

ASIAN PAINTS EMPLOYEE STOCK OPTION PLAN 2021

1. **Purpose of the Plan**: The purpose of this Plan is to incentivise, retain and attract key talent through this performance-based Stock Option grant program, and consequently enhance shareholder value. The Plan aims to create a sense of ownership among the Eligible Employees and to align their medium and long-term compensation with the Company's performance.
2. **Definitions**: As used herein, the following definitions will apply. It is clarified that all references to laws (whether Indian law or any other Applicable Law) or to any specific provision of any law shall mean all delegated legislations issued thereunder (as may be amended from time to time), any legislation which (wholly or in part) replaces such law/provision and any amendments to such law/provision or its replacement:
 - a) **Act** means the Companies Act, 2013.
 - b) **Administrator** means the Nomination and Remuneration Committee that administers the Plan either through itself or through the Trust represented by its Trustees, in accordance with Section 4 of the Plan.
 - c) **Applicable Law** means the legal requirements applicable to an Award or the Plan, including, without limitation, the Act, the SEBI Regulations, the Insider Trading Regulations, the PFUTP Regulations, the SEBI Takeover Regulations and all relevant tax, securities, exchange control or corporate laws, rules and regulations of India and the applicable laws, rules and regulations of any other country or jurisdiction as may be required for the administration of this Plan and the rules and regulations of any stock exchange on which the Shares underlying an Award are listed or quoted, as such laws, rules, regulations and requirements shall be in place from time to time.
 - d) **Award** means a grant of Stock Options under the Plan.
 - e) **Award Agreement** means the written or electronic agreement between the Company and a Participant setting forth the terms and provisions applicable to an Award granted to the Participant under the Plan.
 - f) **Board** means the Board of Directors of the Company.
 - g) **Change in Control** means any change in 'Control' of the Company within the meaning of SEBI Takeover Regulations, which results in a public announcement of an open offer for acquiring Shares of the Company under Regulation 4 of the SEBI Takeover Regulations. However, acquisition of additional 'Control' (as defined in the SEBI Takeover Regulations) of the Company by a person who is already in 'Control' (including joint Control) shall not be considered a Change in Control, even if it results in a public announcement of an open offer for acquiring Shares of the Company, as referred above.

Additionally, Change in Control shall also include the consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least

50% of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

- h) “**Company**” means Asian Paints Limited, a company incorporated under the laws of Republic of India, or any successor thereto.
- i) “**Director**” means a member of the Board.
- j) “**Disability**” means any disability of whatsoever nature be it physical, mental or otherwise which permanently incapacitates/ prevents/ handicaps a Participant from performing any specific job, work or task which such Participant was capable of performing immediately before such disablement. Unless the criteria to determine Disability are set out in the Award Agreement, the Administrator shall specify the criteria for determination of Disability, either generally or for any specific Participant.
- k) “**Eligible Employee**” means:
 - i) a permanent employee of the Company (or a Subsidiary of the Company) working in India or out of India; or
 - ii) Directors or directors of the Company or of any Subsidiary;

but does not include the following, unless permitted under Applicable Law-

- (A) Any employee who is a Promoter or belongs to the Promoter Group; or
- (B) Any Independent Directors of the Company (or a Subsidiary of the Company); or
- (C) Director(s) who either themselves or through a relative or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Shares.

In the event any of the above-referred persons are permitted to be granted Stock Options under Applicable Law - they shall also be considered an Eligible Employee for the purposes of this Plan without any further approvals being required (other than approvals required by Applicable Law for such grant).

- l) “**Exercise Period**” means the time period after Vesting within which the Participant can exercise his right to apply for the issue of Shares against the Award Vested in him or her pursuant to Section 6(e) of the Plan.
- m) “**Exercise Price**” means the price payable by the Participant to exercise an Award granted under the Plan, which shall be at a discount of 50% to the Reference Share Price of the Shares (rounded off to the next whole number, if not a whole number), as may be permissible under Applicable Law and determined by the Administrator from time to time.
- n) “**Independent Director**” means an independent director as determined under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

- o) “**Insider Trading Regulations**” means the SEBI (Prohibition of Insider Trading) Regulations, 2015, and any insider trading regulations applicable to a Participant in any jurisdiction other than India.
- p) “**MD & CEO**” means the Managing Director & Chief Executive Officer (CEO) of the Company, and in the event the Company does not have an MD & CEO, then the following official(s) of the Company in descending order: (i) Managing Director; (ii) Chief Executive Officer; (iii) any whole-time/executive director of the Company; or (iv) Chief Financial Officer.
- q) “**Nomination and Remuneration Committee**” means the Nomination and Remuneration Committee (and any successor committees) constituted by the Board from time to time, which shall also perform the role of the Compensation Committee under the SEBI Regulations.
- r) “**Participant**” means an Eligible Employee in India or outside who is granted an Award under the Plan.
- s) “**Plan**” means this Asian Paints Employee Stock Option Plan 2021 and shall include any alterations(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof from time to time.
- t) “**PFUTP Regulations**” means the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the securities market) Regulations, 2003 and any equivalent regulations applicable to a Participant in any jurisdiction other than India.
- u) “**Promoter**” means a promoter within the meaning of the SEBI Regulations.
- v) “**Promoter Group**” means promoter group within the meaning of the SEBI Regulations.
- w) “**Reference Share Price**” means the average of the daily high and low of the volume weighted average prices of the Shares quoted on a recognised stock exchange during the 22 trading days preceding the day on which the grant is made.
- Explanation 1: ‘recognised stock exchange’ means any of the recognised stock exchange(s) in which the Shares are listed and in which the highest trading volume in respect of the Shares has been recorded during the 22 trading days preceding the day on which the grant is made.
- Explanation 2: ‘trading day’ means a day on which recognized stock exchanges are open for trading, and the Company’s Shares were traded on the recognised stock exchange.
- x) “**Stock Option**” means a stock option granted pursuant to Section 6 of the Plan, comprising of a right but not an obligation granted to a Participant to apply for and be issued Shares at the Exercise Price, during or within the Exercise Period, subject to the requirements of Vesting.
- y) “**SEBI**” means Securities and Exchange Board of India or such other statutory authority having power to regulate the Plan from time to time.

- z) “**SEBI Regulations**” means Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- aa) “**SEBI Takeover Regulations**” means Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- bb) “**Secondary Acquisition**” shall have the meaning ascribed to the term in Section 3(d) of the Plan.
- cc) “**Service**” means the performance of services for the Company (or any Subsidiary, whether now existing or subsequently established) by a person in the capacity of an employee or a Director, except to the extent otherwise specifically provided in the Award Agreement evidencing the Award. For purposes of this definition of Service, a Participant shall be deemed to cease Service immediately upon the occurrence of either of the following events: (i) the Participant no longer performs services in any of the foregoing capacities for the Company or Subsidiary or (ii) the entity for which the Participant is performing such services ceases to remain a Subsidiary of the Company, even though the Participant may subsequently continue to perform services for that entity. Service shall not be deemed to cease during a period of military leave, sick leave or other personal leave approved by the Company (whether a long leave or not); provided, however, that except to the extent: (i) otherwise required by law; or (ii) expressly authorized by the Administrator; or (iii) expressly authorised by the Company’s written policy on leaves of absence, and being expressly stated in the Award Agreement; no Service credit shall be given for Vesting purposes for any period the Participant is on a leave of absence. In addition, Service does not include any period of service for which the Participant was not paid salary/wages other than for reasons approved by the Administrator.
- dd) “**Share**” means equity shares of the Company of face value Re. 1 each.
- ee) “**Share Reserve**” shall have the meaning ascribed to the term in Section 3 (a) of the Plan.
- ff) “**Subsidiary**” means a subsidiary of the Company, whether now or hereafter existing as defined under Section 2 of the Act.
- gg) “**Taxes**” means all applicable income tax, employment tax, payroll tax, social security tax, social insurance, contributions, payment on account obligations, national and local tax or other payments required to be withheld, collected or accounted for in connection with the grant, Vesting or exercise of an Award.
- hh) “**Trust**” shall mean the Asian Paints Employees Stock Ownership Trust, an irrevocable trust created by the Company by a deed of trust dated 4th June, 2021 for the welfare of its employees, and to specifically implement its employee benefits schemes (including this Plan).
- ii) “**Vesting**” means the process by which the Participant becomes entitled to the benefit of an Award (references to other terms such as Vest/Vested shall also be construed accordingly).
- jj) “**Vesting Criteria**” means the performance-based and/or other criteria that determine the number of Stock Options granted that would Vest on completion of the Vesting Period, as set out/referred in the Award Agreement. It is intended that the Vesting Criteria shall primarily be based on the performance rating of the Participant, number of years of Service and such other criteria as may be prescribed by the Administrator from time to time. However, the Administrator shall be entitled to consider such other criteria as it considers relevant.

kk) “**Vesting Period**” means the period after the completion of which, subject to meeting Vesting Criteria, the Vesting of an Award granted to the Participant pursuant to the Plan takes place within the time periods specified in Section 6(c) of the Plan and does not include any period of employment which does not constitute Service other than for reasons approved by the Administrator.

References to any law(s) or regulations shall include such law(s) or regulations as may be amended, modified or replaced from time to time.

3. Shares Subject to the Plan:

- a) Share Reserve: Subject to the provisions of Section 9 of the Plan, the maximum aggregate number of Shares that may be awarded under the Plan is 25,00,000 Shares, which is 0.26 % of the equity capital of the Company (the “**Share Reserve**”) as on May 12, 2021.
- b) Per Person Limitations: The following per person limitations shall apply:
 - i) The maximum number of Shares subject to Awards granted to a Participant, in aggregate, shall not exceed 5,00,000 Shares of the Company during the tenure of the Plan, subject to compliance with Applicable Law.
 - ii) The grant of Awards during any one year covering a number of Shares equal to or exceeding 0.26% of the issued capital of the Company at the time of grant of the Award shall be subject to a special resolution passed at a general meeting.
- c) Lapsed Awards: Shares subject to Awards granted under the Plan shall be available for subsequent Award under the Plan to the extent such Awards lapse, are forfeited or are cancelled for any reason prior to the actual issuance/transfer of the Shares subject to such Awards. Shares that have actually been issued/transferred to Participants under the Plan under any Award will in no event be returned to the Plan and will not become available for future distribution under the Plan.
- d) Share Issuance/Acquisition: The Company may, at the sole discretion of the Administrator, either undertake primary issue of Shares (“**Share Issuance**”) or acquire Shares from the secondary market (“**Secondary Acquisition**”) or both up to the Share Reserve for the implementation of the Plan. The Administrator shall have the discretion to decide the number of Shares, if any, to be issued through Share Issuance and the number of Shares, if any, to be acquired through Secondary Acquisition – to the extent that there may not be any Share Issuance (and only Secondary Acquisition) or not Secondary Acquisition (and only Share Issuance) for the implementation of the Plan.
- e) Number of Awards: The total number of Awards to be made under this Plan shall be determined by the Administrator.

4. Administration of the Plan:

- a) Administration: The Plan shall be administered by the Nomination and Remuneration Committee. To the extent of the Secondary Acquisition, holding, transfer or sale of Shares and other related administrative matters, the administration of the Plan is delegated to the Trust, represented by its trustees.
- b) Powers of the Administrator: The Administrator will have the authority, in its discretion:
- i) To determine the mode and manner of acquiring Shares for implementation of this Plan, whether through Share Issuance or Secondary Acquisition or both, as may be required from time to time;
 - ii) To select the Eligible Employees to whom Awards may be granted hereunder, based on the eligibility criteria set forth in Section 5(c) below, upon the recommendations of the MD & CEO;
 - iii) To determine the terms and conditions, including Exercise Price, of any Award granted hereunder, provided such terms and conditions are not inconsistent with the terms of the Plan;
 - iv) To construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;
 - v) To prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws;
 - vi) To amend the terms of the Plan for aligning them with the provisions of Applicable Law from time to time, subject to such further approvals that may be required;
 - vii) To authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;
 - viii) To allow a Participant to defer the receipt of the delivery of Shares that would otherwise be due to such Participant under an Award pursuant to such procedures as the Administrator may determine;
 - ix) To frame suitable policies and systems to ensure that there is no violation of securities laws including (a) Insider Trading Regulations; and (b) PFUTP Regulations, by the Trust, the Company and its Eligible Employees; and
 - x) To make all other determinations deemed necessary or advisable for administering the Plan, and to resolve any difficulties, doubts or concerns that may arise pursuant to the Plan or its implementation.
- c) Effect of Administrator's Decision: The Administrator's decisions, determinations, and interpretations will be final and binding on all Participants and any other holders of Awards.

5. Eligibility:

- a) All Eligible Employees shall be eligible to participate in the Plan.
- b) It is clarified that except with the prior approval of the relevant government authority(ies), Eligible Employees who are the citizens of Bangladesh or Pakistan or of any other country/territory where grant of Stock Options is subject to a prohibition/prior approval of a government authority under Applicable Law would not be granted any Award;
- c) The appraisal process for determining the eligibility of employees for the grant of Stock Options under the Plan will be determined by the Administrator and will be based on their level in the organization, their performance rating, and any other criteria as may be determined by the Administrator from time to time. The selection of Eligible Employees will be based on these criteria and on recommendations of the MD & CEO of the Company.

6. Stock Options:

- a) Grant: Stock Options may be granted annually (or at any other time determined by the Administrator at its sole discretion) to Eligible Employees based on the performance rating-based eligibility criteria set forth in Section 5(c) above. Each Stock Option grant will be evidenced by an Award Agreement that will specify such terms and conditions (including eligibility criteria referred above) as the Administrator, in its sole discretion, will determine. No amount is payable upfront at the time of grant of Stock Options.
- b) Terms: Each Stock Option shall entitle the Participant to receive the Shares underlying such Award following Vesting and payment of the Exercise Price. The Exercise Price / applicable payments shall be payable in any one of the following modes (unless any of these modes are not permitted or available under Applicable Law), except as otherwise stated in the Award Agreement or unless otherwise permitted by the Administrator:
 - i) Cheque or demand drafts or any other electronic mode of payment set forth in the Award Agreement, in accordance with the process and methodology prescribed in the Award Agreement; or
 - ii) To the extent permitted by Applicable Law and explicitly permitted in the Award Agreement, through a cashless exercise procedure pursuant to which the Participant shall authorize the sale of Shares through the Trust in the following manner:

‘Sell to Cover’: The Participant authorises the Trust to sell a number of Shares underlying the Award, with the sale of such number of Shares sufficient to cover the aggregate Exercise Price payable for the purchased Shares plus all applicable Taxes; or
 - iii) Such other form as may be determined by the Administrator from time to time.

In the event ‘Sell to Cover’ mode (otherwise permitted under the Award Agreement) is not possible pursuant to Applicable Law or involve substantial legal or practical

difficulties or involve substantial costs/liabilities for the Company or for the Trustees or for Participant(s) generally or any specific Participant(s), the Participant(s) shall be informed of the same and the concerned Participant(s) shall then be required to make the requisite payments: (A) through any of the modes specified in Section 6(b)(i); or (B) any other mode(s) specified in the Award Agreement; or (C) otherwise permitted by the Administrator.

The Exercise Price must be paid by the Participant in such manner as set forth in this Section 6(b) and in any event within the relevant Exercise Period of the Stock Options being Vested in the Participant.

c) Vesting:

(i) The Stock Options granted under the Plan shall Vest (in part or in whole, as the case may be) on completion of the Vesting Period and on satisfaction of the relevant Vesting Criteria, as set out in (and based on the terms of) the Award Agreement.

(ii) The Administrator shall have the authority to decide the Vesting Period of an Award; provided, however, that the minimum Vesting Period shall not be less than 12 months from the date of grant of the Award (or such other period as required under the SEBI Regulations as in effect from time to time) and the maximum Vesting Period shall not be more than 48 months from the date of grant of the Award. The Vesting Period for each grant of Stock Options shall be set out in the Award Agreement.

(iii) Any Stock Options which lapse or are forfeited shall be available for future grants. Vesting of Stock Options granted to a Participant may lapse or accelerate (as the case may be) in the following circumstances:

- The Stock Options granted to the Participant shall lapse if the Vesting Criteria, Vesting Period and any other Vesting-related requirements set forth in the Award Agreement are not satisfied.
- In the event of death of the Participant while the Participant is still an Eligible Employee of the Company, the Stock Options granted under the relevant Award Agreement shall Vest in the legal heirs or nominees of the deceased Participant, as the case may be, from the date of such Participant's death.
- In the event of Disability, the Stock Options granted under the relevant Award Agreement (as on the date on which Disability has occurred) shall Vest in the Participant on such date.
- In the event of termination of employment, or resignation of the Participant, Stock Options granted under the relevant Award Agreement which are not Vested in the Participant on the date of termination of employment/ resignation (as the case may be) will automatically lapse.
- In the event of retirement of the Participant from the Company's employment, the treatment of Stock Options granted to such Participant, which have not Vested as on the date of retirement, shall be as set forth in the respective Award Agreement, or otherwise as may be decided by the Administrator. However,

upon retirement the Participant shall be entitled to exercise the vested Stock Options in accordance with terms thereof.

- In the event the employment of the Participant is terminated for misconduct, the Stock Options will lapse if the employment is terminated prior to Vesting. Where the Stock Options are vested in the Participant, the unexercised Stock Options will be forfeited if the Participant's employment is terminated for misconduct.
 - Except as: (i) legally required; or (ii) expressly authorised by the Administrator; or (iii) expressly authorised by the Company's written policies on leave of absence, and being expressly stated in the Award Agreement; no Service credit shall be given for Vesting purposes for any period the Participant is on a leave of absence.
- d) Form and Timing of Settlement: Settlement of Vested Stock Options will be made within a reasonable time period and in compliance with Applicable Law, upon exercise (by payment of the Exercise Price) within the stipulated Exercise Period post Vesting of the Stock Options.
- e) Exercise Period: After Vesting, a Participant shall have an Exercise Period of up to 730 calendar days (as may be set out in the Award Agreement) within which to exercise the Award, and such period shall not be impacted by subsequent death or Disability of the Participant. Each Participant may, at their discretion, exercise all or part of the Award within the Exercise Period and can choose to exercise (in compliance with Applicable Law) all or part of the Award in tranches during the Exercise Period. On the expiry of the Exercise Period, any Stock Options which have not been exercised will lapse and cease to be valid for any purpose. However, the Administrator also has the discretion to decide the Exercise Period and process of exercise, provided the same is stated in the Award Agreement.

The Stock Options shall be deemed exercised when the Company (or its appointed agent) receives written or electronic notice of the exercise from the Participant, and subject to the terms of the Award Agreement, full payment of the Exercise Price in respect of the Shares which have been Vested with respect to which the Stock Options are exercised along with payable Taxes.

However, in cases where the Administrator so decides, the income tax amounts will be deducted from the Participant's salary, and in such events the payment of Exercise Price need not be accompanied by such amount.

Notwithstanding the foregoing, the Exercise Period for the circumstances enumerated in Section 6(c)(iii) above (as relevant) shall be the following:

- i) In the event of death of the Participant, the Stock Options Vested in the legal heirs or nominees of the deceased Participant (as the case may be), shall be exercised within an Exercise Period of up to 730 calendar days (as may be set out in the Award Agreement) of the death of the Participant.
- ii) In the event of Disability, the Stock Options shall be exercised by the Participant (or by such Participant's authorised representative on his/her behalf, if the Participant is unable to exercise the same) within an Exercise

Period of up to 730 calendar days (as may be set out in the Award Agreement) of the date on which such Disability has occurred. To the extent not specified in writing by the Participant or stated in the Award Agreement, the Administrator shall have the power to decide on the mode and manner of determination of such authorised representative and related administrative matters.

- iii) In the event of retirement of the Participant from the Company's employment, Stock Options that have Vested in the Participant as on the date of retirement shall be exercised by the Participant in the manner and within the Exercise Period set out in the Award Agreement, or otherwise determined by the Administrator. To the extent Stock Options granted to such Participant, which have not Vested as on the date of retirement and are permitted to vest in accordance with the terms of the Award Agreement or otherwise permitted by the Administrator – the same shall be exercised by the Participant in the manner and within the Exercise Period set out in the Award Agreement, or otherwise determined by the Administrator.
- iv) In the event of termination of employment, or resignation of the Participant, Stock Options that have Vested in the Participant as on the date of termination/resignation (as the case may be, if the termination is not for misconduct), shall be exercised by the Participant within an Exercise Period of 30 calendar days from the termination of employment/resignation, unless this period is extended by the Administrator.
- v) Except as: (i) legally required; or (ii) expressly authorised by the Administrator; or (iii) expressly authorised by the Company's written policies on leave of absence and being expressly stated in the Award Agreement; the Exercise Period shall not be extended if the Participant is on a leave of absence.

7. **Shareholder Rights:** A Participant shall not have any of the rights of a shareholder with respect to Shares covered by an Award until the Participant becomes the holder of record of such Shares.

8. **Transferability of Awards:**

- a) An Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and, except as provided otherwise herein or in the Award Agreement or permitted by the Administrator, may be exercised, during the lifetime of the Participant, only by the Participant.
- b) Each Participant under the Plan may nominate any beneficiary to whom any benefit under the Plan is to be delivered in case of his or her death before he / she receives all of such benefit. Such nomination shall be filed in writing with the Administrator by the Participant during such Participant's employment with the Company.
- c) Each Participant under the Plan may nominate an authorised representative who shall be entitled to take all steps on behalf of the Participant to receive benefits under this Plan in case of a Disability that precludes the Participant from taking such steps. Such nomination shall be filed in writing with the Administrator by the Participant during such Participant's employment with the Company.

- d) In the event that a Participant who has been granted an Award under this Plan is transferred or deputed to any Subsidiary or associate company prior to Vesting or exercise, the Vesting and exercise as per the terms and conditions of the Award shall continue in case of such transferred/ deputed Participant even after the transfer or deputation (as the case may be).

9. Adjustments; Dissolution or Liquidation; Change in Control:

- a) Adjustments: In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, demerger, consolidation, bonus issue, split-up, spin-off, combination, repurchase, or exchange of Shares or any other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, to prevent changes to Share Reserve and to prevent a change in the Vesting Period of Awards granted to the Participants as far as possible, will adjust the number and class of Shares that may be delivered under the Plan (in the aggregate) and/or the number, class, and price of Shares covered by each outstanding Award, and the numerical Share limits set forth in Section 3 (including the Share Reserve and the per-person limitations). It is clarified that any such adjustment, while keeping in mind the above principles, has to be in compliance with Applicable Law, and in the event of a conflict between Applicable Law and the above principles, the Administrator shall take a final decision on the adjustments (in compliance with Applicable Law).
- b) Dissolution or Liquidation: In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.
- c) Change in Control: In the event of a Change in Control, each outstanding Award will be Vested immediately. To the extent the same is not permissible under Applicable Law, each outstanding Award will be treated as the Administrator determines, which may include (without limitation) one or more of the following actions which may be permissible under Applicable Law with respect to any outstanding Award: (i) assumption of the Award by the successor corporation (or parent or subsidiary of the successor corporation) (collectively, the “**Successor Corporation**”); (ii) cancellation and substitution of the Award with an Award granted by the Successor Corporation; (iii) continuation of the Award pursuant to the terms of the Change in Control transaction; (iv) accelerated Vesting of the Award (in whole or in part); (v) termination of the Award; (vi) cancellation of the Award in exchange for a cash payment for each vested Share (and each unvested Share if so determined by the Administrator) subject to the cash payment being an amount equal to the excess of the market price per Share on the date of the Change in Control over the Exercise Price in effect for such Share or (vii) replacement of the Award with a cash retention program of the Company or any Successor Corporation which preserves the spread existing on the unvested Shares subject to the Award at the time of the Change in Control (the excess of the market price of those Shares over the aggregate Exercise Price payable for such Shares) and provides for subsequent pay-out of that spread in accordance with the same Vesting schedule applicable to those unvested Shares.

The Administrator shall have the authority to provide that any escrow, holdback, earnout or similar provisions in the definitive agreement effecting the Change in Control shall apply to any cash payment made pursuant to this Section 9(c) to the same extent and in the same manner as such provisions apply to a holder of a Share. In addition, an Award may be subject to cancellation without any payment due to the Participant if the market price per Share on the date of the Change in Control is less than the Exercise Price per Share in effect for the Award.

The Administrator will not be required to treat all Awards similarly in the transaction.

For the purposes of this Section 9(c), an Award will be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) received in the merger or Change in Control by holders of Shares held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the merger, demerger or Change in Control is not solely common stock of the Successor Corporation, the Administrator may, with the consent of the Successor Corporation, provide for the consideration to be received, for each Share and each right to acquire a Share, to be solely common stock of the Successor Corporation equal in fair market value to the per Share consideration received by holders of Shares in the Change in Control.

Notwithstanding anything in this Section 9(c) to the contrary, an Award that Vests or is earned upon the satisfaction of one or more performance conditions (as set forth in the Award Agreement) will not be considered assumed if the Company or its successor modifies any of such performance conditions (as mentioned in the Award Agreement) without the Participant's consent - provided however, a modification to such performance conditions only to reflect the Successor Corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

10. **Tax Withholding:**

- a) **Withholding Requirements:** Prior to the delivery of any Shares pursuant to an Award (or exercise thereof), the Company will have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy any Taxes required with respect to such Award (or exercise thereof).
- b) **Withholding Arrangements:** The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such Taxes, in whole or in part by (without limitation): (i) paying cash; (ii) electing to have the Company withhold otherwise deliverable cash or Shares having a market price equal to the minimum amount required to be withheld; or (iii) selling a sufficient number of Shares otherwise deliverable to the Participant through such means as the Administrator may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld. The amount of the withholding requirement will be deemed to include any amount which the Administrator agrees may be withheld at the time the election is made, not to exceed the amount determined by using the maximum rates for Taxes applicable to the Participant with respect to the

Award on the date that the amount of Taxes to be withheld is to be determined. The market price of the Shares to be withheld or delivered will be determined as of the date that the Taxes are required to be withheld.

11. **No Effect on Employment or Service:** Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's Service relationship with the Company, nor will they interfere in any way with the Participant's right or the Company's right to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Law.
12. **Date of Grant:** The date of grant of an Award will be, for all purposes, the date on which the Administrator takes the decision to grant such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.
13. **Effective Date and Term of Plan:** This Plan shall become effective on and from the date of receipt of approval of the Company's shareholders. Awards granted under this Plan between the period of its adoption by the Board and shareholder approval shall become effective on and from the date of receipt of approval of the Company's shareholders and/or such other date as the Administrator may deem fit subsequent to the approval of the shareholders. The Awards under the Plan shall be made over 10 years from the date of approval by the Company's shareholders referred above, and the Plan will continue in effect for a period of 15 years, unless terminated under Section 14 of the Plan. These 10 year and 15 year periods can be extended by shareholders by passing a special resolution.
14. **Amendment and Termination of the Plan; Severability:**
 - a) **Amendment and Termination:** Subject to Applicable Law, the Administrator may at any time amend, alter, suspend or terminate the Plan.
 - b) **Shareholders' Approval:** The Company will obtain approval of its shareholders by way of special resolution in a general meeting of the Company for any amendment to the Plan to the extent necessary and desirable to comply with Applicable Law. The notice for passing special resolution shall contain the information as set out in the SEBI Regulations and other Applicable Law, including any circulars issued by SEBI.
 - c) **Effect of Amendment or Termination:** No amendment, alteration, suspension, or termination of the Plan will impair the rights of any Participant unless agreed to by the Participant. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.
 - d) **Severability:** The provisions of this Plan are severable; and if any provision(s) is/are held to be illegal, invalid or unenforceable, then to the extent permitted by Applicable Law, such provision(s) shall not affect the legality or validity of the Plan or the acts done thereunder.
15. **Lock-in Period:** There will be no lock-in period in respect of the Shares received post exercise of the Award. It shall, however, be the duty of the Participants to comply with Applicable Law if they wish to sell or transfer the Shares received post exercise of the Award.

16. **Legal Compliance Prior to Issuance of Shares:** Shares will not be transferred to a Participant pursuant to the exercise of an Award unless the exercise of such Award and the delivery of such Shares will comply with Applicable Law.
17. **Inability to Obtain Authority:** The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Administrator to be necessary for the lawful transfer of any Shares hereunder, will relieve the Company of any liability in respect of the failure to transfer such Shares as to which such requisite authority will not have been obtained.
18. **Surrender of Stock Options:** Any Participant to whom the Stock Options are granted under the Plan, may at any time surrender Stock Options granted to/Vested in such Participant to the Company (“**Surrender**”) in such manner as may be specified by the Administrator. In the event of Surrender, the Company would not be liable to pay any compensation to the Participant. The Stock Options so surrendered will be added back to the Share Reserve of the Plan and pursuant to Surrender, the Participant shall cease to have all rights and obligations over such surrendered Stock Options.
19. **Accounting Policies:** The Company will follow accounting policies and related disclosure requirements set out in Applicable Law (including those set out in Regulation 15 of the SEBI Regulations or in any other accounting standard(s) or guidance note(s) that may be issued by the Institute of Chartered Accountants of India from time to time) in relation to accounting for matters relating to the Stock Options.
20. **Co-existence of multiple Plans:** Nothing contained in this Plan shall prevent the Company from adopting any number of other share based employee benefit plans as it deems fit from time to time.