

BAJEL PROJECTS LIMITED

Special Purpose Employee Stock Option Scheme 2023 ("Special Purpose ESOP Scheme")

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1. NAME, OBJECTIVE AND TERM

- 1.1 This scheme shall be called '**Bajel Projects Limited - Special Purpose Employee Stock Option Scheme 2023**' (hereinafter referred to as the "**Special Purpose ESOP Scheme**").
- 1.2 The Board of Directors of the Demerged Company (*defined hereinafter*) and Resulting Company (*defined hereinafter*) approved the Demerger Scheme/Demerger (*defined hereinafter*) at their respective meetings held on February 8, 2022. The Demerger involves, among other things, the transfer of the Demerged Undertaking (*as defined in the Demerger Scheme*), which includes the Power Transmission and Power Distribution Business (*as defined in the Demerger Scheme*) of the Demerged Company into the Resulting Company.
- 1.3 The Demerger was approved by the NCLT (*defined hereinafter*) vide its order dated June 8, 2023, which has become effective as of the Effective Date (*defined hereinafter*).
- 1.4 Pursuant to the provisions of the Demerger Scheme, upon the Demerger Scheme becoming effective, the Resulting Company shall formulate new special purpose employee stock option scheme by adopting the Bajaj ESOP Plans (*defined hereinafter*) of the Demerged Company. With respect to the stock options granted by the Demerged Company to the eligible employees of the Demerged Company (irrespective of whether they continue to be employees of the Demerged Company or become employees of the Resulting Company pursuant to this Scheme) under the Bajaj ESOP Plans; and upon the Demerger Scheme becoming effective, the said eligible employees shall be issued 1 (one) stock option by the Resulting Company under the new special purpose employee stock option scheme for every 1 (one) outstanding stock option as on the Effective Date in the Demerged Company, on terms and conditions similar to the Bajaj ESOP Plans.
- 1.5 Therefore, pursuant to the provisions of the Demerger Scheme and with a view to restore the value of such stock options pre and post Demerger by providing fair and reasonable adjustment, the Company has adopted and implemented this Special Purpose ESOP Scheme and sought to provide such quantum of Options (*defined hereinafter*) at such Exercise Price (*defined hereinafter*) to the Employees (*defined hereinafter*). All other terms and conditions of the Special Purpose ESOP Scheme to the extent required under the Demerger Scheme read with provisions of the Applicable Law (*defined hereinafter*) have been kept similar to the Bajaj ESOP Plans.
- 1.6 This Special Purpose ESOP Scheme is established with effect from September 16, 2023 pursuant to the provisions of Demerger Scheme and the same shall continue to be in force until:
 - i. its termination by the Company as per provisions of Applicable Laws, or
 - ii. the date on which all of the Options available for issuance under the Special Purpose ESOP Scheme have been issued, exercised, or otherwise lapsed or cancelled, whichever is earlier.

2. DEFINITIONS AND INTERPRETATION

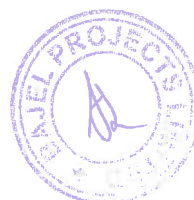
2.1 Definitions

- i. "**Applicable Law**" means every law relating to Options by whatever name called, including but without limitation to the Companies Act and the rules framed thereunder, the Securities and Exchange Board of India Act 1992 ("**SEBI Act**"), the



Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SBEB Regulations**") and all relevant tax, securities, exchange control or corporate laws of India or of any relevant jurisdiction or of any Stock Exchange on which the Shares are listed or quoted.

- ii. **"Bajaj ESOP Plans"** means 'Employee stock option plan 2011' and 'Employee stock option plan 2015' of the Demerged Company.
- iii. **"Board"** means the Board of Directors of the Company.
- iv. **"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 Nomination & Remuneration Committee after giving the Employee an opportunity of being heard:
 - (i) dishonest statements or acts of an Employee, with respect to the Company;
 - (ii) a felony or any misdemeanour involving moral turpitude, deceit, dishonesty or fraud committed by the Employee;
 - (iii) gross negligence, misconduct or insubordination of the Employee in connection with the performance of his/her duties and obligations towards the Company;
 - (iv) breach by the Employee of any terms of his/her employment agreement or the Company's policies or other documents or directions of Company including the reasons of non-performance;
 - (v) participating or abetting a strike in contravention of any law for the time being in force;
 - (vi) misconduct as provided under the labour laws after following the principles of natural justice.
- v. **"Companies Act"** means the Companies Act, 2013 and rules made thereunder and includes any statutory modifications or re-enactments thereof.
- vi. **"Company" or "Resulting Company"** means Bajel Projects Limited, a company incorporated under the provisions of the Companies Act, having its registered office at 801, Rustomjee Aspiree, Anik Wadala Link Road, Sion East, Mumbai – 400022, India and having corporate identification number - U31900MH2022PLC375133.
- vii. **"Director"** means a member of the Board of the Company.
- viii. **"Demerger Scheme" or "Demerger"** means the Scheme of Arrangement between the Demerged Company and Resulting Company and their respective shareholders under Sections 230-232 of the Companies Act.
- ix. **"Demerged Company"** means Bajaj Electricals Limited, a company incorporated under the provisions of the Indian Companies Act, 1913, having its registered office at 45/47, Veer Nariman Road, Mumbai - 400001, India and having corporate



identification number - L31500MH1938PLC009887.

- x. **“Demerged Undertaking”** has the same meaning as assigned to it under the Demerger Scheme.
- xi. **“Effective Date”** means September 1, 2023 i.e., the day on which last of the conditions specified in Clause 24.1 of the Demerger Scheme are complied with or otherwise duly waived.
- xii. **“Eligibility Criteria”** means the criteria stipulated under the Demerger Scheme for granting the Options to the Employees, which entails issuing 1 (one) Option by the Resulting Company to an Employee under this Special Purpose ESOP Scheme for every 1 (one) outstanding stock option held by such Employee under the Bajaj ESOP Plans as of the Effective Date.
- xiii. **“Employee”** means an individual who holds outstanding stock option(s) under the Bajaj ESOP Plans of the Demerged Company as of the Effective Date, regardless of whether such individual continues to be an employee of the Demerged Company or becomes an employee of the Resulting Company pursuant to the Demerger Scheme:

Provided that the term ‘Employee’ includes:

- (i) An employee designated by the Parties, whether exclusively working in India or outside of India;
- (ii) A director of the Parties, whether whole-time or not, including a non-executive director, who is not a Promoter or a member of the Promoter Group;
- (iii) An employee defined in Sub-clauses (i) and (ii) herein of one or more Subsidiary Companies of the Parties, whether present or future, whether in or outside of India, and of the respective Holding Companies of the Parties:

Provided further that, the term ‘Employee’ does not include:

- (a) An employee who is a Promoter or a person belonging to the Promoter Group;
- (b) A director who, either individually or through his/her relatives or any body corporate, directly or indirectly, holds more than 10% of the issued and subscribed equity shares in any of the Parties;
- (c) An independent director as defined under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Provided also that, notwithstanding the above, an individual who is an Employee of the Parties as per Sub-clause (i) above shall not cease to be an Employee in the following cases:

- (a) Approved leave of absence; and
- (b) Transfer from the Parties to their respective Holding Company or Subsidiary Companies, if any.

- xiv. **“Employee Stock Option”** means the option granted to an Employee which gives such an Employee the right, but not an obligation, to purchase at a future date, such number of Equity Shares of the Company as per the Eligibility Criteria at an Exercise Price.



- xv. **“Special Purpose ESOP Scheme”** means this Special Purpose Employee Stock Option Scheme 2023 implemented by the Resulting Company to give effect to the relevant provisions of the Demerger Scheme and provide a fair and reasonable adjustment to Employees on account of the Demerger.
- xvi. **“Equity Shares” or “Shares”** means fully paid-up equity shares of the Company of the face value of Rs.2 (Rupees Two) each.
- xvii. **“Exercise”** means making of an application by an Employee to the Company for issue of Equity Share against Vested Option in pursuance of the Special Purpose ESOP Scheme in accordance with the procedure laid down by the Company in this regard.
- xviii. **“Exercise Period”** means such time period after Vesting within which the Employee should Exercise the Options vested in him in pursuance of the Special Purpose ESOP Scheme.
- xix. **“Exercise Price”** means the price payable by an Employee in order to Exercise the Options granted to him in pursuance of the Special Purpose ESOP Scheme.
- xx. **“Grant”** means issue of Options to the Employees under the Special Purpose ESOP Scheme.
- xxi. **“Holding Company”** shall have the same meaning assigned to it under the Companies Act and any future holding company of the Company.
- xxii. **“Market Price”** means the latest available closing price on the Recognized Stock Exchange on which the Shares of the Company are listed on the date immediately prior to the Relevant Date.

Explanation - In case Shares are listed on more than one recognized stock exchange, then the closing price on the recognized stock exchange where the highest trading volume on the said date shall be considered.
- xxiii. **“NCLT”** means the Hon’ble National Company Law Tribunal of Mumbai Bench, having jurisdiction in relation to the Demerger by way of transfer the Demerged Undertaking of the Demerged Company into the Resulting Company and which has approved the Demerger Scheme.
- xxiv. **“Nomination & Remuneration Committee”** means the committee constituted by the Board from time to time, as per the requirements of Applicable Laws, to administer and supervise the Special Purpose ESOP Scheme and other employee benefit schemes, with a constitution of three or more non-executive Directors of which not less than one half shall be Independent Directors.
- xxv. **“Option”** means Employee Stock Option within the meaning of this Special Purpose ESOP Scheme.
- xxvi. **“Option Grantee”** means an Employee who has been granted an Option in pursuance of the Special Purpose ESOP Scheme.



- xxvii. **"Parties"** shall mean collectively the Demerged Company and the Resulting Company.
- xxviii. **"Permanent Disability"** means any incapacity of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Nomination & Remuneration Committee based on a certificate of a medical expert identified by the Company.
- xxix. **"Recognized Stock Exchange"** means the National Stock Exchange of India Limited and BSE Limited, on which the Company's Equity Shares are listed or are to be listed, or any other stock exchange that has been granted recognition under section 4 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), and on which the Company's Equity Shares are to be listed in the future.
- xxx. **"Relevant Date"** means any of the following dates as the context requires:
- i. in the case of Grant, the date of the meeting of the Nomination & Remuneration Committee on which the Grant is made; or
 - ii. in the case of Exercise, the date on which the notice of Exercise is given to the Company by the Option Grantee.
- xxxi. **"Retirement"** means retirement as per the respective rules of the Parties, as applicable to the respective Employee.
- xxxii. **"Secretarial Auditor"** means a company secretary in practice appointed by a Company under Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct Secretarial Audit pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- xxxiii. **"Subsidiary Company"** means any present or future subsidiary company of the Company, as defined in the Companies Act.
- xxxiv. **"Unvested Option"** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to Exercise the Option.
- xxxv. **"Vesting"** means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of the Special Purpose ESOP Scheme.
- xxxvi. **"Vesting Condition"** means any condition subject to which the Options granted would vest in an Option Grantee.
- xxxvii. **"Vesting Period"** means the period during which the Vesting of the Option granted to the Employee, in pursuance of the Special Purpose ESOP Scheme takes place.
- xxxviii. **"Vested Option"** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to Exercise the Option.



2.2 Interpretation

In this Special Purpose ESOP Scheme, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender; and
- e) reference to Company shall refer to Subsidiary Company where the context so requires, in case Options are granted to the employees of Subsidiary Company in future.

Words and expressions used and not defined herein but defined in the SEBI Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Companies Act, and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation.

3. AUTHORITY

- 3.1 Pursuant to the Demerger Scheme, approved by the NCLT vide its order dated June 8, 2023, the Company to issue to the Employees under the Special Purpose ESOP Scheme, not exceeding 12,57,850 (Twelve Lakh Fifty Seven Thousand Eight Hundred & Fifty) Options convertible into not more than 12,57,850 (Twelve Lakh Fifty Seven Thousand Eight Hundred & Fifty) Shares, with each such Option conferring a right upon the Employees to apply for one Share in the Company in accordance with the terms and conditions as may be decided under the Special Purpose ESOP Scheme.
- 3.2 The maximum number of Options that shall be granted to each Employee shall vary depending upon the designation and the appraisal / assessment process, however, shall not exceed **2,00,000 (Two Lakh)** in number per Employee in aggregate under the Special Purpose ESOP Scheme. The Nomination & Remuneration Committee reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to each Employee within this ceiling.
- 3.3 If an Option expires, lapses, or becomes un-exercisable due to any reason, it shall be cancelled and shall not be returned to the Options pool or made available for future grants, subject to compliance with the provisions of the Applicable Laws.
- 3.4 Where Shares are allotted consequent upon Exercise of an Option under the Special Purpose ESOP Scheme, the maximum number of Shares that can be allotted under the Special Purpose ESOP Scheme as referred to in Sub-clause 3.1 above shall stand reduced to the extent of such Shares allotted.
- 3.5 In case of a Share split or consolidation, if the revised face value of a Share is less or more, as the case may be, than the current face value as prevailing on the date of coming into force of this Special Purpose ESOP Scheme, the maximum number of Shares available under the



Special Purpose ESOP Scheme as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares x face value per Share) prior to such split or consolidation remains unchanged after such split or consolidation. Thus, for instance, if the prevailing face value of each Share is Rs. 2 per Share and the revised face value after the Share split is Re. 1 per Share, the total number of Shares available under the Special Purpose ESOP Scheme would be ('X' multiplied by 2) Shares of Re. 1 each, where 'X' is the maximum quantity of Shares for issue to the Employees referred to at Sub-clause 3.1 above. Similarly, in case of Share consolidation, if the face value of Share is revised to Rs.10 from Rs. 2 per Share, the total number of Shares available under the Special Purpose ESOP Scheme would be ('X' divided by 5) Equity Shares of Rs.10 each, where 'X' is the maximum quantity of Shares for issue to the Employees referred in Sub-clause 3.1 above.

- 3.6 In case of bonus, rights issue, etc., fair and reasonable adjustment shall be made as to the number of Shares reserved at Sub-clause 3.1 above with appropriate adjustment in the Exercise Price under the Special Purpose ESOP Scheme.

4. ADMINISTRATION

- 4.1 The Special Purpose ESOP Scheme shall be administered by the Nomination & Remuneration Committee of the Company. All questions of interpretation of the Special Purpose ESOP Scheme shall be determined by the Nomination & Remuneration Committee and such determination shall be final and binding upon all persons having an interest in the Special Purpose ESOP Scheme.

- 4.2 The Nomination & Remuneration Committee shall in accordance with this Special Purpose ESOP Scheme, provisions of the Demerger Scheme, and Applicable Laws determine the following:

- (a) The Eligibility Criteria for grant of Options to the Employees;
- (b) The quantum of Options to be granted under the Special Purpose ESOP Scheme per Employee subject to ceiling specified in Sub-clause 3.2;
- (c) Terms and conditions in respect of grant to, vest in and exercise of Options by the Employees which may be different for different class/classes of Employees falling in the same tranche of grant of Options issued under the Special Purpose ESOP Scheme;
- (d) The procedure for making a fair and reasonable adjustment in case of corporate actions such as merger, sale of division, stock split, stock consolidation, rights issues, bonus issues and others;
- (e) The procedure and terms for the grant, vest and exercise of the Options in case of employees who are on long leave;
- (f) the procedure for vesting in case of termination of employment, if required;
- (g) Determine the procedure for buy-back of Options granted under the Special Purpose ESOP Scheme, if it is to be undertaken at any time by the Company, and the applicable terms and conditions, including:



- a) permissible sources of financing for buy-back;
 - b) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
 - c) limits upon quantum of Options that the Company may buy-back in a financial year.
- (h) The procedure for funding the Exercise of Options, as permitted under the Applicable Laws.
 - (i) Approve forms, writings and/or agreements for use in pursuance of the Special Purpose ESOP Scheme.
- 4.3 The Nomination & Remuneration Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company and its Employees, as applicable.

5. ELIGIBILITY AND APPLICABILITY

- 5.1 Only Employees within the meaning of this Special Purpose ESOP Scheme are eligible for being granted Options under the Special Purpose ESOP Scheme. The specific Employees to whom the Options would be granted, and their Eligibility Criteria would be determined by the Nomination & Remuneration Committee.
- 5.2 The Special Purpose ESOP Scheme shall be applicable to the Parties, and any successor company/ies thereof, and Options shall be granted to the Employees, as determined by the Nomination & Remuneration Committee of the Company.

6. VESTING SCHEDULE AND VESTING CONDITIONS

- 6.1 Options granted under the Special Purpose ESOP Scheme would vest not earlier than 1 (One) year and not later than 4 (Four) years from the date of grant of such Options:

6.1.1 Provided that the period during which the Employee held stock options granted by the Demerged Company under Bajaj ESOP Plans shall be adjusted against the minimum Vesting Period required under this Sub-clause:

6.1.2 Provided further that in the event of death or Permanent Disability, the minimum Vesting Period of 1 (One) year shall not be applicable, and in such instances, the Options shall vest on the date of death or Permanent Disability.

- 6.2 The specific vesting schedule and conditions subject to which Vesting would take place would be outlined in the document(s) given to the Option Grantee at the time of grant of Options.

Explanation – Pursuant to the Demerger Scheme and to provide a fair and reasonable adjustment, the completed Vesting Period, if any, under the Bajaj ESOP Plans of the Demerged Company will be adjusted and considered at the time of granting or issuing the



number of Options by the Company against the stock options held by the Employees under the Bajaj ESOP Plans.

7. EXERCISE

7.1 Exercise Price:

- (a) The Exercise Price per Option for the Employee to whom the revised number of Options has been granted under the Special Purpose Employee Stock Option Scheme of the Resulting Company in place of old Options granted under the Bajaj ESOP Plans, as a fair and reasonable adjustment, shall be adjusted and determined as per the Demerger Scheme.
- (b) Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or in such other manner and subject to such procedures as the Nomination & Remuneration Committee may decide.

7.2 Exercise Period

(a) While in employment:

- (i) The Exercise Period shall be **three years** from the date of respective Vesting of Options:

Provided that the completed Exercise Period, during which the Employee held stock options granted by the Demerged Company under Bajaj ESOP Plans, shall be adjusted against the Exercise Period required under this Sub-clause

- (ii) The Options shall be deemed to have been exercised when an Employee makes an application in writing to the Company or by any other means as decided by the Nomination & Remuneration Committee, for the issuance of Shares against the Options vested in him, subject to Applicable Laws.

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

S. No.	Separations	Vested Options	Unvested Options
1	Resignation/ termination (other than due to Cause)	All Vested Options as on date of submission of resignation may be exercised by the Option Grantee before his/her last working day with the Company.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
2	Termination due to Cause	All Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.



3	Retirement or early Retirement	All Vested Options can be exercised by the Option Grantee in accordance with the respective vesting schedules within the Exercise Period even after Retirement or superannuation in accordance with the Policies of the Parties and the Applicable Law.	All Unvested Options on the date of Retirement granted to the Employee would continue to vest in accordance with the respective vesting schedules even after Retirement or superannuation in accordance with the Policies of the Parties and the Applicable Law.
4	Death	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than six months from the date of death.	All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than six months from the date of death.
5	Permanent Disability	All Vested Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than six months from the date of such disability.	All the Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than six months from the date of such disability.
6	Abandonment*	All the Vested Options shall stand cancelled .	All the Unvested Options shall stand cancelled .
7	Other reasons apart from those mentioned above	The Nomination & Remuneration Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

* The Nomination & Remuneration Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned.

Explanation – Pursuant to the Demerger Scheme and to provide fair and reasonable adjustment, the completed Exercise Period, if any, under Bajaj ESOP Plans of the Demerged Company shall be adjusted and considered at the time of granting or issuing the number of Options by the Company against the stock options held by the Employees under the Bajaj ESOP Plans.



7.3 In the event of transfer of an Employee from the Company to the Holding or Subsidiary Company of the Company, the Unvested Options as on the date of transfer, shall continue to vest as per the original vesting schedule and be exercised, subject to the compliance of the Applicable Laws.

7.4 The Options not exercised within the Exercise Period shall lapse and cancelled, and the Employee shall have no right over such lapsed or cancelled Options.

8. LOCK-IN

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

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

9. EXIT ROUTE IN CASE OF DE-LISTING

9.1 If the Company gets de-listed from all the Recognized Stock Exchanges, then the Nomination & Remuneration Committee shall have the powers to set out terms and conditions for the treatment of Vested Options and Unvested Options in due compliance of the Applicable Laws.

10. OTHER TERMS AND CONDITIONS

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

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

10.3 The Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

10.4 If the Company issues bonus shares or rights shares, the Option Grantee shall not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with clause 4.2 (d) of the Special Purpose ESOP Scheme.

10.5 The Options shall not be transferable to any person except in the event of death and Permanent Disability of the Option Grantee, in which case provisions in table under Sub-clause 7.2 (b) would apply.

10.6 No person other than the Employee to whom the Option is granted shall be entitled to Exercise the Option except in the event of the death and Permanent Disability of the Option



Grantee, in which provisions in table under Sub-clause 7.2 (b) would apply.

11. TAXATION

- 11.1 The liability of paying taxes, if any, in respect of the Options granted pursuant to this Special Purpose ESOP Scheme and the Shares issued pursuant to exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employees of Company working abroad, if any.
- 11.2 The Company shall have the right to deduct from the Employee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.
- 11.3 The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

12. AUTHORITY TO VARY TERMS

- 12.1 Subject to such approvals as may be required including a prior approval of the board of directors of the Demerged Company, the Nomination & Remuneration Committee of the Company may at any time amend, alter, vary the terms of this Special Purpose ESOP Scheme.

13. MISCELLANEOUS

- 13.1 Government Regulations:

The Special Purpose ESOP Scheme shall be subject to all Applicable Laws to the extent applicable. The Grant of Options and allotment of Shares to the Employees under this Special Purpose ESOP Scheme shall be subject to the Company requiring the Employees to comply with all Applicable Laws.

- 13.2 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 allotment and issuance of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of such inability.

- 13.3 Neither the existence of this Special Purpose ESOP Scheme nor the fact that an individual has on any occasion been granted an Option shall give such an individual any right, entitlement or expectation that he has or shall in future have any such right, entitlement or expectation to participate in this Special Purpose ESOP Scheme by being granted an Option on any other occasion.
- 13.4 The rights granted to an Option Grantee upon the grant of an Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his/her office or employment with the Company for any reason



whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

- 13.5 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Option in whole or in part.
- 13.6 Participation in the Special Purpose ESOP Scheme shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the market price of the Shares and the risks associated with the investments are that of the Employee alone.
- 13.7 Nomination:

The Employee has to nominate a person as his/her nominee. The nominee in case of death or legal incapacity of Employee shall be the legal representative recognized by the Company as the inheritor of the Employee in respect of all rights and liabilities for the purposes of this Special Purpose ESOP Scheme.

14. ACCOUNTING AND DISCLOSURES

- 14.1 The Company shall follow the laws/regulations applicable to accounting and disclosure related to the Options, including but not limited to the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein.
- 14.2 Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements for the Special Purpose ESOP Scheme then the Company shall comply with the relevant Accounting Standard as may be prescribed by the ICAI from time to time.
- 14.3 The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features of the Special Purpose ESOP Scheme in a format as prescribed under SBEB Regulations.
- 14.4 The Company shall disclose details of Grant, Vest, Exercise and lapse of the Options in the Directors' Report or in an annexure thereof as prescribed under SBEB Regulations or any other Applicable Laws as in force.

15. CERTIFICATE FROM SECRETARIAL AUDITORS

- 15.1 The Board shall at each annual general meeting place before the Shareholders a certificate from the Secretarial Auditors of the Company that the Special Purpose ESOP Scheme has been implemented in accordance with the SBEB Regulations and in accordance with the resolution of the Company in the general meeting.

16. GOVERNING LAWS

- 16.1 The terms and conditions of the Special Purpose ESOP Scheme shall be governed by and construed in accordance with the Applicable Laws including the Foreign Exchange Laws mentioned below.



16.2 Foreign Exchange Laws:

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

17. NOTICES

17.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this Special Purpose ESOP Scheme shall be in writing. The communications shall be made by the Company in any one or more of the following ways:

- (i) Sending communication(s) to the address of the Option Grantee available in the records of the Company; or
- (ii) Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or
- (iii) Emailing the communication(s) to the Option Grantee at the official email address provided, if any, by the Company to the prospective /existing Option Grantee during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

17.2 Any communication to be given by an Option Grantee to the Company in respect of the Special Purpose ESOP Scheme shall be sent to the person at the address mentioned below or e - mailed at:

Designation : Company Secretary

Address : **Bajel Projects Limited**
801, Rustomjee Aspiree, Anik Wadala Link Road, Sion East, Mumbai
400022, India.

Email : legal@bajelprojects.com

18. JURISDICTION

18.1 The Courts in Mumbai, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this Special Purpose ESOP Scheme.

18.2 Nothing in this Clause shall however limit the right of the Company to bring proceedings against any Employee in connection with this Special Purpose ESOP Scheme:

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

19. LISTING OF SHARES

For listing of Shares pursuant to the Special Purpose ESOP Scheme, the Company shall obtain the in-principal approval of the Recognized Stock Exchanges where it proposes to list the said Shares prior to the grant of Options.



Further, subject to the approval of the Recognized Stock Exchange(s), the Shares issued and allotted on Exercise of the Options shall be listed on the Recognized Stock Exchange(s) on which the Shares of the Company are listed or proposed to be additionally listed.

20. SEVERABILITY

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

21. CONFIDENTIALITY

- 21.1 An Option Grantee must keep the details of the Special Purpose ESOP Scheme and all other documents in connection thereto strictly confidential and must not disclose the details with any of his/her peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this Clause on confidentiality, the Company has undisputed right, at its choice, to terminate any Agreement and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this Clause on confidentiality shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Board shall have the authority to deal with such cases as it may deem fit.
- 21.2 On acceptance of the grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Special Purpose ESOP Scheme or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need-to-know basis.

