considered assumed if, following the merger or sale of assets, the Stock Option confers the right to purchase or receive, for each Share subject to the Stock Option immediately prior to the merger or sale of assets, the consideration (whether stock, cash, or other securities or property) received in the merger or sale of assets by holders of Shares for each Share held on the effective date of such merger or sale of assets (and if the holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided however, that if such consideration received in the merger or sale of assets is not solely equity shares (or their equivalent) of the successor corporation or its holding company or subsidiary, the Compensation Committee may, with the consent of the successor corporation, provide for the consideration to be received upon the Exercise of the Stock Option, for each Share subject to the Stock Option, to be solely equity shares (or their equivalent) of the successor corporation or its holding company or subsidiary equal in Market Price of the per Share consideration received by holders of Shares in the merger or sale of assets.

**19. Non-Transferability of Stock Option:**

19.1. The Stock Options granted under this plan shall not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised during the lifetime of the Option holder.

**20. Surrender of Stock Options:**

20.1. Any employee to whom the Stock Options are granted under this Plan, may at any time, surrender his Stock Options to the management. In such case the company would not be liable to pay any compensation to the employee on account of his surrender of options. The Stock Options so surrendered by the employee will be added back to the pool of ungranted Stock Options and pursuant to this the employee shall cease to have all rights and obligations over such Stock Options.

**21. Terms and Conditions of the Shares:**

21.1. All Shares allotted on Exercise of Stock Options will rank pari-passu with all other equity Shares for the time being in issue (save as regards any right attached to such Shares by reference to a record date prior to the date of allotment).



## **22. Tax Liability**

- 22.1. In the event of any tax liability arising on account of the issue of the Stock Options to the Eligible Employee, the liability shall be that of such Employee alone.
- 22.2. In the event of any tax liability arising on account of the Plan, the Company / Subsidiary shall have a right to deduct the equivalent amount from the salary payable by the Company / Subsidiary to the Employee.
- 22.3. Notwithstanding anything contained in this Plan, no Shares/benefit shall be transferred to the Option holders, on exercise of the Stock Options, unless adequate taxes as required under the Income Tax Act, 1961 are withheld.

## **23. Disclosure and Accounting Policies:**

- 23.1. The Company shall comply with the requirements of applicable IND AS on Accounting for Share Based Payments and shall use Fair value method. The fair value of option would be calculated as per the prescribed method under the applicable regulations.
- 23.2. Compensation cost will be booked in the books of accounts of the Company over the vesting period. Compensation cost will be equivalent to the fair value of the Options as on grant date.
- 23.3. In case the company opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.

## **24. Governing Law**

- 24.1. This Plan and all related documents thereunder shall be governed by and construed in accordance with the Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014 and other Applicable laws of India.
- 24.2. The employee agrees and acknowledges that the Employee 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 the SEBI Guidelines or any other Applicable Law or other Indian Regulations shall not apply to the extent it is contrary.



## **25. Regulatory Approvals:**

25.1. The implementation of the Plan, the Granting of any Option under the Plan and the issuance of any Shares under this Plan shall be subject to the procurement by the Company and the Employee/ Beneficiary of all approvals and permits, if any, required by any regulatory authorities having jurisdiction over the Plan. The Employee/ Beneficiary under this Plan will, if requested by the Committee/ Company, provide such assurances and representations to the Company or the Committee, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.

## **26. Changes in the terms and conditions of the Plan**

26.1. Subject to the Applicable Laws, the Board or Compensation Committee may at any time change the terms and conditions of the Plan in such manner and at such time as it may deem fit provided that any such change / amendment shall not be detrimental to the interest of the Option holder / employees and approval, if required for such changes / amendments is obtained from the shareholders of the Company in terms of SEBI Regulations, as amended from time to time.

## **27. Confidentiality**

27.1. The Option holder who holds any Stock Options/ Shares under the Plan shall not divulge the details of the Plan or of the documents ancillary or incidental thereto, and his holding, to any person except with the prior written permission of the Company.

27.2. The Option holder shall enter into such agreement, as the Company may desire from time to time to more fully and effectively ensure confidentiality of this Plan.

## **28. Arbitration:**

28.1. 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. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after reasonable attempts, which attempt shall continue for not more than 30 days, gives 10 days' notice thereof to the other party in writing.

28.2. In case of such failure, either party may refer the dispute to a single arbitrator to be appointed by Managing Director of the Company. The arbitration proceedings shall be held in Jaipur, 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 Jaipur, India.

## **29. Miscellaneous**

- 29.1. This Plan shall not form part of any contract of employment between the Employee and the Company and/or Subsidiary as the case may be. The rights and obligations of any individual under the terms of his office or employment with the Company and/or Subsidiary as the case may be shall not be affected by his participation in this Plan or any right which he may have to participate in it and nothing in this Plan 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.
- 29.2. This Plan shall not confer on any Employee any legal or equitable rights (other than that to which he would be entitled as an ordinary member of the Company) against the Company either directly or indirectly or give rise to any cause of action in law or in equity against the Company.
- 29.3. This Plan is purely at the discretion of the Company.
- 29.4. Breach of any terms of this Plan by the Employee shall entitle the Compensation Committee to refuse to grant further Stock Options or extend any other benefit to such defaulting Employee.
- 29.5. Participation in the Plan shall not constitute or be construed as a guarantee or return on the Shares by the Company. Any loss or potential loss due to fluctuations in the market price of the Shares, and the risks associated with such investments are that of the Employee alone and not that of the Company.

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