

# **ORKLA INDIA LIMITED**

## **Management Stock Option Plan**

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**MANAGEMENT STOCK OPTION PLAN**

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## Orkla India Limited

### Management Stock Option Plan

#### 1. Name, Objective and Term of the Plan

- 1.1 This plan shall be called the **Management Stock Option Plan 2025 (“MSOP 2025” or “Plan”)** which is approved by the Board and shareholders of the Company to encourage ownership of Shares by the Employees of the Company and to provide additional incentives for them to promote success of the Company by granting Management Stock Options, commonly referred as MSOPs, to acquire Shares of the Company, in the manner as defined in this document and Award Letter.
- 1.2 The primary objective of the Plan is to incentivize and reward Management Employees of the Company by granting them stock options that align their interests with the growth and success of the Company. The Plan is designed to:
- (a) recognize and reward the efforts of Management Employees by providing them with an opportunity to participate in the equity ownership of the Company;
  - (b) provide a mechanism for incentivizing the Management Employees in the form of stock options, particularly in connection with the Company’s IPO;
  - (c) to foster a sense of ownership, accountability, and commitment to enhancing shareholder value for the Management Employees; and
  - (d) motivate Management Employees of the Company to contribute effectively to the Company's performance, profitability, and sustained growth.
- 1.3 This Plan is established with effect from May 16, 2025 in accordance with the resolution approved by the shareholders of the Company and shall continue to be in force until the earlier of: (i) its termination by the Board/ Nomination and Remuneration Committee in due compliance with the provisions of Applicable Laws; or (ii) the date on which all of the Management Stock Options available for Grant under this Plan have been granted and exercised, or (iii) in the event the Company’s Shares are not listed on a Recognized Stock Exchange on or before the Long Stop Listing Date.

#### 2. Definitions and Interpretation

- 2.1 The terms defined in this section shall, for all purposes of this Plan, have the meanings herein specified:
- (a) **“Abandonment”** means absence of an Employee from work without authorization for a period of 15 (**Fifteen**) days, without having taken permission from the Company.
  - (b) **“Applicable Laws”** means any statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, policy, requirement, listing agreement or other governmental restriction or any similar form of decision, in each



case as in effect from time to time, to the extent applicable, including and without limitation, the Companies Act, Securities and Exchange Board of India Act, 1992, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, accounting policies, and all relevant tax, securities, foreign exchange control regulations or corporate laws of India, or of any other relevant jurisdiction, or of any Recognized Stock Exchange on which the Shares are listed or quoted including rules framed thereunder and amendments thereto;

- (c) **“Award Letter”** means such document as issued to an Eligible Employee, intimating Grant of MSOPs entitling to subscribe, or purchase specified number of Shares on payment of Exercise Price and applicable taxes and such other terms and conditions as may be required in accordance with this Plan;
- (d) **“Board”** means the board of directors of the Company;
- (e) **“Cash”** means cash and other acceptable and recognized means of monetary instruments in electronic form such as cheque, online fund transfer through approved banking channels etc.;
- (f) **“CEO”** means the Chief Executive Officer as designated, of the Company;
- (g) **“Change in Control”** means a change in ownership or control of the Company effected through any of the following transactions:
  - (i) the acquisition, directly or indirectly, by any person or related group of persons (other than the Company or a person that, directly or indirectly, controls, is controlled by, or is under common control with the Company), of beneficial ownership of securities possessing more than fifty (50) per cent. of the total combined voting power of the Company's outstanding securities pursuant to such transaction, except that any change in the beneficial ownership of the securities of the Company as a result of a private financing of the Company that is approved by the Board of Directors, will not be deemed to be a Change in Control;
  - (ii) a merger, consolidation, reorganization of the Company or a similar business combination, in which securities possessing more than fifty (50) per cent. of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from the person or persons holding those securities, directly or indirectly, immediately prior to such transaction; or
  - (iii) the sale, transfer or other disposition of all or substantially all of the Company's assets (including, intellectual property rights which, in the aggregate, constitute substantially all of the Company's material assets),

unless written notice is given by the Directors that such transaction shall not, notwithstanding the foregoing provision, constitute a Change in Control.



- (h) **“Company”** means Orkla India Limited, a company incorporated under the laws of India and registered under the Companies Act, 2013 having CIN: U15136KA1996PLC021007
- (i) **“Committee” or “Compensation Committee” or “Nomination and Remuneration Committee”** means the Nomination and Remuneration Committee of the Board, as constituted, or reconstituted from time to time, comprising of such members of the Board as provided under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Listing Regulations, 2015 and having such powers as specified under the SEBI SBEB Regulations read with powers specified in this Plan.
- (j) **“Companies Act”** means the applicable provisions of Companies Act, 2013 notified from time to time, as amended from time to time and shall include all rules and regulations issued thereunder and/or any statutory replacement or re-enactment or amendments thereof;
- (k) **“Competing Activity”** means any activity which is the same or substantially similar to part or whole of the business of the Company or any of the Subsidiary(ies), from time to time.
- (l) **“Competitor”** means any person who (directly or indirectly) undertakes or is engaged in any Competing Activity (from time to time).
- (m) **“Corporate Action”** means, any one or more of the following events:
- (i) 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: (i) a different class of securities of the Company; or (ii) any securities of any other issuer; or (iii) cash; or (iv) other property.
  - (ii) sale, lease or exchange of all or substantially all of the assets or undertaking of the Company;
  - (iii) adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up;
  - (iv) a change in the capital structure of the Company as a result of reclassification of shares, splitting up of shares, sub-division of shares, rights issue of shares, bonus issue of shares or conversion of shares into securities of a different type;
  - (v) Change in Control Event;
  - (vi) any other event, which in the opinion of the Board has a material impact on the business of the Company.
- (n) **“Director”** means a member of the board of directors of the Company, and shall have the same meaning as defined under Section 2(34) of the Companies Act.
- (o) **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee for granting the MSOPs to the Eligible Employees.



(p) **“Eligible Employee”** means a Management Employee who is eligible for Grant of MSOPs under this Plan;

(q) **“Employee”** means

- (a) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (b) a Director of the Company (whether a whole time director or not), including the managing director and non-executive director who is not a Promoter or member of the Promoter Group, but excluding an independent director; or
- (c) an employee as defined in sub-clauses (a) or (b) of a group company including subsidiary of the Company, in India or outside India or of a Holding Company of the Company

but doesn't include:

- (a) an employee who is a Promoter or a person belonging to the Promoter Group;
- (b) a Director who either by himself /herself or through his/her relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Shares of the Company;

For the avoidance of doubt, the term Employee shall have the meaning as assigned to it under the Companies Act until Listing of Shares and thereafter it shall have same meaning as assigned to it in the SEBI SBEB Regulations.

- (r) **“Exercise”** means election by a Grantee by way of a written notice to the Company for subscription, or purchase of Shares underlying the Vested MSOPs, in pursuance of the Plan, and subject to the conditions prescribed and procedure laid down by the Committee under the MSOP Documents and Applicable Laws for Exercise of such MSOPs, and the term **“Exercised”** shall be construed accordingly;
- (s) **“Exercise Period”** means such time period after Vesting within which the Grantee shall have the right to Exercise the Vested Options in pursuance of MSOP.
- (t) **“Exercise Price”** means the price approved by the Committee being payable by the Grantee in order to Exercise the Vested Options in pursuance of the MSOP, subject to Applicable Laws.
- (u) **“Fair Market Value”** means the fair value of a Share of the Company as derived by an independent valuer (authorized to undertake such valuation exercise as per Applicable Laws).

**Provided that** upon Listing of Shares of the Company on a Recognized Stock Exchange, the Fair Market Value shall be the listed price on such Recognized Stock Exchange;



Explanation—If such Shares are listed on more than one Recognized Stock Exchange, then the closing price on the Recognized Stock Exchange having higher trading volume shall be considered as the fair market price. The value which the Board/Committee accepts as Fair Market Value in accordance with the foregoing norms shall be final and binding on all parties.

- (v) **“Grant”** means the process by which the Company issues the MSOPs to Eligible Employees under the Plan;
- (w) **“Grant Date”** means such date on which the Committee approves the Grant of MSOPs;

Explanation - For accounting purposes, the Grant Date will be determined in accordance with applicable accounting standards.

- (x) **“Grantee”** means such Eligible Employee to whom Grant of MSOPs is made in accordance with the terms of this Plan;
- (y) **“Group Company”** shall have the meaning ascribed to the term “group” under the SEBI SBEB Regulations.
- (z) **“Holding Company”** includes any present or future holding company of the Company, as defined under Section 2(46) of the Companies Act;
- (aa) **“HR Head”** means the Human Resource Head as designated, of the Company;
- (bb) **“IPO”** shall have the meaning ascribed to the term “initial public offer” under the SEBI ICDR Regulations;
- (cc) **“IPO Long Stop Date”** shall mean the date which falls 12 (twelve) months from the date when final observations on the draft red herring prospectus filed by the Company for the [IPO] are received from Securities and Exchange Board of India;
- (dd) **“Listing”** means listing of Shares of the Company on a Recognized Stock Exchange in India as per the Applicable Laws;
- (ee) **“Long Leave”** means an extended period of leaves authorized by the Company in accordance with the established practice, and/or applicable terms of employment, as the case may be.
- (ff) **“Management Employee”** means those Employees holding senior managerial and/or key positions in the Company, Holding Company, Subsidiary, and identified by the Committee for participation in this Plan;
- (gg) **“MSOP Documents”** shall mean and include the terms and conditions set forth in this Plan, Award Letter, relevant company policies/terms of employment, articles of association of the Company and the terms of any contracts entered into inter alia by the Company or the Subsidiary Company(ies) and the Employee;





- (hh) **“Permanent Incapacity”** means any disability 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 Committee based on a certificate of a medical expert identified by the Committee and in accordance with Applicable Law;
- (ii) **“Promoter”** shall have the same meaning assigned to it under section 2(69) of the Companies Act or the SEBI ICDR Regulations, as applicable;
- (jj) **“Promoter Group”** shall have the same meaning assigned to it under the SEBI ICDR Regulations;
- (kk) **“Recognized Stock Exchange”** means the National Stock Exchange of India Limited, BSE Limited, or any other stock exchange which has been granted recognition under Section 4 of the Securities Contracts (Regulation) Act, 1956.
- (ll) **“Retirement”** or **“Superannuation”** means retirement of the Employee from the Company as per company policies/terms of employment.
- (mm) **“SEBI ICDR Regulations”** means the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- (nn) **“SEBI SBEB Regulations”** shall mean Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time and any circulars or notifications issued thereunder.
- (oo) **“Secondary Acquisition”** shall have the meaning ascribed to the term under the SEBI SBEB Regulations.
- (pp) **“Shares”** means equity shares of the Company or arising out of the Exercise of Management Stock Options granted under this Plan;
- (qq) **“Shareholder”** means a shareholders of the Company;
- (rr) **“Subsidiary”** includes any present or future subsidiary company of the Company, as defined under Section 2(87) of the Companies Act;
- (ss) **“Stock Options”** or **“MSOPs”** or **“Options”** means options granted to an Eligible Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date Shares underlying such options at such price as decided by the Committee as referred to in Clause 8.1;
- (tt) **“Unvested Options”** means an MSOPs in respect of which the relevant Vesting conditions as determined by the Committee have not been satisfied and as such, the Grantee has not become eligible to exercise the MSOPs;



- (uu) **“Vest”** and/ or **“Vested”** and/ or **“Vesting”** means the process by which the Employee becomes entitled to receive the benefit of a Grant made to him/her under this Plan.
- (vv) **“Vested Option”** means an Option in respect of which the relevant Vesting conditions have been satisfied and the Grantee has become eligible to Exercise the Option subject to fulfilment of conditions under the MSOP Documents, and the term **“Vested Options”** shall be construed accordingly.
- (ww) **“Vesting Period”** means the period during which the Vesting of the Option granted to the Employee, in pursuance of this Plan takes place.

## 2.2 Interpretation

In this Plan, unless the contrary intention appears:

- (i) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- (ii) a reference to a clause number is a reference also to its sub- clauses;
- (iii) words in singular number include the plural and vice versa;
- (iv) words importing a gender include any other gender;
- (v) the word “person” includes an individual, a firm, a body corporate or unincorporated or any authority;
- (vi) if due to any reason any provision/ clause of the Plan is rendered unlawful or unenforceable, then the Plan shall be read as excluding that provision/ clause.

## 3. Authority and Ceiling

- 3.1 The shareholders of the Company, pursuant to a special resolution dated May 16, 2025, have approved the Plan and the following:
- (a) authorized the Board and the Committee to Grant up to such number of MSOPs under this Plan to the Eligible Employees, in one or more tranches and on such terms and conditions, as may be determined by them in accordance with the provisions of this Plan and in due compliance with Applicable Laws.
  - (b) The MSOPs to be granted from time to time, and in aggregate shall be exercisable into Shares which are no more than 0.34% (**Zero Point Three Four Percent**) of the total share capital of the Company, as on the date of the aforementioned special resolution, with each such MSOP conferring a right upon the Eligible Employees to subscribe to 1 (**One**) Share in the Company upon Exercise of such MSOP in accordance with the terms and conditions set out under this Plan, and the Applicable Laws. The final distribution shall be as determined by the Committee or Board, as the case may be.
- 3.2 The maximum number of MSOPs that may be offered under the Plan per Employee and in aggregate whether in any one or more financial year(s), shall not be more than 4,70,000 (**Four Lac Seventy Thousand Only**)



- 3.3 If an MSOP remains unexercised at expiration of the Exercise Period or is forfeited/canceled or becomes un-exercisable due to any other reason, it shall become available for future Grants, subject to compliance with all Applicable Laws. The Board or the Committee will have powers to re-grant such MSOPs.
- 3.4 Where Shares are issued consequent upon Exercise of MSOPs, the maximum number of Shares that can be issued under this Plan will stand reduced to the extent of such Shares issued.

#### **4. Administration**

- 4.1 The Plan shall be administered by the Committee working under the powers delegated by the Board. All questions of interpretation of this Plan including any dispute, discrepancy or disagreement which may arise under or as a result of or pursuant to or in connection with the Plan, shall be determined by the Committee and such determination shall be final and binding upon all persons having interest in this Plan.
- 4.2 The Committee is authorized to determine all the terms governing the Plan including the provisions specified in Part B of Schedule – I of the SEBI SBEB Regulations, and subject to Applicable Law, any variation thereof and including, but not limited to
- (a) The criteria for selection of Management Employees for participation in the Plan;
  - (b) The quantum of MSOPs to be granted per Management Employee and in aggregate under the Plan subject to the ceiling as specified in sub-clause 3.1(b);
  - (c) The procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of MSOPs and to the Exercise Price in case of Corporate Actions or any other reason, as may be determined by the Committee, as specified in Applicable Laws. In this regard, the following shall, inter alia, be taken into consideration:
    - i) The number and Exercise Price of MSOPs is adjusted in a manner such that it does not result in diminution of the value of such Options and the total value of the MSOPs in the hands of the Grantee remains the same after such Corporate Action; and
    - ii) The Vesting Period and the life of the MSOPs shall be left unaltered as far as possible to protect the rights of the Grantees.
  - (d) The procedure and detailed terms for the Grant, Vesting and Exercise of MSOPs in case of Grantees in general, and in case of Grantees on Long Leave;
  - (e) Decide upon the right of an Eligible Employee to exercise all the MSOPs vested in him/her at one time or at various points of time within the Exercise Period;



- (f) Mode of payment of the Exercise Price (cheque, demand draft, deduction from salary, or any other mode);
- (g) The procedure for funding for Exercise of MSOPs, as permitted under the Applicable Laws;
- (h) The procedure for cashless Exercise of MSOPs, and the procedure and formula for cash settlement of Vested Options in scenarios not explicitly covered in the Plan;
- (i) The period within which an Eligible Employee can exercise the MSOP and lapse of the MSOPs in case of failure to Exercise within such period;
- (j) The nomination process in the event of death or incompetence to contract;
- (k) Approve forms, writings and/or agreements, if entered by the Company, for use in pursuance of the Plan;
- (l) The acceleration, continuation, extension or deferment of the Exercise and/or Vesting of any MSOPs, including with respect to the period following a Grantee's termination of employment/directorship with the Company, the Subsidiary(ies) or Holding Company;
- (m) Frame suitable policies and procedures to ensure that there is no violation of the securities laws, as amended from time to time, 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 Securities Market) Regulations, 2003 or any statutory modification or re-enactment of these regulations, any other regulation as may be notified by the Securities and Exchange Board of India or any other authority from time to time, by the Company and any Employee, if and as and when applicable; and
- (n) Determine the procedure for buy-back of MSOPs granted under the Plan if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
  - i. permissible sources of financing for buy-back;
  - ii. any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
  - iii. limits upon the quantum of MSOPs that the Company may buy-back in a financial year.

## **5. Eligibility and Grant of MSOPs**

- 5.1 Grants can only be made to the Eligible Employees. The Management Employees to whom the Options would be granted, and their Eligibility Criteria shall be determined



- by the Committee. The names of all Eligible Employees along with number of MSOPs proposed to be granted to each Eligible Employee shall be presented for formal approval of the Board or Committee, as the case may be.
- 5.2 Each Grant of MSOPs under this Plan shall be made in writing by the Company to the Eligible Employees in the form of Award Letter or such other relevant MSOP Document as may be determined by the Committee, from time to time, in accordance with this Plan. The Award Letter or such other relevant MSOP Document issued by the Company may also specify the following:
- (a) The number of MSOPs Granted;
  - (b) Date of Grant;
  - (c) Vesting Schedule/ Period and Vesting conditions/Criteria
  - (d) Terms and conditions of Exercise (in addition to terms as mentioned in this Plan);
  - (e) Exercise Period and schedule;
  - (f) Settlement of the MSOPs;
  - (g) Treatment upon termination of employment; and
  - (h) any other terms and conditions , in compliance with Part G, Schedule I of SEBI SBEB Regulations.
- 5.3 The Grant of a MSOP pursuant to the Award Letter to an Eligible Employee shall be personal to the Eligible Employee and unless otherwise provided under the Plan, shall not be transferable to any other person in any manner whatsoever.
- 5.4 The Grantee who desires to accept the Grant of MSOPs must communicate such acceptance by delivering to the Committee or any other person authorized in this regard, a copy of the acceptance form in the prescribed format ("**Acceptance Form**") duly signed by the Grantee by the due date as specified in the Award Letter, being such a time period not exceeding 30 (**Thirty**) days from Grant Date in the manner prescribed.
- 5.5 The Acceptance Form shall be deemed to incorporate all the terms of this Plan, as if the same were set out therein. In the event of inconsistency between the Award Letter, the company policies/terms of employment, and/or the Acceptance Form and this Plan, this Plan shall prevail.
- 5.6 Any Grantee who fails to deliver the duly filed and signed Acceptance Form within the time period specified in Clause 5.5 above, shall be deemed to have rejected the offer, unless the Committee determines otherwise.
- 5.7 Upon acceptance of the Grant, subject to the terms contained herein, (i) the Grantee, shall be bound by the terms, conditions and restrictions of the relevant MSOP Documents issued to such Grantee, and (ii) the Grantee's acceptance of the Grant of MSOPs shall conclude a contract between the Grantee and the Company, pursuant to which each MSOP shall, on such acceptance, be granted which shall be Unvested MSOP.

## **6. Vesting of MSOPs**



- 6.1 Subject to a minimum Vesting Period of 1 (**One**) year, the MSOPs granted under this Plan shall vest on the later of (i) the expiry of 1 (**One**) year from the Grant Date of such MSOPs, or (ii) the date on which the Company is Listed on a Recognized Stock Exchange. However, if no listing takes place until the Long Stop Listing Date, all MSOPs granted under this Plan shall stand lapsed and cancelled automatically.
- 6.2 The minimum Vesting Period of 1 (**One**) year as mentioned in Clause 6.1 above shall not apply to cases of separation from employment due to death and Permanent Incapacity and in such instances, all the Unvested MSOPs shall Vest with effect from the date of death or Permanent Incapacity, as the case may be.
- 6.3 Notwithstanding the provisions of Clause 6.1 above, in case where MSOPs are granted by the Company under the Plan in lieu of options held by a person under a similar plan/scheme 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/her/them shall be adjusted against the minimum Vesting Period required under this Clause 6 in due compliance with the Applicable Laws.
- 6.4 As a prerequisite to valid Vesting, subject to provisions of Clause 8.2 of the Plan, a Grantee is required to be in continued employment in good standing with the Company or Group Company including Holding Company, or Subsidiary(ies), as the case may be, and the Grantee must neither be serving any notice of resignation/termination of his employment as on date of any Vesting, nor should be subject to any disciplinary proceedings pending against him/her on such date of Vesting. In case of any ongoing or pending disciplinary proceedings against any Grantee, the Vesting of any MSOPs granted to such Grantee shall be kept in abeyance until disposal of proceedings and the Vesting then shall be determined by the Committee basis the conclusion of the disciplinary proceedings.
- 6.5 Subject to Applicable Laws, and unless the Committee decides otherwise, no MSOPs shall Vest in a Grantee if such Grantee: (i) carries on or engages in, directly or indirectly, at any time during employment, 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, in any Competing Activity, and/or (ii) engages in any activity or action, or inaction which brings disrepute, financial loss, or any other adverse change to the Company. The decision of the Committee in this regard shall be final and conclusive and subject to the Grantee having been given a fair and reasonable opportunity to present their case, or make representation before the Committee prior to taking such decision. For the sake of clarity, the restriction contained in this Clause 6.5(i) shall not be applicable to: (a) an investment made by the Grantee in mutual funds or similar schemes; and (b) any activity/ business carried out by the Grantee in pursuance of their duties as an Employee.
- 6.6 In the event of a Corporate Action, the Committee shall have the power and discretion to waive or alter any or all Vesting conditions (save and except for any Vesting conditions relating to compliance with Applicable Law, including without limitation the minimum Vesting Period prescribed under Applicable Law) and accelerate Vesting of





any or all Unvested MSOPs granted under this Plan. Notwithstanding anything to the contrary in this Clause 6.6, if the Change in Control does not occur after approval of acceleration of vesting of any or all Unvested MSOPs by the Committee, such acceleration shall stand automatically cancelled and the waiver of any or all Vesting conditions shall be null and void as if such proposal was never considered or approved by the Committee, and the Unvested MSOPs proposed to be accelerated shall be subject to their original Vesting schedule and Vesting conditions.

## **7. Vesting in case of Employees on Long Leave**

Unless otherwise determined by the Committee, the period of: (i) sabbatical and/or authorized leave without pay shall not be considered in determining the Vesting Period; and (ii) leave in all other cases taken in accordance with the company policies/ terms of employment, including approved earned leave, maternity leave and sick leave, shall be included to calculate the Vesting Period.

## **8. Exercise of MSOPs**

### **8.1. Exercise Price**

- (a) The Exercise Price per MSOP shall be as specified in the Award Letter or any other relevant MSOP Document, as the case may be. However, the Exercise Price shall not be less than the face value of Shares and shall be in conformity with the accounting policies specified under the SEBI SBEB Regulations.
- (b) The Exercise Price shall be paid in full at the time of Exercise of the Vested Options.
- (c) Payment of the Exercise Price or any amount under the Plan, if any, shall be made by submission of cheque, banker's cheque, demand draft drawn in favor of the Company with the authorized personnel of the Company, or in such other manner as the Board or any committee authorized by the Board, may approve from time to time.

### **8.2. Exercise Period**

#### **(a) While in employment/ service**

The Exercise Period in respect of Vested MSOPs shall be 1 (**One**) year from the date of Vesting of such MSOPs, or such other extended period as may be decided by the Committee on a case to case basis, after which any unexercised Vested MSOPs shall lapse.

#### **(b) Exercise Period in case of separation from employment/ service**

Subject to the Exercise Period stated above, Vested MSOPs can be exercised by the Grantee, as under:



S. No.	Separations	Vested MSOPs	Unvested MSOPs
1	<b>Resignation / Termination</b> (other than due to Cause)	All the Vested M S O P s as on date of submission of resignation, or issuance of notice of termination, may be Exercised by the Grantee within 1 ( <b>One</b> ) year from the date of Vesting of such MSOPs.	All the Unvested MSOPs on the date of submission of resignation / date of issuance of notice of termination shall stand cancelled with effect from that date.
2	<b>Termination due to Cause*</b>	All the Vested MSOPs which were not Exercised at the time of such termination for Cause shall stand forfeited and cancelled with effect from the date of such termination.	All the Unvested MSOPs at the time of such termination for Cause shall stand cancelled with effect from such date of termination.
3	<b>Retirement/Supera nnuation</b>	All the Vested MSOPs as on date of Retirement / Superannuation may be Exercised by the Grantee within 1 ( <b>One</b> ) year from the date of Vesting of such MSOPs.	All Unvested MSOPs as on the date of Retirement / Superannuation would continue to Vest in accordance with the original Vesting Schedule even after the Retirement / Superannuation unless otherwise determined by the Committee in accordance with the Award Letter or any other MSOP Documents, the company policies/terms of employment, and provisions of the Applicable Laws.  All aforesaid Vested Options may be Exercised within 1 ( <b>One</b> ) year from the date of Vesting of such MSOPs.
4	<b>Separation due to death</b>	All Vested MSOPs shall be available to be Exercised by the Grantee's nominee or legal heir(s) on submission of requisite proof, within 6 ( <b>Six</b> ) months from the date	All the Unvested MSOPs as on the date of death shall be deemed to vest in Grantee's nominee or legal heir(s) immediately and will be available to be





		of death of such Grantee or within 1 ( <b>One</b> ) year from the date of Vesting, whichever is earlier.	Exercised by the Grantee's nominee or legal heir(s) within 6 ( <b>Six</b> ) months of date of death of such Grantee.
5	<b>Separation due to Permanent Incapacity</b>	<p>All Vested MSOPs may be Exercised by the Grantee or the nominee, or legal heir(s) (if there is nominee) of the permanently incapacitated Grantee (in cases where such Permanent Incapacity renders the Grantee unable to Exercise the Options), within 6 (<b>Six</b>) months from the date of Permanent Incapacity of such Grantee or within 1 (<b>One</b>) year from the date of Vesting, whichever is earlier</p> <p>For this purpose, the date of Permanent Incapacity shall be the date mentioned in the certificate issued by the medical expert verifying such Permanent Incapacity of the Grantee.</p>	All the Unvested MSOPs as on the date of incurring of such Permanent Incapacity shall Vest immediately in the Grantee or their nominee, or legal heir(s) and can be Exercised within within 6 ( <b>Six</b> ) months from the date of Permanent Incapacity of such Grantee.
6	<b>Abandonment</b>	All the Vested MSOPs shall stand cancelled with effect from such date of Abandonment, as determined by the Committee.	All the Unvested MSOPs shall stand cancelled with effect from such date of Abandonment, as determined by the Committee.
7	<b>Termination/ separation due to any other reason apart from those mentioned above</b>	The Committee shall decide whether the Vested MSOPs as on that date can be Exercised by the Grantee or not, and such a decision shall be final and binding.	All Unvested MSOPs on the date of such termination shall stand <b>cancelled</b> with effect from that date, unless otherwise required by Applicable Laws or unless otherwise decided by the Committee.

\* **“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 Company after giving the Employee an opportunity of being heard:



- Gross misconduct (generally this includes any fundamental breach of contract or conduct which brings the Company/the Board or the Chairman into disrepute/disgrace);
- Material breach of safety rules;
- Conviction by any court of law or any other adjudicating authority;
- Theft (whether before or after the date of employment contract);
- Fraud (whether before or after the date of employment contract);
- Being under the influence of alcohol or drugs or similar substances, during the work hours or working periods;
- Violation of material terms of employment or flagrant/blatant failure to follow Company's policies, procedures and regulations;
- Willful and continued failure to substantially perform duties with the Company (other than such failure resulting from being disabled), within reasonable period of time after a written demand/notice for substantial performance is delivered to Employee by the Company
- Willful engaging in conduct which is demonstrably and materially injurious to the Company or any of its subsidiaries/associates, monetarily or otherwise;
- Being charge sheeted for the offence involving violation of the provisions of Sexual Harassment of Women At Workplace (Prevention, Prohibition & Redressal) Act, 2013, and which is not quashed within 180 (**One Hundred and Eighty**) days from the date of the charge-sheet;
- commission of any act not in conformity with discipline or good behaviour or acceptance or offering of illegal gratification;
- committing any act of assault or wilful damage (including physical damage) to the Company or its Subsidiary(ies), or Holding Company, or any of their respective properties;
- becoming of unsound mind;
- any of the particulars or details furnished by the Employee that are found to be incorrect, or has misrepresented any of the facts or the background verification, at any point during the employment, is found to be negative;
- Engaging (whether before or after the date hereof) in egregious/grave misconduct involving serious moral turpitude to the extent that, in the reasonable judgment of the Company, Employee credibility and reputation no longer conform to the standards of the Company's executives/Employees.

### 8.3. Procedure for Exercise of MSOP

- (a) Each MSOP entitles the Grantee thereof to apply for and be allotted one Share of the Company, on payment of the Exercise Price at any time during the Exercise Period.
- (b) The MSOPs not Exercised within the Exercise Period as mentioned in Clause 8.2 above, shall lapse and the Grantee shall have no right over such lapsed MSOPs.
- (c) The Vested MSOPs may be Exercised either in full or in part, provided that no fraction of a Vested MSOPs shall be exercisable in its fractional form and should be rounded off to the nearest multiple of one for a valid Vesting.



- (d) A MSOP shall be deemed to have been exercised when -
- the Company or the Trust, (if any) receives an application in writing seeking Exercise of MSOP from the Grantee, entitled to exercise the MSOP in the prescribed format, or by any other means as decided by the Committee for the issuance/transfer of Shares as to a whole number of such Shares, i.e. no fraction of a Vested Option shall be Exercisable in its fractional form and should be rounded off to the nearest multiple of one for a valid Vesting, subject to compliance of the requisite terms and conditions of Exercise.
  - the Company receives full payment including satisfaction of applicable tax liability thereon for the Shares underlying the number of MSOPs Exercised by the Grantee.
- (e) Unless otherwise determined by the Committee, in the event of assignment or transfer or deputation of a Grantee within the Company, Holding Company or Subsidiary(ies), the Vested Options as on the date of such transfer, shall be available for Exercise as if the employment/ service of the Grantee is being continued and in case of Unvested Options, such Options, even after date of such transfer, shall continue to Vest as per the original schedule and be Exercised as per the terms of Plan.
- (f) Subject to Applicable Laws, and unless the Committee decides otherwise, no Grantee shall be entitled to Exercise their MSOPs, and all such MSOPs will lapse if such Grantee: (i) carries on or engages in, directly or indirectly, at any time whether during or post-employment, 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, in a Competing Activity, and/or (ii) engages in any activity or action, or inaction which brings disrepute, financial loss, or any other adverse change to the Company. The decision of the Committee in this regard shall be final and conclusive, subject to the Grantee having been given a fair and reasonable opportunity to present their case, or make representation before the Committee prior to taking such decision. For the sake of clarity, the restriction contained in this sub-Clause 8.3(f)(i) shall not be applicable to: (a) an investment made by the Grantee in mutual funds or similar schemes; and (b) any activity/ business carried out by the Grantee in pursuance of their duties as an Employee.

## **9. Lock-In**

The Shares issued upon exercise of MSOPs shall be freely transferable and shall not be subject to any lock-in period restriction after such exercise, however, the same shall be subject to such restrictions as may be prescribed under Applicable Laws including the Company policies including its Articles of Association, to regulate, monitor and report trading by insiders under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.



## **10. Exit route in case of de-listing**

If the Company gets de-listed from all the Recognized Stock Exchanges, then the Committee shall have the powers to determine the terms and conditions for the treatment of Vested MSOPs and Unvested MSOPs in due compliance of the Applicable Laws and/or this Plan.

## **11. Authority to vary terms**

- 11.1. The Board or Committee, if it deems necessary, subject Applicable Laws, shall have the power to: (a) vary the terms of the Plan, including but without limitation for the purposes of meeting any regulatory requirements and for efficient implementation and administration of the Plan provided that such variation is not prejudicial to the interest of the Employees, and (b) to terminate the Plan and/or cancel all or any of the MSOPs granted under the Plan with payment of adequate compensation for Vested MSOPs.
- 11.2. Post Listing, the Company shall be entitled to vary the terms of Plan to meet any regulatory requirement without seeking shareholders' approval by special resolution.
- 11.3. Subject to Applicable Laws, the Committee may also alter the Exercise Price of the MSOPs (including a reduction in the Exercise Price as may be determined by the Committee) which are not Exercised, whether or not Vested, if Plan is rendered unattractive due to fall in the price of the Shares. Provided that the Company shall ensure that such adjustment in the Exercise Price is not detrimental to the interests of the Employees and the approval of shareholders by way of special resolution has been obtained for such alteration.

## **12. Corporate Action**

- 12.1. In the event of a Corporate Action, except as hereinafter provided, a Grant made shall be subject to adjustment, by the Committee, at its discretion as to number and price of MSOPs or Shares, as the case may be, to ensure that the resulting value of the MSOPs is not adversely impacted as a result of the Corporate Action. Provided further that in case the provisions of Applicable Law restrict/prohibit the issue of Shares at a discount to its par value, the Exercise Price shall not be less than the amount as prescribed under such law.
- 12.2. In the event of a dissolution or liquidation of the Company, any Vested MSOPs outstanding under this Plan shall be cancelled if not Exercised prior to such event and no compensation shall be payable in respect of the MSOPs so cancelled unless otherwise decided by the Committee.
- 12.3. It is clarified that nothing contained in this Plan shall be construed to prevent the Company from taking any Corporate Action which is deemed by the Company to be appropriate or in its best interest, whether or not such action would have an adverse



effect on the Plan or any Grant made thereunder. No Grantee or other person shall have any claim against the Company as a result of such action.

### **13. Transferability of Options**

- 13.1. The MSOPs shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 13.2. The MSOPs shall not be transferable to any person except in the event of death or Permanent Incapacity of the Grantee, in which case Clause 13.3 below would apply.
- 13.3. No person other than the Grantee to whom the MSOPs are granted shall be entitled to Exercise the MSOPs except in the event of the death of the Grantee in which case, his/her/their legal heir/nominee shall be entitled to Exercise such MSOPs in accordance with the provisions of this Plan. If due to Permanent Incapacity, a Grantee is unable to Exercise the MSOPs, the Committee may permit the nominee (as provided in accordance with Clause 16.2) of the incapacitated Grantee to Exercise the MSOPs on his/her/their behalf.

### **14. Deduction of Tax**

- 14.1. The liability of paying taxes if any, in connection with Exercise of MSOPs granted pursuant to this Plan shall be entirely on the Grantee, and shall be in accordance with the provisions of Income-tax Act, 1961 and the rules framed thereunder, and/or the laws governing income tax of respective countries as applicable to Eligible Employees of Company working abroad, if any.
- 14.2. The Company shall have the right to recover or deduct from the Grantee's salary, any of the Grantee's tax obligations arising in connection with MSOPs or the Shares acquired upon the Exercise thereof. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before the allotment of Shares or full and final settlement of the MSOPs.
- 14.3. The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied in respect of/by the Grantee.

### **15. Accounting Policy and Disclosures**

- 15.1. The Company shall follow/comply with laws/regulations applicable to accounting for stock Options, prescribed by the SEBI SBEB Regulations, including but not limited to the Accounting Standard IND AS 102 on Share-based payments and / or any relevant accounting standards as may be prescribed by the Central Government in terms of Section 133 of the Companies Act and / or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India ("ICAI") from time to time.



- 15.2. The Company shall make the requisite disclosures in respect of the Plan, in the manner specified under the Applicable Laws.

## **16. Miscellaneous**

### **16.1. Rights as a shareholder**

- (a) Nothing herein is intended to or shall give the Grantee a right to receive any dividend, or to vote, or in any manner enjoy the benefits of a shareholder (for example, bonus shares, rights shares, etc.) in respect of MSOPs Granted, until Shares underlying such MSOPs are allotted to such Grantee upon Exercise of such MSOPs.
- (b) If the Company issues bonus or rights Shares, the Grantee will not be eligible for the bonus or rights Shares in the capacity of a Grantee. However, an adjustment to the number of MSOPs, or the Exercise Price, or both may be made in accordance with Clause 12 of this Plan, if deemed necessary by the Committee.

### **16.2. Beneficiary nomination**

Each Grantee, under the Plan may nominate, from time to time, any nominee to whom any benefit under the Plan is to be delivered in case of death/Permanent Incapacity of that Grantee, before the Exercise of Vested Options. Each such nomination shall revoke all prior nominations by the same Grantee and shall be in a form prescribed by the Company and will be effective only when filed by the Grantee in writing with the Company during the Grantee's lifetime. The nominee shall be the legal representative recognized by the Company as the inheritor of the Grantee in respect of all rights and liabilities for the purposes of this Plan.

### **16.3. Government Regulations**

The Plan shall be subject to all Applicable Laws, rules, regulations, notifications and to such permissions, sanctions and approvals by any governmental agencies or shareholders, as may be required. In case of any contradiction between the provisions of the Plan and any Applicable Laws, rules, regulations etc., the provisions of law shall override the provisions of this Plan. The grant of MSOPs under this Plan shall entitle the Company to require the Grantee to comply with such requirements of law as may be necessary in the opinion of the Company.

### **16.4. Inability to obtain authority**

The inability of the Company to obtain authority from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such Shares.





#### 16.5. Foreign Exchange Laws

If any Options are granted to any Eligible Employee being resident outside India, the provisions of the Foreign Exchange Management Act, 1999 or any other applicable foreign exchange laws and rules or regulations made thereunder shall be applicable and the Company and the Grantee shall comply with such requirements as prescribed from time to time in connection with Grant, Vest and Exercise of MSOPs thereof.

#### 16.6. Compliance with Applicable Laws

The Grantee shall comply with the SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003, to the extent applicable as well as any code of conduct or such similar policy procedure or system formulated or adopted by the Company 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.

#### 16.7. General Risks

- (a) Participation in this Plan shall not be construed as any guarantee of return on Shares or equity investment. Any loss due to fluctuations in the market price of the Shares and the risks associated with the investments is that of the Grantee alone. The Grantee is encouraged to make considered judgment and seek adequate information /clarifications essential for appropriate decision.
- (b) The Plan shall not form part of any employment agreement between the Company and the Grantee. The rights and the obligations of any individual under the terms of his office or employment with the Company shall not be affected by his participation in this Plan or any right which he may have to participate in and nothing in this Plan shall be construed as affording such an individual, any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- (c) Neither the existence of this Plan nor the fact that an individual has on any occasion been granted a MSOP shall give such individual any right, entitlement or expectation that they have or will in future have any such right, entitlement or expectation to participate in this Plan by being granted a MSOP on any other occasion.
- (d) It is clarified that nothing contained herein or in the relevant MSOP Documents shall give or confer upon the Grantee, any right for continuation of any employment with the Company or interfere in any way with the right of the Company to terminate the employment of such Grantee.



- (e) The Grantee shall not be entitled to any compensation or damages for any loss or potential loss which they may suffer by reason of being unable to Exercise an Option in whole or in part.
- (f) This Plan is not intended to provide any legal or taxation advice to the Grantee under this Plan and such Employee should consult their own legal and tax advisors before accepting the Grant and / or Vesting of the Shares under this Plan.

## **17. Other Terms and Conditions**

### **17.1. General Terms**

This Plan, in terms of having binding effect, is a private contract between the Company and the Grantee specified in the Award Letter. It does not create any right or benefit for persons other than between the Company and the specific Grantee who has been issued the Award Letter, or any other relevant MSOP Document.

### **17.2. Severability**

In the event any one or more of the provisions contained in the Plan shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of Plan, but this Plan shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein, and the remaining provisions will remain in full force and effect and will not be affected by the void, invalid, illegal, or unenforceable provision or by its severance from this Plan. The Plan shall be carried out as nearly as possible according to its original terms and intent.

### **17.3. Confidentiality**

- (a) A Grantee must keep the details of the Plan and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peers, colleagues, co-employees or with any employees and / or associate of the Company or that of its affiliates. In case Grantee is found in breach of this clause on confidentiality, the Company shall have undisputed right to terminate any agreement and all unexercised MSOPs shall stand cancelled immediately. The decision and judgement of the Company regarding breach of this clause on confidentiality shall be binding and cannot be questioned by the Grantee. In case of non-adherence to the provisions of this Sub-clause 17.3, Committee shall have the final authority to deal with such cases as it may deem fit.
- (b) On acceptance of the Grant of Option offered by the Company, it shall be deemed that the Grantee has authorized the Company to disclose information relating to the Grantee, for the purposes of implementation of this Plan and compliance with Applicable Laws.

### **17.4. Certificate from the secretarial auditors and disclosures**





Upon Listing, the Board shall, at each annual general meeting place before the shareholders, a certificate from the secretarial auditors (as defined under the SEBI SBEB Regulations) of the Company that the Plan has been implemented in accordance with the SEBI SBEB Regulations and in accordance with the resolution of the Company in the general meeting in which the Plan is approved. The Board shall also make the requisite disclosures of the Plan, in the manner specified under the SEBI SBEB Regulations

#### 17.5. Listing of Shares

Shares issued under this Plan after Listing shall be listed immediately on the Recognized Stock Exchange(s) where the existing Shares are listed and the Committee shall comply with the regulatory requirements of SEBI SBEB Regulations.

### 18. Notices and Correspondence

18.1 All notices or communication required to be given by the Company to the Grantee by virtue of this Plan shall be in writing. The communications shall be made by the Company in any one or more of the following ways:

- (a) Sending communication(s) to the address of the Grantee available in the records of the Company; or
- (b) Delivering the communication(s) to the Grantee in person with acknowledgement of receipt thereof; or
- (c) Emailing the communication(s) to the Grantee at the official email address provided if any by the Company during the continuance of employment or at the email address provided by the Grantee after cessation of employment.

18.2. A notice shall be deemed to have been received: (i) at the time of delivery if delivered in person; (ii) at the time of transmission if sent by electronic mail (to the extent permitted under applicable law), or (iii) 5 (**Five**) business days after the time and date of posting if sent by pre-paid recorded delivery or international courier.

18.3. All notices of communication to be given by a Grantee to the Company in respect of the Plan shall be sent to the address mentioned below:

**Designation:** Mr. Kaushik Seshadri, Company Secretary and Compliance Officer

**Address:** No.1, 2nd & 3rd Floor, 100 Feet Inner Ring Road, Ejipura, Ashwini Layout, Vivek Nagar, Bengaluru, Karnataka, India, 560047

**E-mail:** [company.secretary@orklaindia.com](mailto:company.secretary@orklaindia.com)

### 19. Governing Law and Jurisdiction



- 19.2. The terms and conditions of the Plan shall be governed by and construed in accordance with the Applicable Laws of India.
- 19.3. In the event of a dispute arising out of or in relation to the provisions of this Plan, 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 reasonable attempts (which attempt shall continue for not more than 30 (**Thirty**) days) gives 10 (**Ten**) days' notice thereof to the other party in writing. In case of such failure, either party may refer the dispute to the Sole Arbitrator mutually agreed between the parties. The award of the Arbitrator so appointed shall be final, conclusive and binding on all the parties to the Agreement and provisions of the Arbitration & Conciliation Act, 1996 or any statutory modification or re-enactment thereof and the Rules made there under and for the time being in force shall apply to the arbitration proceedings under this clause. The seat of the arbitration shall be Bangalore, Karnataka. The language of arbitration shall be English. It is further agreed between the parties that the Courts in Bangalore, Karnataka shall have exclusive jurisdiction to entertain any application or any award(s) made by the Sole Arbitrator or other proceedings in respect of any issue arising under this Plan.