



ARSHIYA LIMITED

**ARSHIYA LIMITED EMPLOYEE STOCK
OPTION SCHEME 2019**

Table of Contents

1	Introduction of the Scheme	2
2	Purpose of the Scheme	2
3	Definitions	3
4	Implementation & Administration	9
5	Nomination & Remuneration Committee	9
6	Shares Pool of the Scheme	12
7	Appraisal and Eligibility of an Employee	12
8	Grant of Options	12
9	Method of acceptance	13
10	Vesting of Options	14
11	Exercise Price	15
12	Exercise of Options	15
13	Cessation of Employment	16
14	Terms & Conditions of Shares	19
15	Notices and correspondence	20
16	Beneficiary designation	20
17	Non-transferability of Options	20
18	Corporate Actions	21
19	Recovery of applicable taxes	22
20	Arbitration	22
21	Governing Law	22
22	Regulatory approvals	23
23	Modification of Scheme	23
24	Term of the Scheme	24
25	Confidentiality	24

ARSHIYA LIMITED

ARSHIYA LIMITED EMPLOYEE STOCK OPTION SCHEME 2019

1. Introduction of the Scheme

The ARSHIYA LIMITED EMPLOYEES STOCK OPTION SCHEME 2019 (the 'Scheme'/'ESOP Scheme') was approved and recommended by the Nomination and Remuneration Committee on 04th September, 2019 and the Board of Directors of the Company has adopted the same on 04th September, 2019.

The Scheme has been formulated, keeping in mind the objectives of attracting highly skilled & talented Employees to the Company and inducing such Employees to continue with the Company, and encourage them to increase their efforts to make the Company's business more successful. In furtherance thereof, this Scheme is designed to provide equity-based incentives to Employees of the Company i.e. the Options to be granted under the Scheme in the form of ESOP.

The ESOP Scheme has been drafted in accordance with the Companies Act, 2013 and rules made thereunder and the relevant provision of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 to the extent applicable.

This scheme will come into force on and from the date of its approval by shareholder in their meeting i.e 30th September, 2019.

2. Purpose of the Scheme

The Principle purposes of this Scheme are as under:

- 2.1 To motivate the Employees to contribute to the growth and profitability of the Company;
- 2.2 To retain the Employees for the growth of the Organization;
- 2.3 To provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company;
- 2.4 To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long term interests of the Company; and

2.5 To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come.

3. Definitions

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

- 3.1 **"Applicable Law"** means every law relating to Employee Stock Options in force, including, without limitation to, the Companies Act, 2013, Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred as "SEBI SBEB Regulations"), SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and all relevant revenue, tax, securities or exchange control regulations or corporate laws of India or any relevant jurisdiction. The Applicable Law includes any provision of the applicable law, rules, regulations, notifications, circular(s) or any other similar form of directives issued by the competent authority under the relevant applicable law;
- 3.2 **"Associate Company"** shall have the same meaning as defined under section 2(6) of the Companies Act, 2013;
- 3.3 **"Beneficiary"** means the Employee, a person or persons who is/are entitled by the will of the Employee to receive the benefits specified in the Scheme, 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 the Scheme or any other agreements forming part thereof;
- 3.4 **"Board"** means the Board of Directors 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;

- 3.5 **“Change in Capital Structure”** means a change in the capital structure of the Company as a result of re-classification of Shares, sub-division of Shares, issue of shares on rights basis or any other form of equity issuance, issue of bonus Shares, conversion of Shares into other shares or Securities of the Company and includes any other change in the rights or obligations in respect of Shares;
- 3.6 **“Closing date”** means the last date on which the Grant 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 next working day;
- 3.7 **“Committee”** means the Nomination and Remuneration Committee of the Company consisting of majority of independent directors that has been constituted by the Board of Directors of the Company *inter-alia* for administration and superintendence of this Scheme;
- 3.8 **“Company”** shall mean Arshiya Limited (CIN No: L93000MH1981PLC024747), a Company limited by shares, incorporated and registered under the Companies Act, 1956 and presently having its registered office at situated at 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018;
- 3.9 **“Corporate Action”** means one of the following events:
- (i) The merger, de-merger, spin-off, acquisition, consolidation, amalgamation, sale of business, dissolution or other reorganization of the Company in which the Shares are converted into or exchanged for:
 - a. A different class of Securities of the Company; or
 - b. Any Securities of any other issuer; or
 - c. Cash; or
 - d. Other property,
 - (ii) The sale, lease or exchange of all or substantially all of the assets or undertaking of the Company.
 - (iii) The adoption by the shareholders of the Company of a Scheme of liquidation, dissolution or winding up.
 - (iv) rights issue, bonus issues, sub-division/consolidation of Shares, etc.

- (v) Acquisition (other than acquisition pursuant to any other sub-clause of this clause) by any Company, person, entity or group of a controlling stake in the Company. For this purpose 'Controlling Stake' shall mean more than 50% of the voting share capital of the Company.
- (vi) Any other event, which in the opinion of the Board has a material impact on the business of the Company;

3.10 "**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) or (ii), of a subsidiary, 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 anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company;

3.11 "**Eligibility Criteria**" means the criteria, as may be determined from time to time by the Committee based on internal ratings including loyalty, performance and designation of an Employee or such other parameters as may be decided by the Committee at its sole & absolute discretion, for granting Employee Stock Options to the Employees;

3.12 "**ESOP Tax Provisions**" means the Income tax provisions notified pursuant to Section 17(2)(iii) of the Income tax Act, 1961 and amendment thereof;

3.13 "**Exercise**" in relation to Options means, the tendering by an Employee/Beneficiary, to whom a Grant has been made under the Scheme, of an application for issue of Shares, whether in full or in part, underlying the Options, vested in him under the Grant and in pursuance of the Scheme accompanied by the Exercise Price payable for such Shares;

- 3.14 "**Exercise date**" means the date on which the Employee/Beneficiary Exercises his Vested Options;
- 3.15 "**Exercise Period**" means the time period after Vesting within which the Employee/Beneficiary should Exercise his right to apply for Shares against the Option Vested in him in pursuance of the Plan;
- 3.16 "**Exercise Price**" means the price payable by the Option Grantee for exercising the options and vested in him in pursuance to the Scheme. The Exercise Price will be informed to the Option Grantee, by the Board/Committee, through Grant letter;
- 3.17 "**Grant**" means the process by which the Company issues options;
- 3.18 "**Grant Date**" means the date of meeting on which the Options are granted to an Employee by the Committee under the Scheme;
- 3.19 "**Grant letter**" means the letter by which Grant of Options is communicated to the Grantee;
- 3.20 "**Grantee**" shall mean an Employee who at the time of Grant of the Option is eligible to participate under the Scheme;
- 3.21 "**Holding Company**" means a holding Company as referred to under Section 2(46) of the Companies Act, 2013;
- 3.22 "**Market price**" means the latest available closing price on a recognised stock exchange on which the shares of the Company are listed on the date immediately prior to the Grant date.

Explanation:- If such shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price;

- 3.23 "**Option**" means a right, but not an obligation granted by the Company to an Employee which may be settled in the form of ESOPs, at a pre- determined price, in accordance with this Scheme;

3.24 "**Option Acceptance Agreement**" shall mean the agreement in such manner & on such format as may be prescribed by the Committee, from time to time, that the Grantee has to submit indicating his acceptance of the Grant made to him to participate in the Scheme;

3.25 "**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;

3.26 "**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:

Provided where the promoter or promoter group of a company is a body corporate, the promoters of that body corporate shall also be deemed to be promoters of such company;

3.27 "**Relative**" shall have the same meaning as defined under section 2(77) of the Companies Act, 2013;

3.28 "**Resultant Shares**" means the Shares or other Securities issued on any Change in Capital Structure or on any Corporate Action;

3.29 "**Scheme**" shall mean the Arshiya Limited Employees Stock Option Scheme 2019 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time;

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

3.31 "**SEBI SBEB Regulations**" means the Securities Exchange Board of India (Share Based Employee Benefit) Regulations, 2014, and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time;

- 3.32 "**Securities**" mean securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956;
- 3.33 "**Shares**" means the Equity Shares of the Company of face value of Rs. 2/- each and securities convertible into Equity Shares and shall include American Depository Receipts (ADRs), Global Depository Receipts (GDRs) or other depository receipts representing underlying Equity Shares or securities convertible into Equity Shares and where the context so requires include the Resultant Shares also;
- 3.34 "**Shareholder**" means the registered holder of a Share in the Share Capital of the Company;
- 3.35 "**Subsidiary Company**" shall have the same meaning as defined under section 2(87) of the Companies Act, 2013 and related rules, including any statutory modification or re-enactment thereof;
- 3.36 "**Unvested Option**" means an Option, which is not a Vested Option;
- 3.37 "**Vesting**" means the process by which the Employee/Beneficiary becomes entitled to receive the benefit of a grant made to him under the Schemes;
- 3.38 "**Vesting period**" means the period during which the Vesting of the Options Granted to an Employee/Beneficiary in pursuance of the Scheme takes place;
- 3.39 "**Vested Option**" means an Option, which has vested in pursuance to Clause 10 hereof with the Employee / Beneficiary and has thereby become exercisable;
- 3.40 "**Vesting Date**" means the date on and from which the Option Vests with the Employee / Beneficiary and thereby becomes exercisable;

Interpretation:

In this document, unless the contrary intention appears:

- a) The singular includes the plural and vice versa;
- b) The word “person” includes an individual, a firm, a body corporate or unincorporated body or authority; and
- c) Any word or expression importing the masculine, feminine or neuter genders only, shall be taken to include all three genders.

Article Headings:

Article headings are for information only and shall not affect the construction of this document.

References:

- a) A reference to a Clause or Schedule is respectively a reference to a Clause or Schedule of this document. The Schedules to this document shall for all purposes form part of this document. (There are no schedules to this document)
- b) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.

4. Implementation & Administration

Subject to Applicable Laws, and the broad policy and the framework laid down by the Board of Directors, the Scheme shall be administered by the Nomination & Remuneration Committee. The Committee is authorized to interpret the Scheme, to establish, amend and rescind any rules and regulations relating to the Scheme and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Scheme.

The Committee may correct any defect, omission or reconcile any inconsistency in the Scheme in the manner and to the extent the Committee deems necessary or desirable.

5. Nomination & Remuneration Committee

The Nomination & Remuneration Committee of the Company means the Committee already constituted or as may be re-constituted by the Board of Directors from time to

time, for effective administration of the Scheme and shall be also called as compensation committee. The Committee shall be entitled to invite any person to attend its meetings and participate in the discussion and deliberations, if it may so deem fit. The Committee, in exercise of its powers, may require any information from the Company, and/or seek the assistance of any Employee of the Company as it may deem fit to fully and effectively discharge its duties.

5.1 The Committee shall consist of such number of members not below 3 (Three), with majority of the directors being Independent Directors.

5.2 The powers of the Committee, inter alia, include the power to:

- a. determines the quantum or number of Options to be granted, to each Employee and in the aggregate, and the times at which such Grants shall be made.
- b. determines the Vesting and/or Lock-in period of the Grant made to any Employee and/or any conditions subject to which such Vesting may take place.
- c. determine the Employees eligible for participation in the Scheme.
- d. determine the performance parameters for Grant of Options granted to an Employee, under the Scheme.
- e. lay down the conditions under which Options granted to or Vested in the Employee may lapse in case of termination of employment for misconduct, etc.
- f. determine the Exercise Period within which the Employee should Exercise the Options and that Options would lapse on failure to Exercise the Options within the Exercise Period.
- g. determine the Exercise price of the Options Granted.
- h. specify time period within which the Employee shall Exercise the Vested Options in the event of termination or resignation of an Employee.

- i. lay down 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 “Capital Structure” and “Corporate Actions”. In this regard, the following shall, inter alia, be taken into consideration by the committee:
 - i. 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;
 - ii. 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;
- j. provide for the right of an Employee to Exercise all the Options Vested in him at one time or at various points of time within the Exercise Period.
- k. lay down the method for satisfaction of any tax obligation arising in connection with the Exercise of the Option.
- l. lay down the procedure for cashless Exercise of Options, if any.
- m. provide for the Grant, Vesting and Exercise of Options in case of Employees who are on long leave or whose services have been seconded/deputed to its subsidiary and/or holding company at the instance of the Employer Company.
- n. ensure that there is no violation of:
 - i. SEBI (Insider Trading) Regulations, 2015, and
 - ii. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- o. exercise such powers as may be necessary or expedient in connection with the effective and efficient implementation or administration of the Scheme.

5.3 The powers and functions of the Committee can be specified, varied, altered or modified from time to time by the Board of Directors, subject to the rules and regulations as may be in force. The Board may further provide that the Committee shall exercise certain powers only after consultation with the Board and in such case, the said powers shall be exercised accordingly.

- 5.4** No member of the committee shall be personally liable for any decision or action taken in good faith with respect to the Scheme.
- 5.5** A member of the Committee shall abstain from participating in and deciding on any matter relating to grant of any Option to him.

6 Shares Pool of the Scheme

The maximum number of options that may be issued, in one or more tranches, pursuant this Scheme shall not exceed 1,00,00,000 (One Crore) Options exercisable into equity shares of the Company.

If any Options granted under the Scheme are terminated/forfeited/lapsed under the provisions of the Scheme, such Options shall be available for further Grant under the Scheme. Further, the maximum number of options that can be granted shall stand automatically enhanced in case of Corporate Actions. The Company reserves the right to increase or reduce such number of shares as it deems fit, in accordance with the Applicable Laws.

7 Appraisal and Eligibility of an Employee

As soon as may be possible after the Scheme comes into effect and such times thereafter, as deemed fit by the Committee, the Committee may, based on the various criteria such as the seniority of the employee, length of service, performance record, merit of the employee, and / such other criteria for selection of the Employees (which criteria shall be decided from time to time by the Board or the Committee for assessing the contribution of the Employees), decide on the Employees who are eligible for a Grant under the Scheme and the terms and conditions thereof.

Provided that the Board of Directors may in its absolute discretion be entitled to vary or modify such criteria and/or selection and/or the terms and conditions of the Grant for any Employee or class of Employees provided that such variation is not detrimental to the interest of the Employee(s).

8 Grant of Options

- 8.1** The Committee, in accordance with the terms and conditions of the Scheme and subject to Employee's continuity in the employment, his performance, hierarchy and

other parameters as set out by the Committee may grant Options to an Employee, from time to time.

- 8.2** The aggregate number of Options / underlying Shares that may be granted under the Scheme shall not exceed 1,00,00,000 (One Crore) for the employees of Holding, and /or Subsidiary Company (ies) including subsidiary companies of subsidiary(s) in India and/or out of India (Present & Future). Further, Grants to individual Employee shall not be less than 50 (Fifty) Options / underlying Shares.
- 8.3** The maximum number of Options that can be granted to any eligible Employee during any one-year shall not equal or exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Options unless otherwise approved through a separate approval of the shareholders in a general meeting.
- 8.4** The Grant shall be at such price as may be determined by the Committee and shall be specified in the Grant Letter.
- 8.5** The Grant shall be in writing and shall specify the number of Options granted, the price payable for exercising the Options, the earliest date on which some or all the Options under the Grant shall be Vested, fulfilment of the performance and other conditions, etc., if any, subject to which Vesting shall take place and the other terms and conditions thereto and shall be in the format enclosed in Schedule A or as near thereto as the circumstances require. Provided however no Vesting of any Option shall take place unless one year has elapsed from the date of its Grant.
- 8.6** The Options shall not be transferable and can be exercised only by the Employee, except as otherwise stated in the Scheme.
- 8.7** All Grants made shall be in compliance with the SEBI SBEB Regulations.
- 8.8** Any grant of options to a Non- Executive Non- Independent Director shall be made in compliance of Regulation 17(6)(c) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

9 Method of acceptance

- 9.1** Any Grantee who wishes to accept the Grant made pursuant to Clause 8 hereof, must deliver an Option Acceptance Agreement, prescribed by the Committee from time to time, duly completed as required therein to the Committee on or before the Closing date stated in the Grant letter.
- 9.2** Any Grantee who fails to return the Option Acceptance Agreement on or before the Closing date shall, unless the Committee determines otherwise, be deemed to have rejected the Grant.
- 9.3** Any Acceptance Agreement received after the Closing date shall not be valid.
- 9.4** Subject to the terms contained herein, the acceptance in accordance with this clause, of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option.

10 Vesting of Options

- 10.1** Unless otherwise specified in the Grant, all Grants made to any employee shall Vest, in the following manner:

Sr. No.	Vesting Date	Maximum number / % of Options that shall Vest
1	1 Year from the Grant Date	100 (One Hundred)%

In case where options are granted by a company under an ESOP in lieu of options held by a person under an ESOP in another company which has merged or amalgamated with that company, the period during which the options granted by the transferor company were held by him shall be adjusted against the minimum vesting period required.

- 10.2** Actual Vesting of Options at the end of respective time periods, in the hands of the Employee shall further be evaluated on the basis of the Performance Grade of the Employee, in Annual Performance Appraisal system of the Company. The Committee may, at its sole & absolute discretion, lay down performance metrics which shall inter-alia include business performance and achievement of set business targets on the achievement of which such Options would vest, the

detailed terms & conditions relating to such performance-based vesting and the proportion in which Options granted would vest.

- 10.3** On Vesting, the Grantee shall be eligible to exercise some or all the Vested Options within the Exercise Period.
- 10.4** The Committee shall have the power to modify the vesting schedule on a case-to-case basis subject to the minimum gap of 1 (One) year between the grant and first vesting and the maximum vesting period of 4 (Four) years from the date of Grant.
- 10.5** The options which do not get vested due to Performance Appraisal in any of the vesting, will get lapsed from the hands of the Employee and will add-back to the pool of ungranted options of this Scheme, and be available for further Grants under the scheme.

11 Exercise Price

- 11.1** Under this Scheme, the Exercise price of the Shares will be based upon Market Price of the Shares one day before the date of the meeting of the Committee wherein the grants of options will be approved.

Suitable discount may be provided on the price as arrived above, as deemed fit by the Committee for the finalization of the Exercise Price. However, in any case the Exercise price shall not go below the par value of Equity Share of the Company.

Further, Committee has the power to re-price the grants in future if the Grant made under the Scheme is rendered unattractive due to the fall in the price of Shares in the Stock Market.

- 11.2** The payment of applicable taxes, if any, in respect of exercise of the Options shall be made by the Grantee to the Company, as the Committee, may prescribe, at the time of Exercise. However the Company have the right to recover tax from the Grantee, by deducting the respective amount of tax from Grantee's salary.

12 Exercise of Options

- 12.1** Under the Scheme, the Exercise period for the exercise of the Vested options will be 1 (One) year from the date of respective vesting(s), failing which the Vested Options shall stand lapsed in the hands of the Employee/Beneficiary.

The Company shall make allotment of Shares of the Company to the Employees/Beneficiary, who have successfully exercised the Vested Options

- 12.2** The Exercise Period will commence from the date of Vesting, and will expire not later than 1 year from the date of Vesting of Options or such other period as may be decided by the Board/ Committee, from time to time.
- 12.3** Vested Options can be exercised by the Employee, either wholly or in part during the Exercise period.
- 12.4** In case of grant of ESOPs, 1 (One) Option under this Scheme shall entitle the holder of the Option to apply for 1 (One) Share in the Company.
- 12.5** A Vested Option shall be deemed to be exercised only when the Company receives a notice of Exercise in a manner as may be decided by Committee, the Exercise Price (in accordance with the Scheme) and all tax & other liabilities arising as a result of participation in this Scheme from the person entitled to Exercise the Option. The Exercise price shall be paid to the Company by the Employee/Beneficiary by such means as decided by the committee upon Exercise of the Vested Options.
- 12.6** No Option can be exercised after the expiry of the Exercise Period unless otherwise specifically permitted in this regard. All Options not exercised before the expiry of the Exercise Period shall lapse without any recourse to the Company.
- 12.7** An Employee / Beneficiary can Exercise the vested Options subject to the adherence of Insider Trading Code of Conduct of the Company.

13 Cessation of Employment

13.1 In the event of **Resignation**, all Unvested Options, shall expire on the date of exit and stand terminated with effect from that date unless otherwise determined by the Committee whose determination will be final and binding. However, all Vested Options as on that date shall be exercisable by the Grantee immediately but not later than 1 (One) Month/ 3 (Three) Months, as the case may be, from the date of submission of resignation.

13.2 Notwithstanding anything elsewhere stated in this document:-

1. **In the event of cessation of employment due to Death** of a Grantee, all Options granted to him, whether vested or unvested, would vest as on the date of Death in his Legal heirs / Beneficiary/ Nominee. The Options would be exercisable within a period of 1(One) year from the date of death, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.

2. All other terms and conditions of the Scheme shall apply to such Options. Provided that, in order to exercise the options of the deceased Employee, his legal heirs / nominee have to submit following documents to the management:-

IN CASE BENEFICIARY IS NOT APPOINTED

- Copy of the Succession Certificate/Probate of Will/Letter of Administration.
- No objection certificate from the other legal heirs.
- Photo copy of the death certificate duly attested by the proper authority (English translated version in case certificate is in vernacular language)
- Specimen signature of the person(s) in whose name Shares are to be transmitted (duly attested by the bank)
- Copy of PAN card of the applicant (self-attested).
- Copy of address proof (self-attested)
- Any other relevant documents, if required

IN CASE BENEFICIARY IS APPOINTED

- Photo copy of the death certificate duly attested by the proper authority (English translated version in case certificate is in vernacular language)
- Specimen signature of the person(s) in whose name Shares are to be transmitted (duly attested by the bank)
- Copy of PAN card of the applicant (self-attested).
- Copy of address proof (self-attested)
- Any other relevant documents, if required

3. In the event of Permanent Disability of an Employee, all Options granted to him, whether vested or unvested, would vest in him on the date of Permanent Disability. The Options would be exercisable within a period of 1 (One) year from the date of Permanent Disability, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.

13.3 In the event of **separation from employment due to Retirement/Superannuation**:

1. All Vested Options can be Exercised within a period of 1 (One) Year from the date of Retirement / Superannuation or such other extended period as may be decided by Committee in its sole & absolute discretion, subject to the completion of minimum 1 (One) year from the date of Grant; failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished. and
2. All Unvested Options will get lapsed, unless otherwise determined by the Committee whose determination shall be final and binding;

13.4 In the event of **Termination of the Employment** for misconduct of a Grantee, all options granted, whether vested or unvested, shall stand terminated, with immediate effect unless otherwise determined by the Committee, whose determination will be final and binding. The Committee, at its sole discretion shall decide the date of termination of a Grantee, and such decision shall be binding on all concerned.

'Misconduct shall mean, as determined by the Committee,

- (i) the continued and gross failure of the Employee to substantially perform his duties to the Employer Company, (other than any such failure resulting from retirement, death or permanent disability, voluntary retirement),

- (ii) the engaging by the Employee in wilful, reckless or grossly negligent misconduct which is determined by the Committee to be detrimental to the interest of the Company or any of its Subsidiaries or its Holding Company, monetarily or otherwise,
- (iii) the Employee's pleading guilty to or conviction of a felony.
- (iv) fraud, misfeasance, breach of trust committed by an Employee or disclosure by the Employee to any outside party, of any confidential information relating to the Plan and /or the Employer Company, or
- (v) employment of the Employee in any other organisation or provision of services by the Employee for any other organisation whilst in the employment of the Company without the previous written consent of the Company.
- (vi) the Employee is declared bankrupt.

13.5 In the event that an Employee who has been granted benefits under the scheme is **Transferred or Deputed** to an Associate company prior to vesting or exercise, the vesting and exercise as per the terms of Grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

13.6 In the event where arises a **Dispute between Employee and the Company**, exercise will be put on hold till the date of settlement of such dispute.

14 Terms & Conditions of Shares

14.1 Neither Grantee, nor his successors in interest, shall have any of the rights of a shareholder of the Company with respect to the Options granted to him, till Shares are transferred to them on exercise of Options.

14.2 Nothing herein is intended to or shall give the Grantee, any right or status of any kind as a shareholder of the Company in respect of any share covered by the grant unless the Grantee exercises the options & becomes the Registered Shareholder of the Company.

14.3 The Grantee shall not be entitled to any damages for any loss or potential loss which he may suffer by reason of being unable to Exercise an Option in whole or in part.

14.4 Neither the existence of this Scheme nor the fact that an individual has on any occasion been granted an ESOP shall give such individual any right entitlement or expectation that he has or

will in future have any such right entitlement or expectation to participate in this Scheme by being granted an ESOP on any other occasion.

- 14.5** All Shares acquired under the Scheme on exercise of options granted will rank pari passu with all other Shares of the Company for the time being in issue, including dividend if any. The Shares acquired under the Scheme shall not be subject to any lock-in period. However, the Employee shall be liable to abide by the Insider Trading Code of Conduct of the Company.

15 Notices and correspondence

Any notice required to be given by an Employee to the Company or the Committee or any correspondence to be made between an Employee and the Company or the Committee may be given or made to the Company/ Committee at the registered office of the Company or at the place as may be notified by the Company/ Committee in writing.

Any notice, required to be given by the Company or the Committee to an Employee or any correspondence to be made between the Company or the Committee and an Employee shall be given or made by the Company or the Committee on behalf of the Company at the address provided by the Employee in the Option Acceptance Agreement.

16 Beneficiary designation

Each Grantee under the Scheme may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit under the Scheme is to be delivered in case of his or her death before he receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Grantee, 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 Grantee's lifetime.

17 Non-transferability of Options

The Options Granted cannot be assigned, alienated, pledged, attached, hypothecated, mortgaged, sold, or otherwise transferred or encumbered by the Employee otherwise than by will or by the laws of descent, to the extent permitted under the Applicable Law, and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void and unenforceable against the

Company.

18 Corporate Actions

- 18.1** Except as hereinafter provided, any grant made shall be subject to adjustment, by the Committee, at its sole & absolute discretion, as to the number and price of Options or Shares, as the case may be, in the event of 'Change in Capital Structure' or a 'Corporate Action' as defined herein.
- 18.2** If there is a 'Change in the Capital Structure' of the Company before the Options granted under this Scheme are Exercised, the Employee shall be entitled on Exercise of the Options, to such number of Resultant Shares to which he would have been entitled as if all the then outstanding Options exercised by him, had been exercised before such 'Change in the Capital Structure' had taken place and the rights under the Options shall stand correspondingly adjusted. In the event of a Corporate Action, the Nomination & Remuneration Committee, subject to the provisions of applicable laws to the Stock options, shall make fair and reasonable adjustments under the Scheme, as it deems fit, with respect to the number of options, exercise price, distribution of sums and make any other necessary amendments to the Scheme for this purpose with respect to all the Corporate Actions in the Company. The vesting period and life of the options shall be left unaltered as far as possible.
- 18.3** In the event of severance of employment of a Grantee, as a part of reconstitution / amalgamation / sell-off or otherwise, the options that have vested before such reconstitution / amalgamation / sell-off, shall be exercised within 30 days from the date of such reconstitution / amalgamation / sell-off or the Exercise period as per the Scheme whichever is earlier. However, unvested options shall get lapsed.
- 18.4** In the event of a dissolution or liquidation of the Company, any vested options outstanding under the Scheme shall be cancelled if not exercised prior to such event and no compensation shall be payable in respect of the options so cancelled.
- 18.5** In the event of a reverse merger, the treatment of vested as well as unvested options will be decided by the Committee, whose decision shall be final and binding.

18.6 In the event of demerger of the Company, the respective Committees of the Resulting & the De-merged Company will take the decision regarding the time period for the exercise of the vested options and the treatment of unvested options.

19 Recovery of applicable taxes

19.1 All Options Granted / Shares transferred under the Scheme shall be subject to all applicable taxes, if any, and the Company or Committee may recover such taxes accordingly from the Employee / beneficiary.

19.2 An Employee/ beneficiary shall pay all tax and discharge all other liabilities to which he may become subject to as a result of his participation in this Scheme or exercise of options.

19.3 Notwithstanding anything else contained in this Scheme, if deemed necessary, no Shares, shall be issued / disbursed to the Employee or Beneficiary, on Exercise of the Options or on sale of Shares under this Scheme unless appropriate recovery of applicable taxes as required under the applicable tax laws, are discharged.

20 Arbitration

In the event of a dispute arising out of or in relation to the provisions of this Scheme (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 day's notice thereof to the other party in writing. 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 Mumbai, 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 Mumbai.

21 Governing Law

- 21.1** This Scheme and all agreements 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.
- 21.2** The Employee agrees and acknowledges that the Employee has received and read a copy of the Scheme. The Options are subject to the Scheme. Any term of the Scheme that is contrary to the requirement of the SEBI SBEB Regulations or any other Applicable Law or other Indian regulations shall not apply to the extent it is contrary.
- 21.3** The Court at Mumbai shall have exclusive jurisdiction on any matter arising out of this Scheme.

22 Regulatory approvals

The implementation of the Scheme, the Granting of any Option under the Scheme and the issuance of any Shares under this Scheme 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 Scheme, the Options and the Shares issued pursuant thereto. The Employee/ Beneficiary under this Scheme 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.

23 Modification of Scheme

The Committee may, on its own or if required by the law, after authorization by the Board of Directors, as the case may be, by way of special resolution, (wherever required) at any time and from time to time:

- 23.1** Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Scheme or all or any of the rights and obligations of the Grantee /Beneficiary; Provided that the notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the employees who are beneficiaries of such variation.

- 23.2** 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;
- 23.3** 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.
- 23.4** Alter the Exercise price, if the option becomes unattractive due to fall in market price of the share. Provided that no variation, alteration, addition or amendment to the Scheme can be made if it is detrimental to the interest of the Grantee / Beneficiary.

24 Term of the Scheme

- 24.1** Except as provided elsewhere specifically, the Scheme shall continue in effect unless terminated by the Company or the Committee or until all options available to be granted under the Scheme are fully exercised.
- 24.2** Any such termination of the Scheme shall not affect Options already Granted and such Options shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Employee/ Beneficiary and the Committee.

25 Confidentiality

Notwithstanding anything contained in this Scheme, the Grantee/ Beneficiary shall not divulge the details of the Scheme and/or his holdings to any person except with the prior written permission of the Committee unless so required to do under the Applicable laws or any statutes or regulations applicable to such Grantee/ Beneficiary.

SCHEDULE - A

(To the Arshiya Limited Employee Stock Option Scheme 2019)

GRANT

1. Date of Grant : _____ (Date of offering)
2. Name of Employee : _____
3. Employee Code : _____
4. Number of Options granted : _____
(In words _____)
5. Each Option entitles the Employee to acquire 1 Equity Share with a face value of Rs.2/- (Rupees Two Only) at a price of Rs. _____/- (Rupees _____ Only) per Share or such number of Resultant Shares at such price/s as may be determined by the Nomination and Remuneration Committee in the event of 'Change in Capital Structure' or 'Corporate Action'.
6. The Options shall Vest in accordance with the Scheme.
7. Subject to the provisions of the Scheme, the Exercise period will commence from the date of vesting and will expire not later than 1 year from the date of Vesting of Options or such other period as may be decided by the Board/ Committee, from time to time.
8. On termination of employment, the Options under the Grant shall be dealt with in accordance with the Scheme.
9. The Grant shall be subject to the terms and conditions of the Scheme and shall be effective only on execution of the Arshiya Option Acceptance Agreement between the Company and yourself or similar acceptance terms.

For and on behalf of
Board of Directors of
the **Arshiya Limited**

Place: Mumbai
Dated: _____

Authorised Signatory

I have read the Grant Letter/Arshiya Option Acceptance Agreement and the Arshiya Limited Employee Stock Option Scheme 2019. I agree to be bound by the same.

Place: Mumbai
Dated: _____

(Mr./Ms. _____)

Employee
