# Bajaj Electricals Limited
# Performance Stock Option Plan-2023

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# 1. Name, Objective and Term of the Plan

1.1 This plan shall be called **'Bajaj Electricals Limited - Performance Stock Option Plan- 2023'** (**"Plan"** or "**PSOP-2023**").

1.2 The objective of PSOP-2023 is to reward the Eligible Employees of the Company (present or future) for their performance and to motivate them to contribute to the growth and profitability of the Company. The Plan aims to attract, retain, and reward talent in the organisation. The Company views Performance Stock Options as a means to enable the employees to get a share in the value they create for the Company in the future.

1.3 This Plan, formulated by the Board of Bajaj Electricals Limited – a company incorporated under the Indian Companies Act, 1913, with its registered office at 45/47, Veer Nariman Road, Mumbai 400001 – is subject to the approval of its Shareholders by way of a Special Resolution in order to Grant Options to its Employees.

1.4 The Committee may, subject to compliance with Applicable Laws and required approvals, if any, at any time alter, amend, suspend, or terminate this PSOP-2023.

1.5 This PSOP-2023 shall become effective from January 25, 2024 (**"Effective Date"**), and this Plan shall remain in effect unless terminated at any time at the sole discretion of the Board and/or Committee in accordance with Applicable Law but without the consent of and without notice to the Eligible Employees. Any such termination or expiry of this PSOP-2023 shall not affect the Grant, Vesting, or Exercise of the Options already issued under this Plan.

# 2. Definitions and Interpretation

2.1 **Definitions**

i. **"Abandonment"** shall mean discontinuation of employment by a Grantee without giving notice or without serving a period of notice as specified by the Company.

ii. **"Act"** refers to the Securities and Exchange Board of India Act, 1992, including any statutory modifications, amendments, or re-enactments made to it from time to time.

iii. "**Applicable Law**" means any prevailing act, rule or regulation relating to Employee Stock Options, including and without limitation to the Companies Act, the Act, the SEBI (SBEB and Sweat Equity) Regulations, the Companies (Share Capital and Debenture) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (each as amended from time to time), and all relevant tax, securities, exchange control or corporate laws of India, or amendments thereof or of any relevant jurisdiction or of any Recognised Stock Exchange on which the Shares are Listed or quoted.

iv. **"Associate Company**" means any associate company of the Company (present or future) as defined under section 2(6) of the Companies Act.

v. **"Beneficiary" or "Nominee"** shall mean the person or persons, trust or trusts designated by the Employee, or in the absence of any designation by the Employee, a person or persons who is/ are entitled by the will or probate of the Employee to receive the benefits specified in this Plan, the legal heirs of the Employee, if the Employee dies intestate and includes the Employee's executors or administrator, if no other Beneficiary is designated and able to act under the circumstances and such other persons 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 this Plan or any other agreements forming part thereof.

vi. "**Board**" shall mean the board of directors of the Company, constituted in accordance with the incorporation documents of the Company and as may be constituted/re-constituted in accordance with the Applicable Laws from time to time and shall include a committee of the board of directors as may be authorized to take certain decisions and/or perform certain actions as delegated to it by the board of directors.

vii. **"Cause"** means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or terms of employment amounting to misconduct or breach of terms of employment as determined by the Board after giving the Employee an opportunity of being heard. This may include the following scenario or any other scenario as may be determined by the Board or Committee of the Board.

(i) constant failure of the Employee in the opinion of the Board/Committee to achieve assigned performance targets and objectives;

(ii) gross negligence, wilful misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company, which is detrimental to the Interest of the Company or any of its affiliates, monetarily or otherwise;

(iii) breach by the Employee of any terms of his employment agreement or the Company's policies or other documents or directions of Company including the reasons of non-performance;

(iv) fraud, moral, turpitude, misfeasance, breach of trust or wrongful disclosure of any secret and confidential information about of the Company or any of its affiliates to any third party;

(v) participating or abetting a strike in contravention of any law for the time being in force;

(vi) Misconduct as provided under the labour laws after following the principles of natural justice.

(vii) the Employee's pleading guilty to or conviction of a offense involving imprisonment of more than one (1) year,

(viii) While in employment with the Company, employee is in employment of the any other organization not being a Group Company or Affiliated company.

viii. **"Closing Date"** shall mean 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.

ix. **"Committee"** means the Nomination and Remuneration Committee of the Board ("**NRC**") as constituted in accordance with Regulation 19 of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and section 178 of the Companies Act, as amended from time to time, which shall constitute and act as the compensation committee for the purposes of the SEBI (SBEB and Sweat Equity) Regulations.

x. "**Companies Act**" means the Companies Act, 2013 and rules made thereunder and include any statutory modifications or re-enactments thereof.

xi. **"Company"** means 'Bajaj Electricals Limited', a company incorporated and registered under the Indian Companies Act, 1913 having its registered office 45/47, Veer Nariman Road, Mumbai 400 001, and having its Corporate Identity Number: L31500MH1938PLC009887.

xii. "**Control**" shall have the same meaning as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

xiii. "**Director**" shall have the same meaning as defined under section 2(34) of the Companies Act.

xiv. **"Eligible Employee"** for the purpose of this Plan shall mean an Employee and as identified in accordance with Clause 5 of this Plan.

xv. "**Employee**" means-

(i) an employee as designated by the Company, who is exclusively working in India or outside India; or

(ii) a director of the Company, whether a whole-time director or not, including a non-executive director who is not a Promoter or member of the Promoter Group, but at all times excluding an Independent Director of the Company; or

(iii) an employee as defined in sub-clauses (i) or (ii), of a group company including Subsidiary or its Associate Company, in India or outside India, or of a Holding Company of the Company but does not include—
(a) an employee who is a Promoter or a person belonging to the Promoter Group; or
(b) a director who, either himself or through his Relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding Equity Shares of the Company.

xvi. **"Equity Shares"** means fully paid-up equity shares of the Company.

xvii. "**Exercise**" means making of an application by an Employee/Beneficiary to the Company for issue of Equity Shares against Vested Options in pursuance of this Plan, in accordance with the procedure laid down by the Company for such exercise and on payment of Exercise Price.

xviii. **"Exercise Application"** shall mean the application form for the purpose of enabling the Employee/ Beneficiary to apply to the Company for exercising the Vested Options in accordance with Clause 8 of this Plan and substantially in the form provided for the Options issued in pursuance of this Plan.

xix. "**Exercise Period**" shall mean the time period after Vesting within which the Employee/Beneficiary should Exercise his right to apply for Shares against the Vested Option in pursuance of this Plan.

xx. "**Exercise Price**" means the price, if any, payable by the Employee for exercising the Vested Option granted to him in pursuance of the Plan.

xxi. **"General Meeting**" means an annual general meeting or an extraordinary general meeting of the members of the Company held by the Company in accordance with the Articles of Association and Applicable Laws.

xxii. "**Grant**" means the process by which the Company issues Options to the Employees under the Plan.

xxiii. **"Grant Date''** shall mean the date on which the Options are approved and granted to the Employee by the Company in pursuance of this Plan.

xxiv. "**Grantee**" shall mean an Eligible Employee who is the recipient of Letter of Grant on the Grant Date in furtherance of a Grant.

xxv. "**Group**'' means two or more companies which, directly or indirectly, are in a position to—
(i) exercise twenty-six per cent or more of the voting rights in the other company; or
(ii) appoint more than fifty per cent of the members of the board of directors in the other company; or
(iii) Control the management or affairs of the other company.

xxvi. "**Holding Company**" means a holding company (present or future) as defined in sub-section (46) of section 2 of the Companies Act.

xxvii. **"Insider"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

xxviii. **"Independent Director"** shall have the same meaning assigned to it under the provisions of Companies Act read together with the rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

xxix. **"Letter of Grant"** shall mean the letter issued by the Company, substantially in the form provided for this Plan intimating an Eligible Employee of the Options granted to such Eligible Employee for acquiring a specified number of Shares at the Exercise Price and as per the Vesting Conditions described therein.

xxx. **"Long Leave"** means a sanctioned leave in excess of 90 days without break. Long

Leave shall also include Sabbatical Leave in full and exclude Maternity Leave.

xxxi. "**Performance Stock Option" or "Option"** means the option given to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the Shares underlying the option at a pre-determined price.

xxxii. "**Permanent Disability/Incapacity**" means any disability/incapacity of whatsoever nature, be it physical, mental, or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work, or task which the said Employee was capable of performing immediately before such disablement, as determined by the Plan Administrator.

xxxiii. **"Plan Administrator(s)"** means the Chief Human Resources Officer of the Company and/or the Chief Compliance Officer & Company Secretary of the Company or any other role holder(s) authorised by Committee from time to time to take necessary administrative steps in order to implement, supervise and administer the Plan.

xxxiv. **"Promoter"** shall have the same meaning as assigned to the term under the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended read with Companies Act.

xxxv. **"Promoter Group"** shall have the same meaning assigned to the term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

xxxvi. "**PSOP-2023**" or "**Plan**" means this Bajaj Electricals Limited- Performance Stock Option Plan-2023 under which the Company is authorized to Grant Performance Stock Options to the Employees.

xxxvii. "**Relative**" shall have the same meaning as defined under section 2(77) of the Companies Act.

xxxviii. "**Retirement**" means retirement as per the policies/rules of the Company.

xxxix. "**SEBI**" means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

xl. **"SEBI (SBEB and Sweat Equity) Regulations"** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended and re-enacted from time to time and includes any clarifications or circulars issued thereunder.

xli. **"SEBI Regulations"** means the regulations made by the SEBI under the Act.

xlii. "**Secretarial Auditor**" means a company secretary in practice appointed by the Company under rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit pursuant to regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Section 204 of the Companies Act.

xliii. "**Securities**" means securities as defined in section 2(h) of the Securities Contracts (Regulation) Act, 1956.

xliv. "**Shares**" means Equity Shares of the Company.

xlv. **"Shareholder"** shall mean the registered holder of the Shares at any given time.

xlvi. **"Stock Exchange"** means the National Stock Exchange of India Limited, Bombay Stock Exchange Limited or any other recognized stock exchange in India on which the Company's Shares are listed or to be listed in future and shall have the same meaning attributed to it under Section 2(j) of the Securities Contracts (Regulation) Act, 1956, as amended.

xlvii. **"Subsidiary"** means a subsidiary of the Company (present or future) as per the

definition under Section 2 (87) of the Companies Act.

xlviii. **"Tax" or "Taxes"** shall mean any income tax, perquisite tax, fringe benefits tax or any other taxes, or any levy or any contribution or any sums due (by whatever name it is called) imposed on the Company or on an Eligible Employee, with respect to the Grant, Vesting and/ or Exercise of the Options in pursuance of this Plan.

xlix. "**Unvested Option**" means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Grantee has not become eligible to Exercise the Option.

l. **"Vesting"** means process by which the Employee/Beneficiary becomes entitled to apply for Shares against the Options granted in pursuance of this Plan.

li. **"Vesting Date"** shall mean the respective dates on and from which the Option Vests with the Employee/ Beneficiary and thereby becomes exercisable in pursuance of this Plan.

lii. "**Vesting Period**" means the period during which the Vesting of the Option granted to the Employee, in pursuance of the Plan takes place.

liii. "**Vested Option"** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee/Beneficiary has become eligible to Exercise the Option.

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Companies Act, the Act, the SEBI (SBEB and Sweat Equity) Regulations (read with applicable circulars, notifications etc.), as amended from time to time, the Securities Contracts (Regulation) Act, 1956, or the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any statutory modification or re-enactment thereof, as the case may be.

2.2 **Interpretation**

i. In this Plan, unless the contrary intention appears:
   a) words importing a particular gender include any other gender;
   b) words using the singular or plural number also include the plural or singular number, respectively;
   c) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Plan and not to any particular Clause, sub-Clause or section of this Plan;
   d) whenever this Plan refers to a number of days, such number shall refer to calendar days unless otherwise specified;
   e) any reference to any statute or statutory provision shall include:
      - all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated); and
      - such statute or provision as may be amended, modified, re-enacted or consolidated.
   f) headings and captions are used for convenience only and shall not affect the interpretation of this Plan;
   g) references to Recitals, Clauses, sub-Clauses and Appendices shall be deemed to be a reference to the recitals, clauses, sub-clauses and schedules/ appendices of this Plan;
   h) reference to a Clause number shall also include reference to all its sub-Clauses;

ii. In the event of any inconsistency between the provisions of this Plan and the provisions of the employment offer letter or employment agreement of the Eligible Employee, the provisions of this Plan shall prevail.

iii. In the event of any inconsistency between the provisions of this Plan and the Articles of Association, then the provisions of the Articles of Association shall prevail and be deemed to have been incorporated herein by reference.

iv. In the event of any inconsistency between the provisions of this Plan and the SEBI Regulations, then the provisions of SEBI Regulations shall prevail and be deemed to have been incorporated herein by reference.

# 3. Authority

3.1 Subject to Clause 10.1 and 10.2 of the Plan, the Shareholders of the Company by way of special resolution dated January 25, 2024 approved the Plan authorizing the Committee to Grant not exceeding 5,75,510 Options to the Eligible Employees in one or more tranches, from time to time, which represents approximately 0.50% of the Issued, subscribed and fully paid up equity share capital of the Company as on January 25, 2024 with each such Option conferring a right upon such Eligible Employees to apply for one Share in the Company in accordance with the terms and conditions as may be decided under the Plan.

3.2 The maximum number of Options that shall be granted to any specific Employee(s) of the Company under this Plan, in any financial year shall not be equal to or exceed 1% of the issued share capital (excluding outstanding warrants and conversions) of the Company, if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

3.3 If an Option expires, lapses, gets cancelled, surrendered, or becomes un-exercisable due to any reason, it shall be brought back to the Options pool and shall become available for future Grants, subject to compliance with the provisions of Applicable Law.

3.4 Where Shares are allotted consequent upon Exercise of an Option under the Plan, the maximum number of Shares that can be allotted under Plan as referred to in Clause 3.1 above shall stand reduced to the extent of such Shares allotted.

# 4. Administration

4.1 The Plan shall be administered by the Committee working under the powers delegated by the Board. The Committee is authorized to, interpret, administer this Plan, to establish, amend and rescind any rules and regulations relating to this Plan, and to make any other determinations that it deems necessary or desirable for the administration and implementation of this Plan subject to approval of the Shareholders as may be required. The Committee may correct any defect, omission or reconcile any inconsistency in this Plan in the manner and to the extent the Committee deems necessary or desirable and to resolve any difficulty in relation to implementation of this Plan and take any action which the Board is entitled to take in relation thereto. No member of the Committee may act upon matters under this Plan specifically relating to such member of the Committee.

4.2 The acts of majority of the members of the Committee present at any meeting (at which the quorum is present) or acts approved in writing by a majority of the entire Committee shall be the acts of the Committee for the purpose of the Plan. Any decision of the Board/Committee in the interpretation and administration of this Plan, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Employee, Grantee, Nominee and their Beneficiaries and successors). The Company (including the Board/Committee) shall not be liable for any action or determination made in good faith with respect to this Plan or any Option granted thereunder.

4.3 Subject to compliance with Applicable Laws and limitations set out in the Plan, the Committee shall upon the advice of Plan Administrator or otherwise, 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 identified Employees and determine the Grant Date;
iv. Determine the quantum of the Options, shares or benefits as the case may be, to be granted under the Plan per Employee and in aggregate;
v. Determine the number of additional Options to be granted to the Employees from time to time;
vi. Determine the conditions under which Options, shares or other benefits as the case may be, may vest in Employees and may lapse in case of termination of employment for misconduct;
vii. Determine whether an Employee has been terminated for Cause;

viii. Notify the Employee/Beneficiary if the Options become eligible for Exercise;

ix. Determine the right of an Employee to Exercise all the Vested Options at one time or various points in time when the Options have become capable of being Exercised;

x. Determine and notify the Exercise Period within which the Employee can Exercise the Options and when the Options would lapse on failure to Exercise the same within the Exercise Period;

xi. Determine the specified time period within which Employees shall Exercise the Vested Options in the event of termination or resignation;

xii. Where any corporate actions may warrant adjustment to the number of Options and/or the Exercise Price, refer such matters to the Board;

xiii. Determine the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, inter alia, be taken into consideration by the Committee:

   a. The number and price of Options shall be adjusted in a manner such that total value to the Employee of the options remains the same after the corporate action;

   b. The Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Employee(s) who is granted such Options;

xiv. Determine the Grant, Vesting and Exercise of Options or Shares in case of Employees who are on Long Leave;

xv. Refer to the Board any decision to amend the Grant, Vesting and/ or Exercise of Options for Employees who are on Long Leave;

xvi. Refer to the Board for any decision to alter/ modify the Vesting schedule and/ or Exercise Price for subsequent Grants;

xvii. Refer to the Board for any decision to alter/ amend the Plan subject to Clause 10 of the Plan;

xviii. Determine the procedure for buy-back of specified securities (as defined under Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018) issued under the SEBI (SBEB and Sweat Equity) Regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:

   a. Permissible sources of financing for buy-back;

   b. Any minimum financial thresholds to be maintained by the Company as per its last financial statements; and

   c. Limits upon quantum of specified securities that the Company may buy-back in a financial year.

xix. 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;

xx. Decide all other matters that must be determined in connection with a Grant under the Plan;

xxi. Construe and interpret the terms of the Plan, and the Options granted pursuant to the Plan;

xxii. Refer to the Board any issue arising as a result of any inconsistency in the Plan, unless such inconsistency is of an administrative nature only; and

xxiii. Perform such other functions and duties as shall be required under the Applicable Laws.

xxiv. Define the procedure for cashless Exercise of Option in accordance with the Applicable Law and Regulations, if required.

4.4 Under the overall authority of the Committee, the Plan Administrator shall be authorised and responsible to take necessary administrative steps in order to implement, supervise and administer the plan, including: -

i. Determine Employee-wise number of grants for Committee's approval;

ii. Issue, amend, modify the Grant Letters to Grantees;

iii. Compute Vesting of Options as per the Plan basis level of performance achievement;

iv. Accept nomination forms/exercise notices from Grantees;

v. Execute, sign, and deliver all letters, correspondence, certificates, undertaking and other deeds and documents on behalf of the Company for any purpose incidental or ancillary to the Plan;

vi. Appoint any consultant, lawyer, professional etc. for any legal opinion, advice, views or to represent the Company before any statutory or non- statutory authority. Also, appoint valuer / chartered accountant as may be required;

vii. Do all such acts, deeds and things as may be required to be done to implement and administer the Plan or any other matter connected thereto under the Authority of the Committee; and

viii. Approve forms, writings and/or agreements for use in pursuance of the Plan.

4.5 The Company shall frame suitable policies and procedures to ensure that there is no violation of Companies Act, SEBI Regulations including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, each as amended, by the Company and its Employees, as and when such Regulations are made applicable to the Company.

# 5. Eligibility and Applicability

5.1 Only Employees within the meaning of this Plan are eligible for being granted Options under this Plan. The specific Employees to whom the Options would be granted and their eligibility criteria would be determined by the Committee.

5.2 The appraisal process for determining the eligibility of the Employee will be determined by the Committee from time to time and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the Committee from time to time.

5.3 Based on the eligibility criteria as described in Clause 5.2 above of this Plan, the Committee at its sole discretion will decide the Employees eligible for Grant of Options under this Plan and accordingly, the Company acting through the Committee would Grant the Options to the identified Employees under the Plan.

5.4 The Plan shall be applicable to the Company and any successor company thereof, or Subsidiary companies and may be granted to the Employees and Directors of the Company as defined under Clause 2.1 (xiv) above, or its Subsidiary company, as determined by the Committee at its own discretion.

**Provided that** in case of any Grant of Option to the Employees of its Subsidiary companies, prior approval of the Shareholders shall be obtained as per provisions of the Applicable Law.

5.5 Where the Employee is a Director nominated by an institution as its representative on the Board of the Company –

i the contract or agreement entered into between the institution nominating its employee as the Director of the Company, and the Director so appointed shall, inter alia, specify the following:

a. whether the Options granted by the Company under the Plan can be accepted by the said employee in his capacity as Director of the Company;

b. that Options if granted to the Director, shall not be renounced in favour of the nominating institution; and

c. the conditions subject to which fees, commissions, other incentives, etc. can be accepted by the Director from the Company.

ii the institution nominating its employee as a Director of the Company shall file a copy of the contract or agreement with the Company, which shall, in turn file the copy with all the Stock Exchanges on which its Shares are listed.

iii the Director so appointed shall furnish a copy of the contract or agreement at the first Board meeting of the Company attended by him after his nomination.

# 6. Grant and Acceptance of Grant

6.1 **Grant of Options**

i. Grants contemplated under the Plan shall be made on such day and month as decided by the Committee at its discretion.

ii. Subject to the overall limit prescribed in Clause 3.1 of this Plan, the Options may be granted in one or more tranches and in one or multiple subsequent years.

iii. The Grant of the Options by the Company to the Grantee shall be made in writing or through any other electronic medium identified by the Company and communicated to the Grantee by a Letter of Grant alongwith the copy of the Plan. The Letter of Grant shall specify the details of the Grant Date, number of Options, the Vesting Period, schedule of Vesting, Conditions for Vesting, the Exercise Price, Exercise Period and any other terms and conditions that the Committee may deem necessary.

iv. Except for provisions mentioned in clause 8.2(b), a Grant made under this Clause is personal to the Grantee, should be treated as confidentially by the Grantee and cannot be transferred in any manner whatsoever.

6.2 **Acceptance of the Grant**

Any Eligible Employee who wishes to accept the Grant made under this Plan must deliver to the Company an acceptance of the Letter of Grant on or before the Closing Date which shall not be more than 60 days from the date of the Grant, in a manner as specified in the Letter of Grant. On receipt by the Company of the acceptance, the Eligible Employee will become an Option Grantee.

6.3 Any Eligible Employee, who fails to deliver the signed acceptance of the Letter of Grant on or before the Closing Date stated above, shall be deemed to have rejected the Grant unless the Committee determines otherwise.

# 7. Vesting Schedule and Vesting Conditions

7.1 Subject to Clause 8.2(b) of the Plan, the minimum Vesting Period shall be one year from the Grant Date.

**Provided** that in case where Options are granted by the Company under this Plan in lieu of options held by a person under a similar Plan in another company ("Transferor Company") which has merged or amalgamated with the Company, the period during which the options granted by the Transferor Company were held by him may be adjusted against the minimum Vesting Period required under this Sub-clause.

7.2 Unless otherwise specified in Letter of Grant, the total Options granted shall become Eligible to Vest as per following schedule

- 1/3rd of Option granted shall become Eligible to Vest on First anniversary of Grant Date.
- 1/3rd of Option granted shall become Eligible to Vest on Second anniversary of Grant Date.
- 1/3rd of Option granted shall become Eligible to Vest on Third anniversary of Grant Date.

The maximum Vesting Period under the Plan should not exceed 5 (five) years from the Grant Date.

Further, subject to continued employment and achievement of performance conditions, the above Eligible Options shall Vest in accordance with Clause 7.3 to 7.9 below. For the purpose of determining number of options to vest in any given tranche, fractional Options may be rounded off to nearest whole number. Such rounding off may be offsetted in the last Vesting such that total number of options to vest doesn't exceed number of options granted.

7.3 At the Grant Date, Committee will set annual performance targets/parameters to be achieved by the Company for the first year of Vesting and thereafter Committee in first quarter of every Financial Year shall set annual performance targets/parameters for each subsequent year of Vesting.

7.4 The Vesting will be based on the following performance targets/ parameters namely,

i. Target Revenue;
ii. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA);
iii. Return on Invested Capital (ROIC)
iv. Other parameters, if any, as the Committee may determine

The weightage of each of the above targets/parameter shall be decided by the Committee

and shall be communicated to the Grantee through the Letter of Grant. Further, for the purpose of determining Vesting of any tranche, the performance achievement vis-à-vis target for the immediately preceding financial year would be considered.

7.5 The Committee may add or replace the above with any other Company performance financial targets/parameter aligned to long term shareholder value creation from time to time.

7.6 Options shall Vest based on the Company's overall performance of the above targets/parameters calculated for each metric separately and shall be subject to below performance-vesting relationship:

| **Type of performance** | **Actual performance (% of target)** | **Vesting of Options (% of Eligible to Vest Options)** |
|---|---|---|
| Below Threshold | <60% | 60%* |
| Threshold | 60% | 60% |
| Target or above | 90% or more | 100% |
| Between Threshold and Target | 60% - 75% | 70% |
| | 75% - 90% | 80% |

* Only if the performance is better than the immediately preceding year

7.7 If the above performance parameters are not met, the NRC, at its discretion, may allow the carry forward of Options that are likely to lapse due to non-fulfilment of performance parameters for only 1 year, and can allow Vesting of such Options in subsequent year only if 100% targets of subsequent year are met. No carry forward of Options shall be allowed beyond 1 year.

7.8 Subject to Clause 7.7 above, Options which do not Vest on Vesting Date on account of non-fulfilment of performance targets shall automatically lapse, without any obligations whatsoever on the Company (including the Board or Committee) and no rights in that regard will accrue to the Eligible Employee after such date. Such Unvested Options shall brought back/revert to the PSOP-2023 pool and may be granted at the discretion of the Board or Committee to any other Eligible Employee.

7.9 Subject to Applicable Laws, and unless the Committee decides otherwise, no Options shall vest in an Employee, if such Employee carries on or engages in, directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, any business which competes directly or indirectly with the whole or any part of the business carried on by the Company or any activity related to the business carried on by the Company. Decision of the Committee in this regard shall be final and conclusive and cannot be called in question by the Employee. For the sake of clarity, the restriction contained in this Clause shall not apply to any investment held as a portfolio by the Employee or any activity/business carried out by the Employee pursuant to his duties as an Employee and shall not apply to the Nominee/Beneficiary of the Employee.

7.10 Notwithstanding anything otherwise contained in this Plan and Subject to Clause 8.2 below, as a prerequisite for a valid Vesting, an Option Grantee is required to be in employment or service of the Company and not serving notice on the Vesting Date and must not be subject to any disciplinary proceedings pending against him on Vesting Date. In case of any disciplinary proceedings against any Option Grantee, the Committee can keep the relevant Vesting in abeyance until disposal of the proceedings and such Vesting shall be determined accordingly.

# 8. Exercise of Options

8.1 **Exercise Price & Conditions:**

i. The Exercise Price of Grant shall be the Face Value of the Equity Share of the Company i.e., INR 2/- per Equity Share.

ii. Subject to terms of this Plan and subject to Applicable Laws, an Employee/Beneficiary can Exercise Vested Options only within the Exercise Period

only by applying to the Company during the Exercise Period, by way of an Exercise Application and upon payment of the Exercise Price and applicable Taxes.

iii. The Plan Administrator can decide the procedure for the Exercise of Options and allotment of Shares.

iv. No Vested Option shall be exercisable in its fractional form and each Option entitles the Employee/Beneficiary thereof to apply for and be allotted 1 (one) Share each on the payment of the Exercise Price and applicable taxes during the Exercise Period, subject to the terms and conditions specified in the Letter of Grant.

v. No amount shall be payable by the Option Grantee at the time of Grant and hence no amount is required to be forfeited even if an Employee does not Exercise the Options within Exercise Period and accordingly no adjustment is required to be made for the same.

vi. Exercise of the Vested Options shall take place at the time and place designated by the Plan Administrator and by executing such documents as may be required under the Applicable Laws and the terms of this Plan to pass a valid title of the relevant Shares to the Employee/ Nominee, free and clear of any liens, encumbrances and transfer restrictions save for those set out therein.

vii. A Vested Option shall be deemed to be validly exercised only when the Plan Administrator receives written and physical or electronically signed notice of Exercise Application form along with the proof of payment of applicable taxes by the Employee/ Beneficiary and, subject to Clause 15 of this Plan, the full payment of the Exercise Price, taxes (wherever arising) and any other sums due referred to in Clause 15 to the Company as per this Plan in respect of Exercise of the Option (**"Aggregate Exercise Price"**).

viii. 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:
   a. Cheque or demand draft issued in the name of the Company; or
   b. Remittance directly from the Employee's bank to the bank account of the Company (wire transfer) as the Plan Administrator may specify; or
   c. Through Company ESOP Application/software (Payment gateway, online transfer)
   d. Any combination of such methods of payment or any other method acceptable to the Plan Administrator at its sole discretion and stipulated in the Plan;

ix. At the time of allotment/transfer of Shares pursuant to a valid Exercise, the Employee/Beneficiary may be required to sign or execute such documents as may be considered necessary by the Committee or Plan Administrator to lawfully execute/enforce various provisions of this Plan.

x. The Plan Administrator shall endeavour to ensure that the process of allotment/transfer of Shares to the Employee/Beneficiary who has validly exercised his Vested Options is completed within a reasonable period of time from the time of receiving the Exercise Application by the Plan Administrator.

xi. Notwithstanding anything else contained in this Plan and, if the Employee/Nominee does not Exercise his Vested Options within the time period as specified by terms of this Plan, the Options shall automatically lapse at the end of the aforesaid period without any obligations whatsoever on the Company (including the Board and/or Committee) and no rights in that regard will accrue to the Employee after such date.

xii. Subject to the Companies (Share Capital and Debentures) Rules, 2014 and SEBI Regulations (including the SEBI (SBEB and Sweat Equity) Regulations), and unless the Committee decides otherwise, no Employee shall be entitled to make an Exercise, if such Employee carries on or engages in, directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, any business which competes directly or indirectly with the whole or any part of the business carried on by the Company or any activity related to the business carried on

by the Company. Decision of the Committee in this regard shall be final and conclusive and cannot be called in question by the Employee. For the sake of clarity, the restriction contained in this Clause shall not apply to any investment held as a portfolio by the Employee or any activity/business carried out by the Employee pursuant to his duties as an Employee and shall not apply to the Nominee/Beneficiary of the Employee.

xiii. If the Exercise of Options within the Exercise Period, is prevented by any law or regulation in force, the Committee shall defer or not permit the Exercise of Options till such time as it is prohibited by the Applicable Laws or regulations and in such an event the Company shall not be liable to pay any compensation or similar payment to the Grantee for any loss suffered due to such refusal.

xiv. Only upon allotment/transfer of the Shares, the Employee/Nominees shall become Shareholders. The Shares to be allotted/transferred shall rank pari-passu in all respects with the outstanding Shares.

xv. All such unexercised Options that so lapse, shall brought back/revert to the PSOP-2023 pool and may be granted at the discretion of the Committee to any other Eligible Employee.

xvi. Subject to the Exercise Period, the Vested Options may be Exercised, only by the Employee, and after his demise, by his Nominee, as may be applicable.

8.2 **Exercise Period:**

**(a) While in employment:**

(i) The Exercise Period shall be 2 (two) years from the date of respective Vesting of Options. The Options granted may be exercised by the Grantee at one time or at various points of time within the Exercise Period.

**(b) Exercise Period in case of separations**: Options can be Exercised as per provisions outlined below:

| Sr. No. | Separations | Vested Options | Unvested Options |
|---|---|---|---|
| 1 | **Resignation [Other than due to Cause like fraud/ misconduct]** | Subject to the terms and conditions formulated by the Plan Administrator, all Vested Options as on date of submission of resignation may be Exercised by the Option Grantee within 90 days from the date of submission of resignation. | All Unvested Options on the date of submission of resignation shall lapse with effect from the date of submission of resignation. |
| 2 | **Termination (With Cause like fraud, miscondu ct etc.)** | All Vested Options which are unexercised as on the date of termination shall lapse. | All Unvested Options as on the date of termination shall lapse. |
| 3 | **Retirement or early Retirement approved by Company** | All Vested Options as on date of Retirement may be Exercised by the Option Grantee within 90 days from the date of Retirement unless Committee decides otherwise. | All Unvested Options shall continue to vest as per the Vesting Schedule and Conditions specified under Clause 7 above and can exercised within the Exercise Period. |

| | | | |
|---|---|---|---|
| 4 | **Death** | All Vested Options may be Exercised by the Option Grantee's Nominee or legal heir within the Exercise Period. | All Unvested Options as on the date of death shall vest immediately and may be Exercised by the Option Grantee's Nominee or legal heir/s within the Exercise Period. |
| 5 | **Permanent Disability** | All Vested Options may be Exercised by the Option Grantee within the Exercise Period. | All Unvested Options as on the date of such Permanent Disability shall vest immediately and can be Exercised by the Option Grantee within the Exercise Period. |
| 6 | **Abandonment*** | All the Vested Options shall Lapse. | All the Unvested Options shall Lapse. |
| 7 | **Any Other Reason** | Treatment of Vested Options shall be decided as per the discretion of the NRC | All the Unvested Options shall Lapse. |

**The Committee, at its sole discretion shall decide the date on which Options shall lapse and such decision shall be binding on all concerned.*

8.3 **Long Leave**: For the purposes of this Plan, Long Leave will not be treated as continuous employment/service by a Grantee for the purpose of the Plan. In such an event, Plan Administrator reserves the right to extend the Vesting Period by a period not exceeding the leave period, in consultation with the Committee.

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

8.5 In the event of transfer of an Employee from the Company to its Subsidiary company(ies) (present or future) or Associate Company(ies) (present or future), the treatment of the Unvested Options (i.e., whether to allow to Vest or Lapse) as on the date of transfer, shall be decided by the Committee basis recommendation from the Plan Administrator

8.6 In the event that an Employee who has been granted benefits under this Plan, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing Company, prior to the Vesting or Exercise, the treatment of Options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Employee.

8.7 The Options not Exercised within the Exercise Period shall lapse without any obligations whatsoever on the Company (including the Board or Committee) and no rights in that regard will accrue to the Employee after such date. Such Unvested Options shall brought back/revert to the PSOP-2023 pool and may be granted at the discretion of the Board or Committee to any other Eligible Employee.

# 9. Ranking, listing of shares and rights of shareholders

9.1 The Shares issued on the Exercise of Vested Options shall rank *pari-passu* with all the existing Shares subject to such exceptions and restrictions as may be specified in Articles of Association and this PSOP-2023. At the time of allotment of Shares pursuant to a valid Exercise, the Eligible Employee will be required to sign such document as may be considered necessary by the Plan Administrator to lawfully execute/enforce various provisions of this PSOP-2023.

9.2 The Shares issued on Exercise of Vested Options shall be listed as per the regulation on all Recognised Stock Exchange where the existing Shares are listed subject to compliance of all the Applicable Laws and Regulations.

# 10. Corporate Action

10.1 In case of Corporate Action, including but not limited to Share split, merger, demerger, sale of division, consolidation, rights issues, bonus issues and other corporate actions, the Committee in accordance with Applicable Laws shall ensure while taking into consideration the global best practices in this area that adjustment to Exercise Price, Number of options granted, accelerated Vesting, Adjustment of Vesting Conditions, etc, shall be appropriately made without prejudice to the interest of the Employee. The decision of the Board / Committee on whether such action is necessary and the extent of such action by the Board shall be final and binding.

10.2 In case of a Share split or consolidation, if the revised face value of the Share is less or more than the current face value as prevailing on the date of coming into force of this Plan, the maximum number of Options available for being granted under PSOP-2023 as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (no. of Options X face value per underlying Share) prior to such Share split or consolidation remains unchanged after adjusting for such Share split or consolidation.

10.3 The Committee may determine the procedure for making fair and reasonable adjustments to the number of Options and the terms and conditions of this Plan in case of corporate actions such as further capitalization, mergers, sale of division and others (so as to ensure the economic value of the benefits granted are not materially altered by either the corporate action, or the adjustment required as a result of the corporate action).

# 11. Lock-in

11.1 The Shares issued upon Exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such Exercise.

**Provided that** the transferability of the Equity Shares shall be subject to the restriction for such period in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended from time to time or for such other period as may be stipulated from time to time in terms of Company's Code of Conduct for Prevention of Insider Trading.

# 12. Beneficiary/Nominee Designation

12.1 Each Employee under this Plan may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit accrued to such Employee under this Plan is to be delivered in case of his or her death before he or she receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Employee, shall be in a form prescribed by the Company and will be effective only when filed by the Employee in writing with the Company during the Employee's lifetime.

# 13. Surrender of Options

13.1 An Employee may surrender his/her Vested/Unvested Options at any time during/post his employment with the Company. Any Employee willing to surrender his/her Options shall communicate the same to the Plan Administrator in writing. Thereafter the surrendered Options shall expire with effect from the date of surrender of Options and become available for future Grant under the Plan.

# 14. Arbitration

14.1 In the event of a dispute arising out of or in relation to the provisions of this Plan or any communication in relation thereto (including a dispute relating to the Construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such disputes through an amicable settlement. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after a reasonable attempt, which attempt shall continue for not more than 90 days, gives 90 days' notice thereof to the other party in writing. In case of such failure, either party may refer the dispute to a

single arbitrator appointed by both the parties and failing such agreement, to three arbitrators, one to be appointed by each party and the third arbitrator to be jointly appointed by the two arbitrators appointed by the parties. The arbitration proceedings shall be held in Mumbai 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 Mumbai. Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this PSOP-2023:

i. in any other court of competent jurisdiction; or
ii. concurrently in more than one jurisdiction.

# 15. Withholding Tax or Any Other Sums

15.1 All Shares issued to the Employee/Beneficiary on Exercise of Options granted under this Plan, dividend or any other amounts payable by the Company to the Employee/Beneficiary pursuant to this Plan shall be subject to all applicable taxes, withholding tax and/ or any levy and/ or any contribution and/ or any sums due (by whatever name it is called) arising due to participation in this Plan (in or outside India), if any, and the Company accordingly, may withhold/ recover such taxes and/ or levy and/ or contribution and/ or payment in full unless Company decides to withhold in part.

15.2 Notwithstanding anything contained in any other Clauses of this Plan, if the Grant of the Option and/ or the Vesting of Option and/ or the Exercise of the Options and/ or allotment or transfer of the Shares under the Plan and or at any time while this Plan is in operation shall be subject to any levy and/ or taxes or contribution or payment (by whatever name called), if any, that is levied on or payable by the Company (in or outside India), then such taxes and/ or levy and/ or contribution and/ or payment shall be recovered in full, unless the Company at its sole discretion decides to recover in part from the Employee.

15.3 Notwithstanding anything else contained in this Plan, no Shares/ sale proceeds therefrom, as the case may be, shall be issued/ allotted/ transferred/ disbursed to the Employee/ Nominee, on Exercise of the Options under this Plan, unless appropriate levies/ taxes/ contributions/ payments as given in this Clause are recovered in full, unless the Company at its sole discretion decides to recover only a part of the same from the Employee or Beneficiary.

# 16. Authority to vary terms

The Committee may, subject to necessary statutory approvals at any time and from time to time and Applicable Laws:

16.1 Revoke, add to, add addendum to the Plan as per Clause 18.3, alter, amend or vary all or any of the terms and conditions of this Plan or all or any of the rights and obligations of the Grantee/Beneficiary; and should be in the interest of the of the Grantee/Beneficiary.

16.2 Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Grantee/ Beneficiary. Each of such sets of special terms and conditions shall be restricted in its application to those Grantee/ Beneficiary;

16.3 Formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Grantee/ Beneficiary separately and each of such sets of special terms and conditions shall be restricted in its applications to such Grantee/ Beneficiary;

16.4 The Company may by special resolution in a General Meeting vary the terms of the Plan offered pursuant to an earlier resolution of the shareholders but not yet exercised by the Employee provided such variation is not prejudicial to the interests of the Employees. Except otherwise provided under the Applicable Laws, if such variation to the terms of the Plan is prejudicial to the interest of the Employee, the same shall be only with the consent of the Employees. The notice for passing such special resolution for variation of terms shall disclose the relevant information as required under Applicable Laws.

# 17. Accounting and Disclosures

17.1 The Company shall follow the laws/regulations applicable to accounting and disclosure related to Employee Stock Options, including section 133 of the Companies Act but not limited to SEBI (SBEB and Sweat Equity) Regulations as well as the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the regulatory authorities from time to time, including the disclosure requirements prescribed therein, as and when applicable to the Company.

17.2 The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features/Plan document of the PSOP-2023 in a format as prescribed under SEBI (SBEB and Sweat Equity) Regulations or any other Applicable Law as in force.

17.3 The Company shall disclose details of Grant, Vest, Exercise and lapse of the Options on the website of the Company and in the Directors' Report or in an annexure thereof as prescribed under Companies Act, SEBI (SBEB and Sweat Equity) Regulations or any other Applicable Laws as in force.

17.4 The Board of the Company shall at each annual general meeting place before the shareholders a certificate from the Secretarial Auditors of the Company that the Plan has been implemented in accordance with the prescribed regulations and in accordance with the resolution passed by the Shareholders of the Company.

# 18. Governing Laws

18.1 This Plan and all agreements thereunder shall be governed by and construed in accordance with the Applicable Laws of India. The Grant of Options and issue and allotment / transfer of Shares under this PSOP-2023 shall entitle the Company to require the Employee to comply with such requirements of Applicable Laws as may be necessary in the opinion of the Committee. In case of any conflict between the provisions of this PSOP-2023 and any provisions, rules, regulations or guidelines issued under Applicable Laws, the provisions of the Applicable Laws shall override the provisions of this PSOP-2023 to the extent of such conflict.

18.2 In the event that any Applicable Laws render this PSOP-2023 as illegal or void, this PSOP-2023 shall automatically be treated as withdrawn and cancelled and the Company shall have no obligation or liability whatsoever towards any Employee including in relation to any Vested Options or Unvested Options. The inability of the Company to obtain approval from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and transfer of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to Grant the Options or issue / transfer the Shares.

18.3 In order to comply with regulation of any other country or to avail any tax or other benefits, Committee may at its sole discretion and in compliance with Applicable Laws, formulate an addendum to this Plan for Employees employed in that country and made applicable to such Employees from the date determined by the Committee.

18.4 In case any Options are granted to any Employee being resident outside India belonging to the Company working outside India, the provisions of the Foreign Exchange Management Act, 1999 and Rules or Regulations made thereunder and any other Applicable Laws in or outside India as amended and enacted from time to time shall be applicable, and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vest, Exercise of Options and allotment of Equity Shares thereof.

# 19. Notices

19.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this PSOP-2023 shall be in writing or electronic mode. The communications shall be made by the Company in any one or more of the following ways:

i. Sending communication(s) to the address of the Option Grantee available in the records

of the Company; or

ii. Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or

iii. Emailing the communication(s) to the Option Grantee at the official email address provided, if any, by the Company to the prospective /existing Option Grantee during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

19.2 Any communication to be given by an Option Grantee to the Company in respect of PSOP-2023 shall be sent to the person at the address mentioned below or emailed at:

| Sr. No | Designation | Name | Address | Email |
|---|---|---|---|---|
| 1 | Chief Human Resources Officer | Suman Kumar Ghosh | Bajaj Electricals Limited Rustomjee Aspire, 7th Floor, Bhanu Shankar Yagnik Marg, Sion East, Mumbai- 400022 | sumang@bajajelectricals.com |
| 2 | Chief Compliance Officer & Company Secretary | Prashant Dalvi | Bajaj Electricals Limited Mulla House, 51 Mahatma Gandhi Road, Fort, Mumbai 400001 | prashantd@bajajelectricals.com |

# 20. Severability

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

# 21. Confidentiality

21.1 An Option Grantee must keep the details of the PSOP- 2023 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this Clause on confidentiality, all unexercised Options shall stand cancelled immediately. The decision and judgement of the Committee regarding breach of this Clause on confidentiality shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Committee shall have the authority to deal with such cases as it may deem fit.

21.2 On acceptance of the Grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Plan or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need-to-know basis.

21.3 **"Confidential Information"** includes any and all information related confidential and privileged information, trade secrets, employment related information, strategies, administration, research in connection with the Company or Promoters of the Company, commercial, legal, scientific, technical data, business and financial information about costs, profits, markets, sales, customers and bids, business plans, marketing, future developments, product developments and new products concepts, schematics, techniques, suggestions, development tools and processes, computer programs, designs, drawings, manuals, electronic codes, device drivers, formulas and improvements, software demonstration programs, routines, algorithms, computer systems, techniques, documentation, designs, procedures, ideas, know-how, formulas, inventions (whether patentable or not),

improvements, concepts, records, files, memoranda, reports, drawings, plans, price list, customer lists, vendor/partner lists, forecasts, apparatus, modules, samples, prototypes or parts thereof or any project names, product names, project information through visual images, distributor(s) and representative(s) list, employee(s), salary, benefits, payroll information , documents, books, papers, drawing, model, sketches, and the like provided to or made available to the employee by the Company or developed by the employee to facilitate his/ her work or that the employee is able to know or has obtained access by virtue of his/ her employment or position with the Company, as the case may be.

21.4 In furtherance of this Plan, the Grantee confirms that:

i. the Grantee shall not engage himself/ herself in activities that have or will have an adverse impact on the reputation of the Company or Promoters of the Company.

ii. while during employment with the Company, the Grantee shall engage exclusively in the work assigned by the Company and shall not take up any independent or individual assignments, whether the same is part time or full time, (in an advisory capacity or otherwise) and whether directly or indirectly.

iii. the Grantee shall not, directly or indirectly, engage in any activity or have any interest in, or perform any services for any person who is involved in activities which are or shall be (in the sole opinion of the Board) in conflict with the interests of the Company or Promoters of the Company.

iv. in consideration of the Options granted to the Grantee, as also, opportunities, training and access to new techniques and know-how that has been made available to the Grantee, the Grantee shall also strictly abide by any and all of the terms of the employment agreed by the Grantee.

v. the Grantee shall maintain as secret and confidential all Confidential Information and shall not use or divulge or disclose any such Confidential Information except as may be required under any obligation of law (subject to obtaining the consent of the Company) or as may be required by the Company.

vi. the Grantee understands that the Grant of the Option is limited only to the Shares of the Company, and the Grantee shall have no recourse to the shares of any other company in any manner whatsoever.

21.5 the Grantee understands that “Confidential Information” means any or all information about the Company or Promoters of the Company that satisfies one or more of the following conditions:

i. such information which has not been made generally available to the public, save and except for information disclosed to the public with the consent of the Company; or

ii. such information which is critical, in the Company’s opinion, to the Company’s current or anticipated business activities or those of a customer or supplier or associate or channel partner of the Company or Promoters of the Company and the disclosure of the same would affect their competitiveness; or

iii. such information which either has been identified as confidential by the Company or Promoters of the Company (either orally or in writing) or has been maintained as confidential from outside parties and is recognized as intended for internal disclosures only; or

iv. such information which either is of a nature that it gives a distinct edge to the Company or Promoters of the Company over competition when not shared with the competition, or is likely to give any advantage to the competition or any other organization/ person/ group of persons when shared with the organization/ person/ group of persons; or

v. such information which is required to be kept confidential by any requirement of law.

# 22. Miscellaneous

22.1 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Option shall give such individual any right, entitlement, or expectation that he has or shall in future have any such right, entitlement or expectation to participate in this Plan by being granted a Performance Stock Option on any other occasion.

22.2 The rights granted to an Option Grantee upon the Grant of an Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

22.3 Participation in this Plan shall not be construed as any guarantee of return on equity

investment. Any loss due to fluctuations in the Market Price of the Shares, if any and the risks associated with the investments are that of the Employee alone.

22.4 This Plan shall not confer on any person any legal or equitable rights against the Company (including the Board and/or Committee) directly or indirectly or give rise to any cause of action at law or in equity against the Company (including the Board and/or Committee).

22.5 The Grantee shall comply with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003, to the extent applicable, or other applicable regulations notified in accordance with Applicable Laws as well as any code of conduct or such similar policy procedure or system formulated or adopted by the Board and communicated to the Grantee from time to time. Any violation of the Applicable Laws or code of conduct may result in cancellation of all Vested and Unvested Options as well as subject the Grantee to disciplinary action at the discretion of the Company.

22.6 The Employee shall not have a right to receive any dividend or to vote or in any manner or enjoy the benefits of a Shareholder in respect of Options granted, till Shares underlying such Options are allotted by the Company on Exercise of such Options.

22.7 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a Shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Options and becomes a registered holder of the Shares of the Company.

22.8 The Options granted shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

22.9 Options granted shall be personal to the Option Grantee and shall not be transferable to any person except in the event of death of the Option Grantee, in which case provisions in table under Clause 8.2(b) would apply.

22.10 No person other than the Employee to whom the Option is granted shall be entitled to any benefit arising out of the Options or to Exercise the Option except in the event of the death of the Option Grantee, in which provisions in table under Clause 8.2(b) would apply.

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