

Uniparts India Limited

Uniparts Employee Stock Option Plan, 2007

CONTENTS

	Page
PART A: STATEMENT OF RISKS	1
PART B: INFORMATION ABOUT THE COMPANY	2
PART C: SALIENT FEATURES OF THIS SCHEME	4

PART A: STATEMENT OF RISKS

All investments in shares or options on shares are subject to risk as the value of shares may go down or go up. In addition, employee stock options are subject to the following additional risks:

1 Concentration

The risk arising out of any fall in value of shares is aggravated if the employee's holding is concentrated in the shares of a single company.

2 Leverage

Any change in the value of the share can lead to a significantly larger change in the value of the option as an option amounts to a levered position in the share.

3 Illiquidity

The options cannot be transferred to anybody, and therefore the employees cannot mitigate their risks by selling the whole or part of their options before they are exercised.

4 Vesting

The options will lapse if the employment is terminated prior to vesting. Even after the options are vested, the unexercised options may be forfeited if the employee is terminated for gross misconduct.

PART B: INFORMATION ABOUT THE COMPANY

5 Business of the Company

5.1 Introduction

Uniparts India Limited was incorporated on 26th September, 1994 as public limited company under the Companies Act, 1956 and having its registered office at Gripwel House, Block – 5, Sector – C,6 & 7 Vasant Kunj, New Delhi – 110070 (hereinafter referred to as “**Uniparts**” or the “**Company**”). All references hereinafter to “Uniparts Group” or the “Group” are to Uniparts and its Subsidiaries.

5.2 Main business of the Company

Uniparts Group is a global manufacturer and supplier of engineering systems, solutions, assemblies and components, including 3-point linkage systems (“3PL”) and precision machined parts (“PMP”), primarily catering to off-highway vehicles (“OHVs”) primarily in the agriculture, and construction, forestry and mining (“CFM”) sectors. In addition to the established product verticals of 3PL and PMP, Uniparts has presence in the complementary product verticals of hydraulic cylinders and power take off (“PTO”) applications.

Uniparts Group supplies its products to over 25 countries in North and South America, Europe, India and Japan. Uniparts Group primarily serve OEMs, through its global service delivery model based on the dual-shore integrated manufacturing, warehousing and supply chain management systems and solutions, operating out of its manufacturing facilities located in India and US and warehouses located across three continents.

Uniparts Group also caters to the aftermarket requirements of its customers primarily in the agriculture sector. The Group is focused on providing replacement of 3PL parts to organized aftermarket retailers and distributors in North America, Europe, South Africa and Australia.

Uniparts Group believe that its diversified product range across the agriculture and CFM sectors, its market share, dual-shore integrated manufacturing, warehousing and supply chain solutions, together with its scale of operations and the technical and value-engineering expertise, catering to several global OEMs as well as the aftermarket segment, serve to differentiate it from other producers of engineering systems. The Group believes that it is well positioned to benefit from increasing mechanization, particularly in the agriculture and CFM sectors. The Group is committed to continuing to diversify its product offerings, customer base and geographical footprint, thereby minimizing its exposure to individual geographies, industry sectors, customers, product platforms and foreign currencies.

Uniparts Group has long-term relationships and, in many cases, preferred supplier status, with marquee global OEM players in the agriculture and CFM sectors. The Group also has long-standing relationships with several respected organized aftermarket players in Europe and the US. Uniparts Group has also received several prestigious awards and certifications from its customers.

6 Abridged financial information

The abridged financial information of the Company for the last five years and the last audited financial statements of the Company will be attached along with the grant letter to be given to the Employees at the time of Grant of Options to the Employee.

7 Risk factors

The risks and uncertainties include, but are not limited to, risks and uncertainties regarding fluctuations in earnings rates, our ability to manage growth, intense competition in our areas of services including those factors which may affect our cost advantage, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price contracts, client concentration, our ability to manage our marketing & sales operations, reduced demand for our key focus areas, liability for damages on our products and services, the success of the companies in which the Company has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions and general economic conditions affecting our industry.

8 Management Perception:

Some of the risks are normal to the nature of industry in which the Company operates and some others are beyond the control of the Company.

9 Continuing disclosure requirement

The Option Grantee would receive copies of all documents that are sent to the members of the Company. This shall include the annual accounts of the Company as well as notices of meetings and the accompanying explanatory statements.

PART C: SALIENT FEATURES OF THIS SCHEME

This Part contains the salient features of the employee stock option scheme of the Company including the conditions regarding Vesting, Exercise, adjustment for Corporate Actions, and forfeiture of vested Options.

10 Plan objectives

The objectives of the Uniparts Employee Stock Option Plan 2007 (or this “Plan” or “Scheme”) are as follows:

- Retaining and attracting (key) talent
- Replacing current performance bonus with long term incentive
- Wealth creation opportunities for employees

11 Definitions and Interpretations

11.1 Definitions

In this document, the following expressions including their grammatical variations or cognate expressions shall, where the context so admits, have the following meaning:

- **Applicable Laws** includes every law, rule, statute, regulations or bye-laws relating to employee stock options, including without limitation, the Companies Act, 1956 (to the extent not replaced by the notified provisions of the Companies Act, 2013), the Companies Act, 2013, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time (“**SEBI SBEB & SE Regulations**”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Securities Contracts (Regulation) Act, 1956 and all relevant laws, rules, regulations, bye-laws, as may be applicable in India and includes any amendment, modification, alteration or re-enactment made to such laws, rules, regulations or bye-laws.
- **Board/ Board of Directors** means the board of directors of the Company for the time being and re-constituted and/or re-structured from time to time during the existence of this Plan.

- ***Change in Capital Structure*** means a change in the capital structure of the Company as a result of reclassification of shares, splitting up of the face value of shares, sub- division of shares, issue of bonus shares, issue of rights shares, conversion of shares into other shares or securities and any other change in the rights or obligations in respect of shares.
- ***Closing Date*** of a Grant shall mean 3 years from the date of completion of each Vesting.

Provided that, such term of exercise shall be prospective in nature and shall not be detrimental to the interest of any existing Option Grantees.

- ***Common Stock*** means the equity shares of the Company and includes any securities convertible into equity shares.
- ***Company*** means Uniparts India Limited, a public limited company incorporated in India on 26th September, 1994 under corporate identity number L74899DL1994PLC061753).
- ***Companies Act*** means the Companies Act, 2013 and includes any statutory modifications or re-enactments thereof.
- ***Corporate Action*** means and includes one of the following actions:
 - the merger, de-merger, spin-off, consolidation, amalgamation, sale of business or other reorganization of the Company (except to a Subsidiary) in which all the shares are converted into or exchanged for:
 - a different class of securities of the Company; or
 - any securities of any other issuer; or
 - cash; or
 - other property
 - the sale, lease or exchange of all or substantially whole of the assets/ undertaking of the Company to any other company or entity (except the Subsidiary).
 - the adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up.
 - issue of bonus shares, split or rights issue.

- **Director** means a member of the Board of the Company.
- **Employee** means:
 - (a) an employee of the Company who has been exclusively working in India or outside India; or
 - (b) 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;
 - (c) an employee as defined in sub-clauses (a) or (b) of a subsidiary or its associate company, in India or outside India, or of a Holding Company (as defined hereinafter) of the Company but does not include:-
 - (i) an employee who is a Promoter or a person belonging to the Promoter Group; or
 - (ii) a director who either himself or through his Relatives (as defined hereinafter) or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding Shares of the Company.

For the avoidance of doubt, it is clarified that an Independent Director shall not be entitled to any Stock Option , unless permitted by SEBI .

- **Exercise** means making of an application by an Employee to the Trust for the issue of Shares against vested Options in pursuance of this Plan.
- **Exercise Date** means the date on which the notice of Exercise is given to the Trust by the Employee.
- **Exercise Period** means the time period after Vesting within which an Employee should Exercise his right to apply for Shares against the vested Options in pursuance of this Plan.
- **Exercise Price** means the price determined by the Nomination and Remuneration Committee payable by the Option Grantee for issue of Shares against the Options granted to him and vested in him in pursuance of this Plan.
- **Grant** means the process by which the Company issues Options under this Plan.

- **Grantee or Option Grantee** means an Employee who has been granted Stock Options pursuant to this Plan and who having a right but not an obligation to Exercise an Option under this Plan where the context so requires includes his/her legal heirs and/or designated beneficiary and/or nominees.
- **Grant Date** means the date of meeting on which the Nomination and Remuneration Committee approves the Grant.

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

- **Holding Company** means a holding company of the Company as defined under the Companies Act, 2013.
- **Independent Director** means an independent director as defined under the Applicable Laws and specified under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).
- **Market Price** means the latest available closing price on a Recognized Stock Exchange on which the Shares of the Company are listed on the date immediately prior to the Relevant Date.

In case 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 Market Price.

- **Nomination and Remuneration Committee** means the Nomination and Remuneration Committee constituted by the Board from time to time, to administer and supervise the Plan and other employee benefit plan/schemes, if any, comprising of such members of the Board as provided under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and having such powers as specified under the SEBI (SBEB & SE) Regulations 2021 read with powers specified in this Plan.
- **Option or Stock Option** means the options given to the Employee which gives him/her a right to purchase or subscribe at a future date, the shares offered by the Company, directly or indirectly at a predetermined price.
- **Option Agreement** means a written agreement entered into between the Company and an Employee with respect to the Options granted to such Employee, and on such terms and conditions as stipulated in this Plan and as may be suggested/ recommended by the Nomination and Remuneration Committee from time to time.

- ***Permanent Disability / 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 Board or Nomination and Remuneration Committee as per Applicable Law based on a certificate of a medical expert nominated/ authorised by the Company.
- ***Plan or Scheme*** means the Uniparts Employee Stock Option Plan 2007 as set out herein and as amended or modified from time to time.
- ***Promoter or Promoter Group*** means as ascribed to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
- ***Recognized Stock Exchange*** means stock exchange in India recognized by Securities Board and Exchange Board of India or stock exchange outside India recognized by similar regulatory authorities of the countries outside India.
- ***Relatives*** shall have the meaning assigned to it under the Companies Act, 2013.
- ***Relevant Date*** means
 - (i) in the case of Grant, the date of the meeting of the Nomination and 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 Trust by the Employee.
- ***Resultant Shares*** means the equity shares issued in lieu of Shares of the Company on any change in Capital Structure or on any Corporate Action as mentioned in this Plan.
- ***SEBI*** means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992, as amended and includes all regulations and clarifications issued there under;
- ***SEBI SBEB & SE Regulations*** means the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, and includes all regulations and clarifications issued there under;
- ***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.

- **Shares** mean the equity shares of the Company and securities convertible into equity shares and shall include American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs) or other depository receipts representing underlying equity shares or securities convertible into equity shares.
- **Strategic Sale** refers to the sale of hundred percent of the equity Shares of the Company in its entirety and/or any event resulting from Corporate Action undertaken by the Company.
- **Subsidiary** means any present or future subsidiary company as defined under the Companies Act, 2013.
- **Tenure or Grant Tenure** means the period from Grant Date to Closing Date, during which the Grant is effective.
- **Trust** means the Uniparts ESOP Trust including any statutory modification or re-enactment thereof, for implementing this Plan.
- **Trustees** mean the trustees of the Trust.
- **Unvested Options** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become entitled to receive the benefit of grant made under the Plan.
- **Vesting** means the process by which the Employee becomes entitled to receive the benefit of a Grant made to him under this Plan.
- **Vested Options** 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.
- **Vesting Condition** means the conditions subject to which the Options granted would vest in an Option Grantee.
- **Vesting Period** means the period during which the Vesting of the Options granted under this Plan takes place.

The definitions as given in this Clause are for the purposes of interpretation of this Plan only and should not be used for any other purpose. All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Applicable Laws

11.2 Interpretations

In this document, unless otherwise stated or intention appears:

- The singular includes the plural and vice versa.
- The word person includes an individual, a firm, a body corporate or any other authority.
- Reference to any Clause shall mean reference to a Clause of this Scheme.
- Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form.
- The term 'including' shall mean 'including without limitation', unless otherwise specified.
- Any word or expression importing the masculine or feminine genders only shall be taken to include all these genders.
- In this Scheme reference to any enactment shall be construed as a reference to that enactment as from time to time amended, extended or re-enacted.

All other expressions not defined in this Scheme / Plan shall have the same meaning as have been assigned to them under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 and all statutory modifications or re-enactments thereof, as the case may be.

11.3 References

- A reference to a clause or schedule is respectively a reference to a clause or schedule of this document. The schedules, if any, to this document shall for all purposes form part of this document.
- Reference to any law, rules, regulations, statutes or notifications/circulars/ press notes shall include any statutory modification, substitution or re-enactment thereof.

12 Implementation

This Plan shall be implemented by the Nomination and Remuneration

Committee under the policy and framework laid down by the Company and/or Board of Directors of the Company, in accordance with the authority delegated to the Nomination and Remuneration Committee in this regard from time to time and subject to the amendments, modifications and alterations to this Plan made by the Company and/or Board of Directors in this connection.

The issuance of shares from the Trust by the Trustees will be under the guidance, advice and direction of the Nomination and Remuneration Committee, in accordance with Applicable Laws. However, the re-purchase of any Shares, whether from Employees, ex-employees, Promoters or any other personnel whom the Grant was offered shall be based on the recommendations and suggestions of the Trustees, who will seek the requisite approval under the Applicable Laws including from the Board of Directors for all such transactions and keep the Nomination and Remuneration Committee informed of such actions. Further, after IPO the Trustees are not allowed to purchase the shares of the Company from the secondary market unless requisite approvals are obtained as per the then Applicable Laws. The Trustees will act as custodians of the matters and issues relating to and arising out of finances and shares available with the Trust. All transactions done by the Trust will be at arm's length and with uniform application to all groups of shareholders and no preferential treatment to a particular individual or group of shareholders.

13 Effective date of this Plan and tenure of Grant

13.1 Effective dates

The Plan shall be deemed to have come into force on February 2, 2007 or on such other date as may be decided by the Board of Directors of the Company subject to the approval of shareholders of the Company in general meeting. This Plan has been last amended by a special resolution passed by the shareholders of the Company on January 09, 2024.

The SEBI has notified the SEBI SBEB & SE Regulations by repealing and merging the SEBI (Share Based Employee Benefits) Regulations, 2014 and the SEBI (Issue of Sweat Equity) Regulations, 2002 (collectively referred to as "Erstwhile Regulations") with appropriate modifications and have come into force from 13th August 2021. Thus, it is thought expedient to amend the Plan with a view to align and comply the requirements of the SEBI SBEB & SE Regulations along with to bring flexibility provided under the SEBI SBEB & SE Regulations.

13.2 Tenure

The Tenure of each Grant shall include the period from the date of approval of the Grant to the Closing Date of the relevant Grant. Any Stock Option, which remains unexercised after the Tenure of the Grant, would automatically be deemed to be lapsed and/or ineffective.

14 Administration of the Plan and Nomination and Remuneration Committee

14.1 Administration of this Plan

Subject to Applicable Laws, this Plan shall be administered by the Trust with guidelines from the Nomination and Remuneration Committee and will be in compliance with the terms of this Plan and Applicable laws as would be prevailing from time to time and in addition to other express powers and authorizations conferred by this Plan and the Nomination and Remuneration Committee. The Nomination and Remuneration Committee will be considered as compensation committee for all purposes under the Applicable Laws.

Re-naming and re-constitution of the Compensation Committee

The Board of Directors, in its meeting held on 8th January, 2007 had constituted a separate committee by the name of 'Compensation Committee' which has been reconstituted and renamed as Nomination and Remuneration Committee by the Board of Directors in its meeting dated April 4, 2014 in compliance with the provisions of section 178 of the Companies Act, 2013 and other Applicable Laws.

The Nomination and Remuneration Committee shall consist of at least three non- executive Directors out of which not less than one half including the chairperson of the committee shall be Independent Directors as provided Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The Nomination and Remuneration Committee, in exercise of its powers, may require any information from the Board/Company and/or seek any assistance from the Trust or any Employee of the Company as it may deem fit to, fully and effectively discharge its duties and responsibilities.

14.2 Powers

The powers of the Nomination and Remuneration Committee, *inter alia*, include the power to determine and decide:

- the quantum of Option to be granted under this Plan per Employee

and in aggregate;

- the Exercise Price of the Option granted;
- the conditions under which Option may vest in Employee and may lapse in case of termination of employment for misconduct;
- the Exercise Period within which the Employee should Exercise the Option and that Option would lapse on failure to Exercise the Option within the Exercise Period;
- the specified time period within which the Employee shall Exercise the vested Option in the event of termination or resignation of an Employee;
- the right of an Employee to Exercise all the Options vested in him at one time or at various points of time within the Exercise Period;
- re-pricing of the Options which are not Exercised, whether or not they have been vested if Stock Option rendered unattractive;
- the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Corporate Actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration by the Nomination and Remuneration Committee:
 - the number and the price of Stock option shall be adjusted in a manner such that total value of the Option to the Employee remains the same after the Corporate Action;
 - the Vesting Period and the life of the Option shall be left unaltered as far as possible to protect the rights of the Employee who is granted such Option.
- the grant, vest and Exercise of Option in case of Employees who are on long leave;
- allow Exercise of Unvested Options on such terms and conditions as it may deem fit;
- the procedure for cashless exercise of Options;
- forfeiture/ cancellation of Options granted;
- the Nomination and Remuneration Committee shall frame suitable

policies and procedures to ensure that there is no violation of the Applicable Laws.

- The procedure for funding the Exercise of Options;
- The procedure for buy-back of specified securities issued under these regulations, 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 quantum of specified securities that the company may buy-back in a financial year.
- Decide all other matters that must be determined in connection with an Option under the ESOP 2007.
- All other issues incidental to the implementation of this Scheme.

The members of the Nomination and Remuneration Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board of Directors subject to such 'rules and regulations as may be in force. The Board may further provide that the Nomination and Remuneration Committee shall exercise certain powers only after consulting the Trust/ Board of Directors of the Company.

The Committee shall also frame suitable policies and systems to ensure that there is no violation of (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 (as amended from time to time) and (c) 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.

14.3 ESOP Trust

- The Company has constituted a trust, known as the Uniparts ESOP Trust (the “**Trust**”), a private irrevocable trust formed under the Indian Trust Act, 1882.
- The Trust shall administer and implement this Scheme in accordance with the directions given by the Nomination and Remuneration Committee from time to time under this Scheme.
- The Trustees shall Grant Options to the eligible Employees based on the recommendations of the Nomination and Remuneration

Committee. On the exercise of the Options by the eligible Employees, the Trust shall transfer the Shares in respect of such Options to the eligible Employees. The Trustees shall be advised by the Nomination and Remuneration Committee in relation to the operation of this Scheme, which advice shall be binding upon the Trust.

- The beneficiaries of the Trust would be the Employees.
- It shall be the duty of the Trustees to act in the interest of the Employees who are beneficiaries of the Trust and subject to provisions of Applicable Laws, it shall not act in any manner or include any provision in the trust deed that would be detrimental to the interests of the beneficiaries.

The Trust shall not deal in derivatives, and shall undertake only delivery based transactions for the purposes of Secondary Acquisition as permitted by Applicable Laws.

Provided that any Secondary Acquisition of Shares of the settlor shall be in compliance with the Applicable Laws.

The Trust will be permitted to undertake off-market transactions only in accordance with Applicable Laws.

The Trust shall not become a mechanism for trading in Shares and hence shall not sell the Shares in secondary market except as permitted under the Applicable Laws.

- The Trust shall hold the Shares until they are allotted to the Employees.
- The Trustees while administering the Plan shall abide by the provisions contained therein, terms of the Grant, Vesting and Exercise as decided by the Nomination and Remuneration Committee and shall ensure compliance of the provisions of relevant Applicable Laws as prevailing from time to time, in connection with dealing with the Shares of the Company including but not limited to maintenance of proper books of account, records and documents as prescribed.

14.4 Liability of members of the Nomination and Remuneration Committee and the Trustees

No member of the Nomination and Remuneration Committee or the Trustees shall be personally liable for any decision or action made in good faith with respect to this Plan.

The Nomination and Remuneration Committee members shall, however, abstain themselves from participating in and deciding matters that directly

affect their individual ownership interests under this Plan.

15 Grant of Options

15.1 Grant limits

- The Nomination and Remuneration Committee may from time to time make Grant to one or more Employees, determined by it to be eligible for participation in this Plan in accordance with the provisions of Clause 15 of this Plan. The Shares shall be deemed to have been issued under this Plan only to the extent actually issued and delivered pursuant to a Grant. To the extent that a Grant lapses or the rights of its Grantee terminate, any Shares subject to such Grant shall again be made available for a Grant. The aggregate number of Shares which may be issued under this Plan shall be subject to adjustments in the same manner as provided in this Plan subject to Options then outstanding.
- The Grant shall be at such price as may be determined by the Nomination and Remuneration Committee and shall be specified in the Grant.
- The Grant shall be in writing and shall specify the number of Options granted, the Exercise Price payable for exercising the Options, the earlier date on which some or all of the Options and the Shares acquired under the Grant shall be eligible for Vesting, fulfilment of the performance and other conditions, etc., if any, subject to which Vesting shall take place and other terms and conditions thereto.
- The Options granted to an eligible Employee shall not be transferable to any person.
- No person other than the eligible Employee to whom the Options are Granted shall be entitled to exercise the Option, except as otherwise permitted in this Scheme.
- The eligible Employee to whom the Options are Granted shall not directly or indirectly be entitled to sell, pledge, assign, mortgage, hypothecate or otherwise transfer or dispose of, or alienate in any manner, all or any Options Granted or the rights and benefits attaching thereto.
- The maximum number of Options that can be granted to any eligible Employee during any one-year shall not be equal to or exceed 1% (one percent) of the issued share capital of the Company at the time

of Grant of Options except subject to the separate approval of the shareholders in a general meeting.

15.2 Stock offered

The Shares to be offered pursuant to a Grant shall be from the authorized share capital of the Company or Common Stock previously issued and outstanding by the Company. For the purpose of this Plan, the Company may provide funds to the Trust for purchase/subscription of its own Shares pursuant to the provisions of the Applicable Laws.

For the issuance of the Shares to the Employees, the Board of Directors makes the allotment to the Trust. The Trust then transfers the Shares to the Grantee upon its Exercise of Option. Also the Trust may, subject to Applicable Laws, subsequently sell the Shares in the market to execute the cashless exercise of Options by the Grantee.

Subject to Applicable Laws, Shares purchased by the Trust from Grantees in compliance with Applicable Laws would also be available for Grant of further Stock Options within this Plan tenure.

15.3 Structure of this Plan

The Company has set aside 3% of the paid-up equity capital of the Company after allotment of bonus shares as of 2nd February, 2007 for the purpose of this Plan. Each Option entitles the Grantee thereof to apply for and be allotted one equity Share of the Company at the Exercise Price. All Options purchased, surrendered or lapsed under this Plan due to any reason, as the case may be, will be added back to the pool of ungranted Options and shall be available for further Grants under this Plan.

15.4 Grant Plan

All eligible Employees and as identified by the Nomination and Remuneration Committee at their sole discretion in accordance with this Scheme shall be granted Options on the date when they become eligible under this Plan. However, the Nomination and Remuneration Committee has the sole discretion in granting Options prior to the Employees meeting all the eligibility criteria set forth in Clause 15.

15.5 Grant Criteria:

All eligible Employees will be granted Options by the Nomination and Remuneration Committee on the basis of some or all of the following criteria, as and when they apply:

- Level and role of the Employee;
- Criticality of the role and retaining the employee;
- Terms of employment;
- Such other factors as Nomination and Remuneration Committee may decide from time to time

16 Vesting of Options

16.1 Vesting plan

There shall be a minimum period of one year between the Grant of Options and the Vesting of Options.

Notwithstanding anything contained in the ESOP 2007, in the event of death or Permanent Incapacity, the minimum Vesting Period shall not apply.

Provided that in case where Options are granted under the Scheme in lieu of options held by a person under an employee stock option scheme in another company which has merged or amalgamated with the Company, the period during which the Options granted by the transferor company were held by him shall be adjusted against the minimum vesting period required under the Applicable Laws

Upon the Employee continuing in employment with the Company and upon compliance with the terms of this Scheme, the Options Granted by the Company on the recommendations of the Nomination and Remuneration Committee would Vest with the Employees over the Vesting Period set out in this Scheme.

At the time of Grant of the Options, the Nomination and Remuneration Committee would specify, in accordance with this Scheme, for each Option Granted, the period after which the Option would vest with the Employees (also known as “**the Vesting Period**”).

The Options Granted would vest in the Eligible Employee in 3 (three) installments in the following manner:-

- 33% (Thirty three percent) of the total number of Options granted to the Grantee shall vest on the expiry of 24 months from the Grant Date
- 33% (Thirty three percent) of the total number of Options granted to the Grantee shall vest on the expiry of 36 months from the Grant Date

- 34% (Thirty four percent) of the total number of Options granted to the Grantee shall vest on the expiry of 48 months from the Grant Date

Notwithstanding anything to the contrary in this Plan, the Nomination and Remuneration Committee shall in its absolute discretion, vary or alter the Vesting Period and/or the date of Vesting for the Employees, subject to the provisions of the Applicable Laws

It is further clarified that the Board or Nomination and Remuneration Committee or such authority as may be authorized to do as per the Applicable Laws, may reduce the Vesting Period by such time, which shall not be less than the minimum Vesting Period prescribed under the Applicable Law.

16.2 Exercise of Vested Options

The vested Options shall be exercisable according to the terms and conditions as determined and mentioned under this Scheme. The Employee shall Exercise his Options within the Exercise Period from the date of Vesting.

The Option Grantee, may, at any time during the Exercise Period, and subject to fulfilment of the conditions on which the Options have been granted, Exercise the vested Options by submitting an application along with the Exercise Price and the applicable taxes.

The Grantee can Exercise the vested Options subject to the adherence of Code of Conduct for Prevention of Insider Trading of the Company framed under Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

Upon completion of a valid Exercise of Options, the Trust shall transfer the shares to the Grantee as per this Plan and the terms specified by the Nomination and Remuneration Committee.

Subject to Applicable Laws, the Shares once acquired pursuant to Options would not be subject to any lock-in period and the concerned shareholder shall be free to transfer them at any time.

The Shares would carry voting rights and other rights in accordance with the provisions of the Companies Act, 2013 or its modification or re-enactment from time to time, and the articles of association of the Company in force from time to time.

The Shares shall rank pari passu with the existing Shares of the Company in all respects. An Option Grantee 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 the Options Granted to him / her, till Shares are transferred to him / her on exercise of the Options.

The decision of the Nomination and Remuneration Committee on any of the above matters including the date of Exercise of Options will be final and binding on the eligible Employees.

16.3 Surrender of Options

The Employees may surrender, at any time, the Options granted to him, whether Vested or Unvested, to the Company. The Nomination and Remuneration Committee shall not be liable to pay anything to the Employees in lieu of Options so surrendered. Such Options will be added back to the pool of ungranted options and shall be available for further grants under this Plan in terms of Clause 15.3 of this Plan.

17 Exercise of Options

17.1 Exercise plan

There shall be no lock-in after the Vesting of the Options. The vested Options would be eligible to be exercised on the date of the Vesting itself. Notwithstanding any provisions to the contrary in this Plan the Options must be exercised before the end of the Tenure of this Plan.

17.2 Exercise Period

The Employees shall Exercise the vested Options before/ or on the Closing Date, unless otherwise specified by the Nomination and Remuneration Committee, at its sole discretion, at the time of Grant of the Option.

The vested Options not duly exercised within the Exercise Period shall lapse.

17.3 Exercise Price

The Exercise Price of the Options shall be determined by the Nomination and Remuneration Committee subject to compliance with the provisions of the Applicable Laws Such Exercise Price will be intimated to the eligible Employee at the time of Grant of Options to them.

17.4 Other aspects

Notwithstanding anything contained elsewhere in this Plan, the Nomination and Remuneration Committee and/or the Board may if the Exercise of

Options within the Exercise Period, is prevented by any law or regulation in force the Nomination and Remuneration Committee or the Board, defer or refuse to permit the Exercise of Options till such time as it is prohibited by the Applicable Laws and in such an event, the Company shall not be liable to pay any compensation or similar payment to the Employee for any loss suffered due to such refusal.

Provided further that the Board shall have the power and be and is hereby authorized to cancel all or any of the Options granted under this Plan if so required under any Applicable Laws for the time being in force.

18 Purchase plan

18.1 Whilst in employment

Until strategic sale of the Company, subject to Applicable Laws, the Employee who has exercised his Option shall not, other than as expressly provided for herein or as may be amended in this Plan or as may be expressly pre-approved in writing by the Board of Directors, sell, pledge, mortgage, charge, encumber or otherwise dispose off or create any lien or interest in the underlying Common Stock, whether express or implied in any manner whatsoever.

In the event of a strategic sale, all vested Options of the Employee will be exited in the currency of the transaction (cash or equity swap, as the case may be). With respect to Unvested Options, they will be traded with option under the new entity or they will be deemed as vested and will be treated in the same manner as all other vested Option.

18.2 Whilst not in employment

Until strategic sale of the Company, the ex-employee who has exercised his Option shall, subject to Applicable Laws, be free to sell his shares to a third party subject to the right of first refusal lying with the Trust and/or the Nomination and Remuneration Committee and/or the Promoters and/or any other employee of the Company at the price offered by the third party and exercise of right for first refusal shall not exceed a period of 30 days.

In event of a strategic sale, all exercised Options of the ex-employee will be eligible for exit in the currency of the transaction (cash or equity swap) as for existing Employees of the Company.

19 Termination of employment

If a Grantee's employment (or other service) with the Company terminates:

- **For Cause**, then the Options, to the extent not previously exercised (including all Unvested Options), will terminate on the date of such termination of employment (or other service) unless otherwise decided by the Nomination and Remuneration Committee.

Cause shall mean, as determined by the Nomination and Remuneration Committee, (i) the failure of the Employee, as judged by the Board, to achieve assigned performance targets and objectives, (other than any such failure resulting from retirement, death or Permanent Disability as defined below), (ii) the engaging by the Employee in willful, reckless or grossly negligent misconduct which is determined by the Nomination and Remuneration Committee /Board to be detrimental to the interest of the Company or any of its affiliates or Subsidiary, monetarily or otherwise, or the Employee's pleading guilty to or conviction of a felony (iv) fraud, misfeasance, breach of trust or wrongful disclosure of any secret or confidential information about the Company to any third party, or (v) employment of the Employee in any other organisation or provision of services by the Employee for any other organisation.

- **Due to voluntary resignation** on the part of the Grantee or on completion of the period of contract of his employment (or other service), then the Grantee shall have the right to Exercise the Options that have vested until the date of resignation, prior to separation from the Company. The Employee must exercise the vested Options within three months in case of voluntary resignation and six months in case of completion of the period of contract of his employment (or other service).

Provided that the Board or Nomination and Remuneration Committee or such other authority as may be authorized under the Applicable Laws, may extend the period of three months or six months, as the case may be, as it may deem appropriate.

- **For retirement** Option Grantees may exercise their Vested Options within the period not exceeding 12 months from the date of retirement. And all the Unvested Options would continue to vest in accordance with the respective vesting schedule, in accordance with the Company's policies and Applicable Laws.
- **For reasons other than** those referred in Clauses 19 and 20, Options under this Plan may be exercised not later than three (3) months after such termination of employment, but may be exercised only

to the extent the Options that were vested until the date of termination.

20 Death and Total & Permanent Disability

If a Grantee should die or become totally and permanently disabled while an Employee of the Company; all options granted till such date and lying Unvested shall Vest on that day in an accelerated manner with the Employee (whether Vested or Unvested) or the legal heirs of such employee and the Options so vested on the date of death of the Employee or the Employee became totally and permanently disabled while an Employee of the Company must be exercised as below:

- In case of death/ Permanent Disability, within one year from the date of death or such extended time provided by the Nomination and Remuneration Committee.
- Further, the nomination shall be made in the form prescribed by the Company for this purpose. In case no nomination has been made by the Option Grantee, then in case of his / her death, the Options shall vest with effect from the date of his/her death and shall be exercised by the legal heir of such Option Grantee within the time period specified above, provided that such legal heir of such Option Grantee produces before the Nomination and Remuneration Committee all such documents as may be required by the company to prove the succession to the assets of the deceased Option Grantee.

21 Non Assignability

The Option shall not be transferable or assignable by the Employee, otherwise than by will or the laws of descent and distribution and the Option shall be exercisable, during the Employee's lifetime, only by him or, during periods of Permanent Disability, by his legal representative. No Option shall be subject to execution, attachment or similar process.

22 Rights of an Employee in stock

22.1 Shareholder rights

Neither Employee, nor his successor in interest, shall have any of the rights of a shareholder of the Company with respect to the Shares for which the Option is exercised until such Shares are transferred /issued in the name of the Employee.

22.2 Change of Employment within the Company

Except as may be otherwise provided in this Plan, the Option granted hereunder shall not be affected by any change of employment within the Company and/or its Subsidiary company so long as Employee continues to be employed by the Company or its Subsidiaries.

23 Terms and conditions of Shares

All Shares acquired under this Plan will rank pari passu with all other Shares of the Company for the time being in issue. The Shares issued on the Exercise of Options shall be eligible for full year's dividend as per the Applicable Laws.

24 Eligibility

A Stock Option Grant made pursuant to this Plan may be granted only to an individual who, at the time of Grant, is an Eligible Employee

The Nomination and Remuneration Committee however is authorized to change the eligibility criteria from time to time.

Each Grant shall be evidenced by a written instrument duly executed by or on behalf of the Company.

25 Stock Option/ Grants

25.1 Stock Option Agreement

Each Option shall be evidenced by an agreement between the Company and the Grantee, which shall contain such terms, and conditions as may be approved by the Nomination and Remuneration Committee. Each such agreement shall specify the effect of termination of employment, Permanent Disability, retirement or death on the exercisability of the Option and such other terms and conditions as the Nomination and Remuneration Committee may deem necessary.

Under each agreement, a Grantee shall have the right to appoint any individual or legal entity in writing as his nominee under this Plan in the event of his death / Permanent Disability. Such designation may be revoked in writing by the Grantee at any time during the time of employment and a new nominee may be appointed in writing on the form provided by the Nomination and Remuneration Committee for such purpose. Such nominee shall be the only legal representative recognised by the Company/ Nomination and Remuneration Committee as the inheritor of the Grantees option to the exclusion of all others.

25.2 Option period

The term of each Option shall be as specified by the Nomination and Remuneration Committee at the Grant Date and shall be stated in the Agreement; provided, however, that an Option may not be exercised after the end of the Tenure of the Grant / Exercise Period / Closing Date.

25.3 Limitations on Exercise of Option

Any Option granted hereunder shall be exercisable at such times and under such conditions as determined by the Nomination and Remuneration Committee and as permissible under the terms of this Plan, which shall be specified in the agreement evidencing the Option. An Option shall not, however, be exercised for fractional shares.

26 Change in Capital Structure or Corporate Action

Except as hereinafter provided, a Grant made shall be subject to adjustment, by the Nomination and Remuneration Committee, at its discretion as to number and price of Options or Shares, as the case may be, in the event of 'Change in Capital Structure' or a 'Corporate Action' as defined in this Plan.

The existence of this Plan and the Grants made hereunder shall not in any way affect the right or the power of the Board of Directors or the shareholders or the Company to make or authorize any 'Change in Capital Structure' or any 'Corporate Action' including any issue of Shares, debt or other securities having any priority or preference with respect to the Shares or the rights thereof.

If there is a 'Change in the Capital Structure of the Company' before the Options granted under this Plan are exercised, the Employee shall be entitled on Exercise of the Options, to such number of Resultant Shares to which he would have been entitled as if all the Options not exercised by him had been exercised by him before such 'Change in the Capital Structure' of the Company had taken place and the rights under the Options shall stand correspondingly adjusted.

The Shares in respect of which the Options are granted, are Shares as presently constituted. But if and when, prior to the expiry of the Exercise Period there is a 'Change in the Capital Structure' of the Company, the number of Shares with respect to which the Options may thereafter be exercised shall, in the event of:

- An increase in the number or Resultant Shares, be proportionately increased, and the Exercise Price, be proportionately reduced.
- A reduction in the number of Resultant Shares, be proportionately reduced, and the Exercise Price, be proportionately increased.

Provided further that in case the provisions of Applicable Laws 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 Applicable Laws.

In the event of 'Corporate Action', the Nomination and Remuneration Committee, at least seven days prior to any 'Corporate Action' or thirty days thereafter, acting in its absolute discretion with or without the consent or approval of the Employee, as it may deem fit, shall in respect of the outstanding Options act on any of the following alternatives:

- Provided that on any Exercise of Options hereafter, the Employee shall be entitled to the Shares and / or Resultant Shares as if the Employee had been a Grantee of the Shares on Exercise of the Options.
- Make such adjustments to the Options outstanding to reflect the 'Corporate Action', as may be necessary,
- Require the mandatory surrender to the Company, by all or some of the Employees, of all or Some of the outstanding Options, irrespective of whether, the Options, have vested or not, as on that date, and in such an event the Nomination and Remuneration Committee shall pay such Employees an amount in cash or otherwise, per Option, as the case may be, of the 'Change in Control Value' after deducting the balance Exercise Price payable, if any.

27 Exit route in case of de-listing

If the Company gets de-listed from all the recognized Stock Exchanges, then the Board or Nomination and Remuneration Committee as authorized by the Board 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.

28 Amendment or Termination of Plan

- (a) Subject to what is provided in (b) below, the Board of Directors on the recommendation of the Nomination and Remuneration Committee shall, in its absolute discretion, subject to a special resolution in a general meeting to vary the terms of this Scheme, have the authority to vary the terms of this Scheme.
- (b) The Company may vary the terms of this Scheme in any manner but should ensure that it is not detrimental to the interests of the Employees.
- (c) Provided that the Company shall be entitled to vary the terms of the

Plan to meet any regulatory requirement without seeking shareholders' approval by way of a special resolution.

- (d) The notice for passing special resolution for variation of terms of this Scheme shall disclose full details, as required under Applicable Laws, of the variation, the rationale therefore, and the details of the Employees who are beneficiary of such variation.

29 Inability to obtain approval

The inability of the Company to obtain approval 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 grant the Options or issue Shares.

30 Others

30.1 No right to a Grant

Neither the adoption of this Plan nor any action of the Nomination and Remuneration Committee shall be deemed to give an Employee any right to be granted an Option to purchase Common Stock, to receive a Grant or to any other rights hereunder except as may be evidenced by an Option Agreement duly executed on behalf of the Company, and then only to the extent of and on the terms and conditions expressly set forth therein.

30.2 No Employment Rights Conferred

Nothing contained in this Plan or in any Grant made hereunder shall (i) confer upon any Employee any right with respect to continuation of employment with the Company, or (ii) interfere in any way with the right of the Company to terminate his or her employment at any time.

30.3 Terms and Conditions of Loan granted to Trust by the Company

Amount of loan: Maximum amount of loan outstanding at any time shall not exceed 5% of the paid up equity capital and free reserves as at the end of the previous financial year.

Tenure: Till the objects of the Trust are accomplished or the repayment of loan is made, whichever is later.

Utilization: The funds will be utilized by the Trust for the objects as mentioned in the Trust Deed including the implementation of this Plan.

Repayment Terms: The Trust shall repay the loan to the Company by utilising the proceeds realised from Exercise of Options by the Employees or sale of Equity Shares in the secondary market by the Trust as permissible, as the case may be.

30.4 No Restriction of Corporate Action

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 this Plan or any future Grant under this Plan. No Employee, beneficiary or other person shall have any claim against the Company as a result of such action.

30.5 Tax deduction at source

The Company shall have the right to deduct, in connection with all Grants, any taxes, if any, required by Applicable Laws to be deducted at source and to require any payments necessary to enable it to satisfy such obligations.

The Grantee of Shares hereby authorizes the Company to sell such number of Shares as would be necessary to discharge the obligation in the respect of tax deduction at source and appropriate the proceeds thereof on behalf of the Employee.

30.6 Disclosure and Accounting Policies

The Company shall follow the IND AS 102 on Share based Payments and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other statutory authority from time to time, including the disclosure requirements prescribed therein, in compliance with relevant provisions of SEBI SBEB and SE Regulations 2021.

Provided that the Company shall comply with the accounting and disclosure requirements as prescribed under Regulation 15 of SEBI SBEB & SE Regulations.

30.7 Confidentiality

The Employee shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to this Plan, Grant, the Option Agreement or any connected matter. Any violation may result in cancellation of Grant or compulsory retransfer of Shares to a nominee as the Nomination and Remuneration Committee may deem fit without prejudice to the other action which may be taken in this regard.

31 **New Plans**

Nothing contained in this Plan shall be construed to prevent the Company directly or through any trust settled by Company, from implementing any other new employee ownership plan which is deemed by the Company to be appropriate or in its best interest, whether or not such other action would have any adverse impact on this Plan or any Grant made under this Plan. No Employee or other person shall have any claim against the Company and/or trust as a result of such action.

32 **Issues**

In respect of any issues arising in respect of this Plan, the decision of the Nomination and Remuneration Committee shall be final and binding on all concerned.

33 **Authority to vary terms**

For the purpose of efficient implementation and administration of the ESOP 2007, the Nomination and Remuneration Committee may, if it deems necessary, vary the terms of ESOP 2007 subject to the shareholders' approval by way of Special Resolution and the Applicable Laws. Such variation of terms shall not be detrimental to the interests of the Employees. However, the Company is entitled to vary the terms of the ESOP 2007 to meet any regulatory requirements without seeking shareholders' approval by special resolution.

The Company may also re-price the Options which are not exercised, whether or not they have vested, if the Plan is rendered unattractive due to fall in the value of the Shares, provided that the Company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantee and approval of the shareholders by way of a special resolution has been obtained for such re-pricing.

34 **Winding up of this Scheme**

In the event of winding up or expiration of this Scheme, the excess monies or Shares outstanding in the Uniparts ESOP Trust after meeting all obligations, if any, shall be utilized for repayment of loan or by way of distribution to the Employees on the recommendation of the Nomination and Remuneration Committee in accordance with the Applicable Laws

35 **Certificate from Auditors**

The Board shall at each annual general meeting, place before the shareholders a certificate from the Secretarial Auditor of the Company or such other person as may be required under the Applicable Law that this Scheme has been implemented in accordance with the SEBI SBEB & SE Regulations and in accordance with the resolution of the Company in the annual general meeting.

36 Listing of the Shares

The Company shall not Grant Options under the Plan unless it obtains in-principle approval from the Stock Exchanges where it is listed.

The Company shall appoint a Merchant Banker for the implementation of the Plan up to in-principle approval from the Stock Exchanges where it is listed.

Subject to the approval of the 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.

37 Governing Law

This Plan shall be construed in accordance with the laws of Republic of India and other Applicable 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 and Exercise of Options thereof.

38 Miscellaneous Provisions

In respect of this Scheme, the Company and the Trust shall conform to the applicable accounting policies specified in the Applicable Laws. The matters not provided for in this Scheme shall be governed by the provisions of the Applicable Laws. Further to the extent of any inconsistency between this Scheme and the Applicable Laws, the provisions of the Applicable Laws, shall prevail over this Scheme.
