

**EMPLOYEE STOCK OPTION PLAN 2023**  
**OF**  
**KRYSTAL INTEGRATED SERVICES LIMITED**

<b>Sr. No.</b>	<b>Particulars</b>
1.	Name, Objective and Term of the Plan
2.	Definitions and Interpretation
3.	Authority and Ceiling
4.	Implementation and Administration
5.	Applicability
6.	Grant of Options
7.	Vesting
8.	Exercise
9.	Lock-In
10.	Restriction on Transfer of Options
11.	Buy-Back of Options
12.	Nature of the Options
13.	Insider Trading
14.	Adjustments, Re-Capitalisation
15.	Deduction or Recovery of Tax
16.	Governing Law and Jurisdiction
17.	Severability
18.	Accounting & Disclosures
19.	Certificate from Statutory Auditors
20.	Successors and Assigns
21.	Notices
22.	Nomination
23.	New Plans
24.	Confidentiality; Data Protection
25.	Disclaimer of Liability

## **1. NAME, OBJECTIVE AND TERM OF THE PLAN:**

- 1.1.** This Plan shall be called the "Krystal Integrated Services Limited Employee Stock Option Plan, 2023" or "**Krystal ESOP Plan, 2023**" or "**ESOP Plan**".
- 1.2. ESOP Plan has been** formulated and approved on 6<sup>th</sup> September,2023 by the Board of Directors ("**Board**") and approved on 8<sup>th</sup> September,2023 by the shareholders of Krystal Integrated Services Limited (the "**Shareholders**"), a company limited by shares, incorporated and registered under the Companies Act, 1956 and, having its registered office at Krystal House, 15A 17 Shivaji Fort CHS, Duncans Causeway Road, Mumbai: 400022 (the "**Company**"). ESOP Plan shall be effective from the date of approval by the Shareholders and shall continue to be in force until - (i) its termination by the Board/Committee; or (ii) the date on which all of the options available for issuance under the ESOP Plan have been Exercised (as defined hereinafter).
- 1.3.** The objective of the Plan besides ensuring fair and reasonable adjustment as aforesaid, shall be to create a sense of ownership amongst the Employees (as defined hereinafter), motivate, attract, retain and incentivize Employees for their performance and contribution to the growth and profitability of the Company through a grant of any further employee stock options.
- 1.4.** The Board / Committee may, subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the ESOP Plan.
- 1.5.** The Nomination and Remuneration Committee of the Board of Directors of the Company (by whatever name called) duly constituted in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("**Listing Regulations**") shall act as the Compensation Committee for administration of ESOP 2023.

## **2. DEFINITIONS AND INTERPRETATION:**

In this ESOP Plan, except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against:

- 2.1. "Abandonment"** with respect to an Employee, shall mean to abandon/terminate/not attend to the employment with the Company/ Group Companies, as applicable, without any prior notice or consent, for a period equal to or more than 1 (One) month;
- 2.2. "Agreement"** means the Employee Stock Option Agreement, if any, entered into between the Company and the Eligible Employee, evidencing the terms and conditions of an individual Employee Stock Option, subject to the conditions of the ESOP Plan.

- 2.3. **“Applicable Law”** means the applicable laws relating to Employee Stock Options, to the extent applicable, including and without limitation, the Companies Act, read with the Companies (Share Capital and Debenture Rules), 2014, as amended, Securities and Exchange Board of India Act, 1992, as amended, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, and includes any clarifications or circulars issued thereunder and includes any statutory modifications or re-enactments thereof, and all relevant tax, securities, exchange control or corporate laws of India or any other applicable jurisdiction or any other applicable laws of any stock exchanges on which the Equity Shares are listed or quoted, including any enactment, reenactment, amendment, modification or alteration thereof.
- 2.4. **“Board”** means the board of directors of the Company as constituted and re-constituted from time to time, including any duly constituted committee, as the context may require.
- 2.5. " Cause "
- the Optionee’s insolvency or conviction of, or indictment for, any offence involving moral turpitude or a crime involving fraud or the entering of any guilty plea in respect thereof.
  - conduct of the Optionee in connection with his/her employment including but not limited to conduct involving moral turpitude, that has resulted, or could reasonably be expected to result, in injury to the business interests or reputation or goodwill of the Company, its subsidiaries and/or shareholders.
  - fraud, embezzlement or misappropriation by the Optionee against or with respect to the Company and/or its subsidiary(ies) and/or its holding company.
  - habitual absenteeism or chronic alcoholism or any narcotic addiction on the part of the Optionee that prevents him from performing his responsibilities and duties under the Optionee’s employment agreement and shareholder agreement (if any).
  - any breach of the policies of the Company, including, but not limited to, those relating to sexual harassment or the disclosure or misuse of confidential information, or those set forth in the manuals or statements of policy of the Company, or any breach of any covenants, undertakings, representations and warranties under the Optionee’s employment agreement which is not cured within 15 (Fifteen) days following the Optionee's receipt of written notice thereof in that behalf;
  - misconduct, neglect or malpractice in the performance of the Optionee’s duties and responsibilities for the Company or wilful failure or refusal to perform such duties and responsibilities; and/or
  - any other act/omission that would be considered ‘misconduct’ under the Optionee’s employment agreement, applicable Company policies and/or law.
- 2.6. **“Companies Act” or “Act”** means the Companies Act, 2013 as amended from time to time, and shall include any statutory modification(s) or re-enactment(s) thereof.
- 2.7. **“Company”** means Krystal Integrated Services Limited, a company limited.

2.8. **“Compensation Committee/ Committee”** means Nomination and Remuneration Committee constituted/reconstituted by the Board of Directors of the Company from time to time, by whatever name called, as per the requirements of Applicable Laws, to administer and supervise ESOP Plan and other employee benefit plans, if any, comprising of such members of the Board as provided under Regulation 19 of the Listing Regulations, as amended from time to time, and having such powers as specified under the SEBI SBEB Regulations read with powers specified in this ESOP Plan and is deemed to include the Nomination and Remuneration Committee authorised by the Board in this behalf. The Nomination and Remuneration Committee of the Board of Directors of the Company shall act as the Compensation Committee for the purposes of ESOP.

2.9. **“Director”** shall mean a director on the Board of the Company, duly appointed in terms of the provisions of the Companies Act.

2.10. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee for Granting the Employee Stock Options to the Eligible Employees. The appraisal process for determining the eligibility of the employees will be decided by the Committee from time to time. The employees would be granted Options under the ESOP Plan based on various parameters such as performance rating, period of service, rank or designation and such other parameters as may be decided by the Board or Committee from time to time.

2.11. **"Eligible Person or Eligible Employee"** means:

- an employee designated by the Company, who is exclusively working in India or outside India;
- a director of the Company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
- an employee, as defined in sub-paragraphs (i) or (ii) above, of the holding company of the Company or its Subsidiary Company, whether existing or future and whether in or outside India,

but does not include:

- an employee who is a Promoter or a person belonging to the Promoter Group; or
- a director who either himself or through his Relative or through any body corporate, directly or indirectly, holds more than 10% (Ten per cent) of the outstanding equity shares of the Company.

Provided that the Company shall take prior approval from the Shareholders by way of a special resolution to Grant Options to the Employees of the holding company, subsidiary company.

- 2.12. **“Employee Stock Option” or “Option”** means the option Granted to an Eligible Employee, which gives such Eligible Employee the right to purchase or subscribe to (directly or indirectly) at a future date/period, the Shares underlying the option at a predetermined price.
- 2.13. **“Equity Shares” or “Shares”** means an equity share of the Company of face value of Rs. 10 (Rupees Ten) each fully paid-up including the equity shares arising out of the Exercise of Options granted under this ESOP Plan, as adjusted for any sub-division, consolidation.
- 2.14. **“Exercise”** of an Option means making an application by an Eligible Employee to the Board to purchase/subscribe the Shares underlying the Options vested in him, in accordance with the procedure laid down in the ESOP Plan.
- 2.15. **“Exercise Notice”** means the letter provided by the Optionee to the Company, in the format provided in the Grant Letter.
- 2.16. **“Exercise Period”** means such time period after vesting, within which the Eligible Employee is entitled to Exercise the right to apply for Equity Shares against the Vested Options in pursuance of the ESOP Plan.
- 2.17. **“Exercise Price”** means the price payable by an Eligible Employee in order to Exercise the Option Granted to him in pursuance of the ESOP Plan.
- 2.18. **“FMV or Fair Market Value”** shall mean the fair equity valuation done for the Company and its subsidiaries by a reputed valuer appointed as per the requirement of the applicable law.

**Provided that** after Listing, the term ‘Fair Market Value’ shall refer to ‘Market Price’ within the meaning of the SEBI SBEB & SE Regulations.

- 2.19. **“Grant”** means the issue of Options to Eligible Employees in accordance with the terms of the ESOP Plan, and the terms “Granting” and “Granted” shall be construed accordingly.
- 2.20. **“Grant Date”** means the date on which the Compensation Committee approves the Grant.

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

- 2.21. **“Grant Letter” or “Letter of Grant”** means the letter issued by the Company, whether in physical or electronic mode by which Grant of an Option is communicated to the Eligible Employee, containing inter alia the following details:

- Name of the employee;
  - No. of Options Granted;
  - Grant Date;
  - Exercise Price;
  - Vesting schedule and requirements and
  - Exercise Period and exercise conditions, etc.
- 2.22. **“Holding Company”** means existing or any future holding company as defined under the Companies Act.
- 2.23. **“Initial Public Offering” or “IPO”** means an initial public offering of Equity Shares by the Company on any recognized stock exchange(s).
- 2.24. **“Listing”** means the listing of the Share on any recognized Stock Exchange and includes the Initial Public Offering of Shares preceding the listing of Shares.
- 2.25. **“Optionee or Option Grantee”** means an Eligible Employee, identified by the Board/Committee, in its sole discretion, for the Grant of Options in accordance with the terms of the ESOP Plan and deemed to include a beneficiary being the legal heir or nominee of such Grantee upon his eventual death while in employment or service.
- 2.26. **“Permanent Incapacity”** means any disability of whatsoever nature be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Eligible Employee from performing any specific job, work or task that the said Eligible Employee was capable of performing immediately before such disablement, as determined by the Board or Committee based on a certificate of a medical expert identified by the Board or Committee.
- 2.27. **“Promoter”** shall have the same meaning assigned to such term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the Companies Act, 2013, as amended from time to time;
- 2.28. **“Promoter Group”** shall have the same meaning assigned to such term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time;
- 2.29. **“Relative”** shall have the meaning ascribed to it under Section 2(77) of the Act.
- 2.30. **“Retirement”** means the retirement of an Eligible Employee as per the rules of the Company.
- 2.31. **“SEBI SBEB & SE Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations 2021, as amended, and enacted from time to time read with all circulars and notifications issued thereunder.

- 2.32. **“Shareholders”** means the holders, of the record, of any Shares of the Company from time to time.
- 2.33. **“Stock Exchange”** means the National Stock Exchange of India Limited, BSE Limited or any other recognized stock exchanges in India on which the Company’s Shares are listed or to be listed.
- 2.34. **“Subsidiary Company”** or **“Subsidiary”** means any present or future subsidiary company of the Company, as defined in the Companies Act.
- 2.35. **“Tax”** or **“Taxes”** shall mean the federal, state, local and/or foreign income or withholding taxes and an Optionee's portion of the federal, state, local and/or foreign employment taxes required to be withheld by the Company in connection with the exercise of an Option.
- 2.36. **“Unvested Option”** means an Option in respect of which the relevant conditions relating to Vesting have not been satisfied and as such the Eligible Employee, has not become eligible to Exercise the Option.
- 2.37. **“Vesting”** shall mean the process by which the Grantee, becomes entitled to receive the benefit of the Grant made, but does not have an obligation to Exercise the Options granted to him/her in pursuance of the ESOP Plan.
- 2.38. **“Vesting Schedule or Vesting Condition”** shall mean the schedule or conditions set forth in the Grant Letter, pursuant to which an Option is to Vest and become Exercisable for the Shares.
- 2.39. **“Vested Option”** means an Option in respect of which the relevant conditions relating to Vesting have been satisfied and the Eligible Employee has become eligible to Exercise the Option.

### **Interpretation**

In this Plan, unless the contrary intention appears:

- a) the singular includes the plural and vice versa;
- b) the word “person” includes a firm, a body corporate, or unincorporated body or an authority;
- c) any word or expression importing the masculine, feminine or neutral genders only shall be taken to include all three genders;
- d) clause headings are for information only and shall not affect the construction of this instrument;
- e) reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof;
- f) the schedules and annexures hereto shall constitute an integral part of the Plan; and

- g) the terms defined in the Plan shall for the purposes of Plan have the meanings herein specified and terms not defined in Plan shall have the meanings as defined in the Companies Act or Applicable Law as the context requires. Reference to any act, rules, regulations, statutes, circulars or notifications shall include any statutory modifications, substitutions, alterations, amendment or re-enactment thereof.

### **3. AUTHORITY AND CEILING:**

- 3.1. The Shareholders at the general meeting of the Company dated 8<sup>th</sup> September,2023 have resolved to authorise the Board or Committee to grant/issue not exceeding 5,50,000 Options (“**Pool of Options**”), which would give rise to the creation, offer, issue and allotment of an equal number of Shares of the Company, to be issued and allotted to Eligible Persons in accordance with the terms and conditions of such issue and subject to the provisions of this ESOP Plan.
- 3.2. Further, Options under each Grant to an Eligible Employee shall not be less than 100 and in a financial year the aggregate number of Options granted to an Eligible Employee, in any year and in the aggregate under the Plan, shall not exceed 2% of the total diluted issued capital of the Company
- 3.3. If an Option expires, lapses or becomes incapable of being Exercised due to any reason whatsoever, it shall be deemed to be brought back to the Pool of Options as mentioned in paragraph 3.1 above and shall become available for future Grants, subject to compliance with all Applicable Laws. It is clarified that Options that are Exercised pursuant to paragraph 8 below shall not be brought back to the Pool of Options as mentioned in paragraph 3.1 above.
- 3.4. Where Shares are issued consequent to the Exercise of an Option under this ESOP Plan, the maximum number of Shares that can be issued under this ESOP Plan shall stand reduced to the extent such Shares are issued to an Optionee.
- 3.5. In case of a split or consolidation of the Shares or other capital restructuring, if the revised face value of the Share is less or more than the face value of the Share prevailing as on the date immediately prior to such split or consolidation of the Shares or other capital restructuring, the maximum number of Shares available for Grant under this ESOP Plan as mentioned in paragraph 3.1 above shall stand modified accordingly, so as to ensure that the cumulative face value (no. of Shares x face value per Share) prior to such split or consolidation or capital restructuring remains unchanged after such split or consolidation or capital restructuring. The available number of Shares and/or options as mentioned in paragraph 3.1 above shall be revised in case of recapitalization or any adjustments to the Share Capital of the Company.
- 3.6. Prior approval of Shareholders in the general meeting by way of a separate resolution shall be obtained in case the Grant of an Option to identified Eligible Employees, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of an Option.

### **4. IMPLEMENTATION AND ADMINISTRATION:**

- 4.1. The ESOP Plan shall be administered by the Board or Committee. Notwithstanding such administration or delegation, the Board or Committee shall have the final power to determine all questions of policy and expediency that may arise in the administration of this ESOP Plan. All determinations of the Board or Committee shall be final, conclusive and binding on all Persons and otherwise accorded the maximum deference permitted by law.
- 4.2. Subject to Applicable laws, the Board or Committee, in its absolute discretion has the right to modify/amend/revoke/alter the ESOP Plan in such manner and at such time or times as it may deem fit or to meet regulatory requirements. Provided however that any such modification/amendment shall not be detrimental to the interest of the Eligible Employee to whom an Option has been Granted. The notice for passing a special resolution for variation of terms of the ESOP Plan shall disclose full details of the variation, the rationale therefore, and the details of the employees who are beneficiaries of such variation. Post the Listing, the Board or Committee may revise any of the terms and conditions of this Scheme to meet any regulatory requirement without seeking shareholders' approval.
- 4.3. Any decision of the Board or Committee in the interpretation and administration of this ESOP Plan as described herein, shall lie within the absolute discretion of the Board or Committee and shall be final, conclusive and binding on all parties concerned (including but not limited to Eligible Employee, Grantee, beneficiaries or successors). Neither the Company nor the Board or Committee shall be liable for any action or determination made in good faith with respect to the ESOP Plan or any Option granted hereunder.
- 4.4. The Board or Committee shall have the power, subject to, and within the limitations of, the express provisions of this ESOP Plan:
- the quantum of Options to be Granted under the ESOP Plan per Eligible Employee and in aggregate.
  - the Eligibility Criteria for Eligible Employees and the determination and evaluation of whether an Eligible Employee is an Eligible Employee.
  - the procedure for making a fair and reasonable adjustment in case of a stock split/consolidation, rights issues and bonus issues.
  - the procedure and terms for the Grant, Vesting and Exercise of Employee Stock Options.
  - approve forms, writings and/or agreements for use in pursuance of the ESOP Plan.
  - recommend modification/cancellation of the terms of Options.
  - the procedure for buy-back of Options or specified securities issued under these regulations, if to be undertaken at any time by the company, in terms of the applicable laws:
  - construe and interpret the terms of the ESOP Plan and Options Granted pursuant to the ESOP Plan.
  - the specified time period within which the Eligible Employee shall Exercise the Options Vested in him/her in the event of his/her termination (including for misconduct) or resignation.

- take all decisions for or in connection with the administration of the ESOP Plan, including as contemplated under the SEBI SBEB & SE Regulations.
- Determine the Grant Price or the Exercise Price, taking into account the Fair Market Value, for Grants made under the Plan to the Eligible Employees or any class thereof.
- Provide for the Grant, Vesting and Exercise of Options in case of Grantees who are on long leave or whose services have been seconded/deputed to any other company at the instance of the Employer Company.
- Prescribe the method for satisfaction of any tax obligation arising on the Exercise of the Option or otherwise.
- Prescribe the procedure for cashless Exercise of Options if any
- the procedure for funding for Exercise of Options, as permitted under the Applicable Laws;

The Board or Committee may, from time to time, employ an entity or an individual unrelated to the Company to assist with administration, record-keeping and other ministerial duties in connection with this ESOP Plan.

#### **5. APPLICABILITY:**

Only the Eligible Employees within the meaning of this Plan are eligible for being granted Stock Options under the ESOP Plan. The specific Eligible Employees to whom the Stock Options would be granted and their Eligibility Criteria would be determined by the Board or Committee.

The ESOP Plan shall be applicable to the Company, its Subsidiary, if any, in or outside India and its holding company, if any, and any successor company thereof and Options may be Granted to Eligible Persons employed by it, its Subsidiary and/or its holding company ("**Group Companies**") as may be determined by the Board or Committee at its sole discretion, subject to the maximum number of Shares mentioned under paragraph 3.1 above and the approval of the Shareholders at a general meeting of the Company.

#### **6. GRANT OF OPTIONS:**

**6.1.** Each Grant of Option under the Plan shall be made in writing by the Company to the Eligible Employees by way of Grant Letter containing specific details of the Grant, and disclosure requirements, as prescribed under Applicable Laws.

**6.2.** Grant of Options shall be evidenced by submission of duly accepted Grant Letter along with such enclosures, as the Board or Committee shall from time to time determine. Such Acceptance Form shall be deemed to incorporate all the terms of the ESOP Plan as if the same were set out therein. In the event of inconsistency between the Acceptance Form and the ESOP Plan, the ESOP Plan shall prevail.

6.3. An Option Grantee who desires to accept the Grant of Options must communicate such acceptance by delivering to the Company a copy of the accepted Grant Letter duly signed by the Optionee by the due date as specified in the Grant Letter being such a time period not exceeding 30 days from Grant Date. Any Eligible Employee, who fails to deliver the signed acceptance of the letter of Grant on or before the Closing Date stated above, shall be deemed to have rejected the Grant unless the Board determines otherwise.

## 7. VESTING:

7.1. The Vesting schedule for Options granted may be subject to achievement of performance conditions as defined by the Board/Committee for each grant.

7.2. Subject to provisions of paragraph 8 of the ESOP Plan on separation rules, Vesting of Options would be subject to continued employment with the Company. In addition to this, the Board or Committee may also specify performance criteria subject to satisfaction of which the Options would vest.

7.3. The specific Vesting Schedule and Vesting Conditions subject to which Vesting would take place would be outlined in the Grant Letter issued at the time of the Grant of Options.

7.4. The minimum period of Vesting shall be one year and not later than the maximum vesting period of 4 (years) from the date of grant of such Options. Unless otherwise specifically determined by the Board/Committee or specified in the Grant Letter, the Vesting shall occur only while an Optionee is employed with the Company or Subsidiary Company or Holding Company and unless otherwise specified in the Grant Letter, Vesting of all Unvested Options shall cease upon termination of the Optionee's engagement with the Company or Subsidiary Company or Holding Company, for any reason whatsoever, unless expressly provided herein.

Provided further that in a case where Options are granted by the Company to an Optionee as per the ESOP Plan in lieu of options held by the person under an employee stock option plan in another company ("**Transferor Company**") which has merged or amalgamated with the Company, the period during which the options granted by the Transferor Company were held by him/her shall be adjusted against the minimum Vesting period required under this sub-clause.

Notwithstanding anything contained in the Scheme, in case of death or Permanent Incapacity, the minimum Vesting Period of one year shall not apply, and all the Options granted as on date of Death or Permanent Incapacity of Option Grantee shall be deemed to have been vested immediately and accordingly, such Options shall be exercisable by the Option Grantee's nominee or legal heir as per provisions prescribed for Vested Options.

## 8. EXERCISE:

### **8.1. Exercise Price:**

The Exercise Price per Option shall be such price as may be determined by the Board/Committee, from time to time, in accordance with Applicable Laws.

The Aggregate Exercise Price shall be paid in full upon the exercise of the Vested Options. Payment must be made by one of the following methods:

- cheque, banker's cheque or demand draft;
- remittance directly from the Participant's bank to the Company's bank account (electronic transfer);
- by any combination of such methods of payment or any other method acceptable to the Board or Committee at its discretion.

Provided that the Exercise Price shall be in compliance with the accounting standards specified under the SEBI Regulations, including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time.

The Board or Committee shall have powers to modify or vary the Exercise Price of the Granted Options, in respect of one or more Eligible Employees at their absolute discretion.

Provided any modification or variation of the Exercise Price shall not be detrimental to the interest of the concerned Eligible Employees and shall, unless it be in accordance with this Plan, be subject to the approval of the Shareholders.

### **8.2. Exercise Period:**

Unless otherwise specified in the Grant Letter or specified elsewhere in the ESOP Plan and subject to the provisions of the ESOP Plan, hereinafter stated, Vested Options may be Exercised at any time during the Exercise Period (which shall be a period of one year from the date of the vesting of the Options) in such manner and at such time as the Board or Committee may determine.

### **8.3. Method of Exercise:**

To exercise the Vested Options, the Optionee (or any other Person exercising the Option in accordance with this ESOP Plan) must take the following actions:

- A. Execute and deliver to the Company, the Exercise Notice as to the Vested Options that are being Exercised. The delivery of the Exercise Notice will constitute an irrevocable election by the Optionee to Exercise the Vested Options.
- B. Pay the aggregate Exercise Price for the subscribed Shares by cheque/demand draft made payable to and deposited with the Company or any other electronic mode as payment as may be prescribed by the Company. Payment of the Exercise Price must accompany the Exercise Notice.
- C. Furnish to the Company appropriate documentation that the Person Exercising the Option (if other than the Optionee) has been duly authorized to do so.

D. Make appropriate arrangements with the Company for the satisfaction of all applicable Taxes.

E. Eligible Employee will have the right to Exercise Options Vested in him at one time or at various points of time within the Exercise Period.

**8.4. Exercise Period in case of separation from employment/ service:**

Sr. No.	Separation	Vested Options	Unvested Options
1	Termination of employment by the Company for reasons other than Cause or Retirement/ Voluntary Resignation approved by the Company.	<p>The Optionee will, at the discretion of the Board or Committee, be eligible to:</p> <p>(i) Exercise all Vested Options as on the date of termination of employment within four weeks from the date of termination of employment by the Company; or</p> <p>(ii) Receive payment equivalent to the FMV of the Shares that the Optionee would have received, had he/she encashed the Vested Options.</p> <p>Any unexercised Vested Options as after four weeks from the date of termination will lapse with immediate effect with no further steps required by the Company.</p>	<p>All Unvested Options will stand cancelled with effect from the date of termination/cessation of employment.</p> <p>Provided that the cessation of employment due to retirement or superannuation shall not be covered by these provisions, and such Options would continue to vest in accordance with the respective vesting schedules even after retirement or superannuation in accordance with the Company's policies and the Applicable Law.</p>
2	Termination of employment by the Company for Cause	All Vested Options as on the date of notice of termination or termination (in case of immediate termination without notice) by the	All Unvested Options on the date of notice of termination or termination (in case notice has not been issued) by the Company, as the case may be, will stand cancelled.

		Company, as the case may be, will lapse.	
3	Death (while in employment)	<p>Optionee's nominee or legal heir within three months from the date of death will, at the discretion of the Board/Committee, be eligible to:</p> <p>(i) Exercise all Vested Options as on the date of death within three months from the date of death of the employee; or</p> <p>(ii) Receive a payment equivalent to the FMV of the Shares that the Optionee would have received, had he/she exercised the option to encash the Vested Options.</p> <p>All unexercised Vested Options at the expiry of three months from the date of death will lapse.</p>	<p>All Unvested Options as on the date of death will be deemed to Vest and accordingly, the Optionee's nominee or legal heir will, at the discretion of the Board/Committee, be eligible to:</p> <p>(i) Exercise all Vested Options (including un-Vested Options which are deemed to be Vested) within three months from the date of death of the employee; or</p> <p>(ii) Receive a payment equivalent to the FMV of the Shares that the Optionee would have received, had he/she exercised the option to encash the Vested Options.</p> <p>All unexercised Vested Options at the expiry of three months from the date of death will lapse.</p>
4	Termination of employment due to Permanent Incapacity (while in employment)	<p>The Optionee will, at the discretion of the Board/Committee, be eligible to:</p> <p>(i) Exercise all Vested Options within three months from the date of Permanent Incapacity; or</p>	<p>All Unvested Options as on the date of the Permanent Incapacity will be deemed to Vest and accordingly, such Options may, at the discretion of the Board/Committee:</p> <p>(i) be exercised within three months by the Optionee from the date of Permanent Incapacity; or</p> <p>(ii) Receive a payment equivalent to the FMV of the</p>

		(ii) Receive a payment equivalent to the FMV of the Shares that the Optionee would have received, had he/she exercised the option to encash the Vested Options.  All unexercised Vested Options at the expiry of three months from the date of Permanent Incapacity will lapse.	Shares that the Optionee would have received, had he/she exercised the option to encash the Vested Options.  All unexercised Vested Options at the expiry of three months will lapse.
5	<b>Abandonment of employment without Company's consent</b>	All Vested Options on the date of Abandonment will stand cancelled.	All Unvested Options on the date of Abandonment will stand cancelled.
6	<b>Termination of employment due to other reasons (apart from those mentioned above)</b>	The Board/Committee will decide whether the unexercised Vested Options as on the date of termination can be Exercised or not, and such decision will be final.	All Unvested Options on the date of termination will stand cancelled.

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

**8.6. Vesting and Exercise of Options in case of Eligible Employees on long leave:**

- a. The period of leave shall not be included in determining the Vesting Period in the event an Eligible Employee is on a sabbatical / long leave without pay and Options shall vest in such cases on pro rata basis subject to Vesting Schedule or such extended period as determined by the Board/Committee.
- b. In all other conditions, including earned leave, maternity leave and sick leave, the period of leave shall be included to calculate the Vesting Period.

**9. LOCK-IN:**

Subject to Applicable Law, the Board, at its discretion, may prescribe a lock-in period in respect of the Shares issued and allotted upon Exercise of the Options Vested with an Optionee during which period the Optionee shall not transfer, by sale, gift, encumbrance or otherwise, the right, title and interest in the Shares.

**10. BUY-BACK OF OPTIONS:**

The Company may, at the sole discretion of the Board, announce a buy-back of Options during which Optionee shall be allowed to relinquish his/her Vested Options in consideration for a payment equivalent to the then prevailing FMV of the Shares of the Company. On the date of such payment, the Vested Options which are bought back will stand cancelled and extinguished.

**11. RESTRICTION ON TRANSFER OF OPTIONS:**

- 11.1. The Options once Granted shall not be transferable, pledged, hypothecated, mortgaged, encumbered or otherwise alienated in any other manner by the Eligible Employee.
- 11.2. The Options shall not be transferable to any Person except as may be provided for and in the manner set out in the ESOP Plan and Grant Letter as may be applicable. It is hereby clarified that no Person other than the Optionee shall be entitled to Exercise the Options or in case of death or permanent incapacity of a Grantee, by the Grantee's authorised legal representative or legal heirs, except as may be provided for in the ESOP Plan and Grant Letter as may be applicable and such Options shall be exercised in accordance with the ESOP Plan and Grant Letter as may be applicable.

**12. NATURE OF THE OPTIONS:**

- 12.1. An Optionee shall not have any rights of a Shareholder such as the right to receive any dividend, vote on any matter at a general meeting of the Shareholders, participate in any bonus issue or rights issue of Shares, or in any manner enjoy the benefits of a Shareholder in respect of Options Granted, till the Shares underlying such Options are allotted upon Exercise of such Options and the Optionee becomes a registered holder of such Shares.
- 12.2. Neither the existence of this ESOP Plan nor the Grant of Options to any Optionee shall give such an Optionee any right or entitlement to receive Options in future.
- 12.3. The Grant of an Option shall not entitle an Optionee to any additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

**12.4.** An Optionee shall not be entitled to any compensation or damages for any loss which may arise by reason of an Optionee being unable to Exercise a Vested Option in whole or in part.

**12.5.** If the Company issues bonus or rights shares, the Optionee will not be eligible for the bonus or rights shares in the capacity of an Optionee. However, an adjustment to the number of Options or the Exercise Price or both, and/or to the Pool of Options as mentioned in paragraph 3.1 shall be made in accordance with paragraph 14.

### **13.INSIDER TRADING:**

The Grantee shall ensure that, if applicable, there is no violation of:

- a. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, and
- b. Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995, as amended.
- c. The Grantee shall keep the Company, and the Board, fully indemnified in respect of any liability arising for violation of the above provisions.

### **14.ADJUSTMENTS, RE-CAPITALISATION:**

The aggregate number of Shares that may be issued pursuant to the Exercise of Options or the Exercise Price for any Option shall be equitably and proportionally adjusted, or any acceleration with respect to the Vesting or cancellation of any Options may be given effect to, in good faith and so as to not adversely impact the Optionee, at the sole discretion of the Board, in the event of:

- (i) any change in the outstanding capital structure of the Company by reason of bonus issue, stock splits, organisation, merger, consolidation, combination, exchange or other relevant changes in capitalisation occurring after the date of Grant of an Option or the redemption by the Company of an entire class of Shares which is included as part of this ESOP Plan; or
- (ii) any change in Applicable Laws or circumstances that results in, or could result in, in the Board's opinion, any substantial dilution or enlargement of the rights intended to be granted or available to the Optionee.

### **15.DEDUCTION OR RECOVERY OF TAX:**

The liability for paying taxes (including taxes in the nature of fringe benefit taxes) if any, arising on account of the Grant of the Option or issuance of Shares pursuant to the Exercise thereof shall be entirely borne by the Optionee and such liability for paying taxes shall be in accordance with Applicable Law. The Company shall have the right to deduct from the Optionee's salary, any of the Optionee's obligations towards payment of Tax arising in connection with the issuance of Options or acquisition of Shares upon Exercise of Options. The

Company shall have no obligation to deliver Shares to the Optionee upon Exercise until such obligations have been satisfied by the Optionee.

#### **16. GOVERNING LAW AND JURISDICTION:**

The terms and conditions of the Plan shall be governed by and construed in accordance with the laws of India including the Income Tax Laws and Foreign Exchange Laws mentioned below.

The provisions of the Income Tax Act, 1961, as amended, and rules and regulations made thereunder as amended and enacted from time to time shall be applicable in respect of taxability of Eligible Employees and the Company arising out of any transaction in the Options.

In case any Options are granted to any Eligible Employee being resident outside India belonging to the Company or to any Subsidiary Company of the Company set-up outside India, the provisions of the Foreign Exchange Management Act, 1999, as amended, and rules and 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 in connection with grant, vest, exercise of Options and allotment of Shares thereof.

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 Plan.

#### **17. SEVERABILITY:**

If any provision of this ESOP Plan or the application thereof to any Person or circumstance shall be invalid or unenforceable to any extent as declared by a competent jurisdiction, the remainder of this ESOP Plan and the application of such provision to Persons or circumstances other than those which are held to be invalid or unenforceable shall not be affected thereby, and each provision of this ESOP Plan shall be valid and enforceable to the fullest extent permitted by Applicable Law. Any invalid or unenforceable provision of this ESOP Plan shall be replaced with a provision which is valid and enforceable and most nearly reflects the original intent of the Company on the subject matter of the unenforceable provision.

#### **18. ACCOUNTING & DISCLOSURES:**

The Company shall follow the laws / regulations applicable to accounting and disclosure related to the Employee Stock Options and 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, including the disclosure requirements prescribed therein, in compliance with relevant provisions of Regulation 15 of SEBI SBEB Regulations.

The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features of the ESOP Plan in a format as prescribed under SEBI SBEB Regulations.

**19. CERTIFICATE FROM SECRETARIAL AUDITORS:**

The Board of Directors or Committee shall at each annual general meeting place before the shareholders a certificate from the secretarial auditors of the Company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the Company in the general meeting.

**20. SUCCESSORS AND ASSIGNS:**

The provisions of the Grant Letter will inure to the benefit of and be binding upon the Company and its successors and assigns and the Optionee, Optionee's assigns, the legal representatives, heirs, and legatees of the Optionee's estate, and any beneficiaries of this Option designated by the Optionee.

**21. NOTICES:**

**21.1.** Any notice or communication required to be given or served in respect of the Grant Letter, shall be given in writing in English, and shall be deemed to have been duly served if sent by personal delivery or by prepaid registered mail with acknowledgement due at the address specified below or at such other address as may have been notified to the other parties in accordance with this Clause:

**If to the Company:**

Attention: Ms. Stuti Maru

Address: Corporate Office: 2001 & 2002, 20th floor, Kohinoor Square, Shivaji Park, Dadar West, Mumbai - 400028

along with a copy by email to: [company.secretary@krystal-group.com](mailto:company.secretary@krystal-group.com)

**If to the Optionee:** At the address provided in the Grant Letter or the address as available in the Company's records.

**21.2.** All notices or other communication shall be deemed to have been validly given (i) on receipt of a confirmation of successful delivery, in the case of delivery by email, or (ii) on the expiry of 30 days from the date of dispatch, if sent by registered post, or (iii) on delivery, if delivered personally.

## **22.NOMINATION:**

The Eligible Employee has to compulsorily nominate a person as his nominee in the form and manner provided in Form SH-13 as specified in Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules 2014 ("**Nomination Form**"). The nominee in case of death or legal incapacity of Eligible Employee shall be the legal representative recognized by the Company as the inheritor of the Eligible Employee in respect of all rights and liabilities for the purposes of this Plan.

## **23.NEW PLANS:**

Nothing contained in the Plan shall be construed to prevent the Employer Company from implementing any other new ownership plan for any Eligible Employee which is deemed by the Employer Company to be appropriate or in its interest, whether or not such other action would have any adverse impact on the Plan or any Grant made under the Plan. No Grantee or other person shall have any claim against the Employer Company as a result of such action.

## **24.CONFIDENTIALITY; DATA PROTECTION:**

- 24.1.** The Optionee must keep the details of the ESOP Plan and the Grant Letter and all other documents in connection thereto strictly confidential and should not disclose such details to any third party. In case of breach of this provision by the Optionee, the Company has the right to cancel any or all Options not Exercised by the Optionee. The decision of the Company regarding the breach of this provision is final and binding upon the Optionee.
- 24.2.** On acceptance of the Grant of Options offered by the Company, the Optionee is deemed to have granted the Company the right to receive and disclose to its employees and officers information relating to the Optionee for the purposes of implementation of the ESOP Plan and the Grant Letter or for availing any consulting or advisory services or any other incidental services from its officers, professional advisors, agents and consultants on a need to know basis. The Company will ensure that such employees, officers, professional advisors, agents and consultants observe the same degree of confidentiality regarding the Optionee's information as observed by the Company.
- 24.3.** On signing the Grant Letter, the Optionee consents to the collection and use of any personal information obtained by the Company that is necessary for the implementation and administration of the ESOP Plan.
- 24.4.** The Optionees agree that the Company may be required to disclose personal information of the Eligible Employees (including the number of Options Granted) during the process of implementation of the ESOP Scheme or while availing services relating to this ESOP

Scheme *inter alia* including consulting, advisory services or ESOP Scheme management services and/or any other such incidental services. The Optionees hereby give their consent that such personal information regarding his/her entitlements under this ESOP Scheme may be disclosed by the Company to its officers, professional advisors, agents, investors, affiliates, shareholder or consultants on a need to know basis, or in any offer documents in relation to any proposed initial public offering or other fund-raising by the Company or in any communication with statutory or regulatory authorities.

**25. DISCLAIMER OF LIABILITY:**

Notwithstanding any provisions herein contained and subject to the Act, the Board, any committee delegated by the Board, the company secretary and the Company shall not, under any circumstances, be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with this ESOP Plan including but not limited to the Company's delay or failure in issuing and allotting the Shares. Furthermore, although the Company may endeavour to qualify the Options under this ESOP Plan for favourable tax treatment under relevant tax incentive schemes under relevant jurisdictions, the Company makes no representation, warranty or covenant to that effect and expressly disavows any representation, warranty or covenant to maintain favourable or avoid unfavourable tax treatment, notwithstanding anything to the contrary in this ESOP Plan. The Company shall have no obligation to have regard to the potential tax consequences on the Optionee under this ESOP Plan.