



**Uniparts India Limited – Employee Stock Option Scheme
2023**

Uniparts India Limited

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1. Name, Objective and Term of the Scheme**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.

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.

- 1.1 This Employee Stock Option Scheme shall be called '**Uniparts India Limited – Employee Stock Option Scheme 2023**' ("ESOS 2023"/ "Scheme").

- 1.2 The primary objective of Scheme is to motivate key employees for accelerated corporate growth and creation of shareholders' value, retain and reward the performance of the Employees of the Company and its Group Companies by providing them wealth creation opportunity. The Company also intends to use this Scheme to attract, retain and motivate key talents working with the Company and its Group Companies, by way of rewarding their high performance and motivate them to contribute to the overall long-term corporate growth and profitability.
- 1.3 The Scheme is established with effect from **January 9, 2024** on which the shareholders of the Company have approved it and shall continue to be in force until (i) its termination by the Company as per provisions of Applicable Law, or (ii) the date on which all of the Options available for issuance under the Scheme have been issued and exercised, whichever is earlier.

2. Definitions and Interpretation

2.1 Definitions

- i. **"Applicable Laws"** includes every law, rule, statute, regulations or bye-laws relating to employee stock options, including without limitation, 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.
- ii. **"Associate Company"** shall have the same meaning as defined under section 2(6) of the Companies Act, 2013.
- iii. **"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 Scheme.
- iv. **"Committee"** means the Nomination and Remuneration Committee constituted by the Board from time to time, to administer and supervise the Scheme and other employee benefit Scheme Scheme/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 read with powers specified in this Scheme.
- v. **"Companies Act"** means the Companies Act, 2013 read with rules issued thereunder from time to time and includes any statutory modifications or reenactments thereof.
- vi. **"Company"** means Uniparts India Limited, a company registered in India under the provisions of the Companies Act, 1956, having corporate identification number L74899DL1994PLC061753 with its registered office at Gripwel Houseblock-5, C6 & 7, Vasant Kunj, Delhi – 110070, India.

- vii. **“Company Policies/Terms of Employment”** means the Company’s policies for Employees and the terms of employment as contained in the employment letter and the company handbook, which includes provisions requiring a desired level of performance, securing confidentiality, non-compete and non-poaching of other Employees and customers.
- viii. **“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:
 - o a different class of securities of the Company; or
 - o any securities of any other issuer; or
 - o cash; or
 - o 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.
- ix. **“Director”** means a member of the Board of the Company.
- x. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee for granting the Options to the Employees.
- xi. **“Employee”** means
- i. an employee as designated by the Company, who is exclusively working in India or outside India; or
 - ii. 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.
 - iii. an employee as defined in clause (i) or (ii) of a Group Company including Subsidiary or its Associate company, in India or outside India.
- but excludes**
- a. an employee who is a Promoter or belongs to the Promoter Group;
 - b. a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.

- xii. **“Employee Stock Option” or “ESOPs”** means an Option granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the Shares underlying the Option at a pre-determined price.
- xiii. **“ESOS 2023”** means the ‘Uniparts India Limited – Employee Stock Option Scheme’ (**“ESOS 2023” / “Scheme”**) under which the Company is authorized to grant Options to the Employees.
- xiv. **“Exercise”** of an Option means expression of an intention by an Employee to the Company to purchase the Shares underlying the Options vested in him, in pursuance of the Scheme, in accordance with the procedure laid down by the Company for Exercise of Options.
- xv. **“Exercise Period”** means such time period after Vesting within which the Employee should Exercise the Options vested in him in pursuance of the Scheme.
- xvi. **“Exercise Price”** means the price payable by an Employee in order to Exercise the Options granted to him in pursuance of the Scheme determined as per provisions of Sub-clause 8.1.
- xvii. **“Grant”** means issue of Options to the Employees under the Scheme.
- xviii. **“Grant Date”** means the date of the meeting of the Committee in which Grant of Options to the Employees is approved.

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

- xix. **“Group” or “Group Company”** means two or more companies which, directly or indirectly, are in position to-
 - i. Exercise twenty-six percent, or more of the voting rights in the other company; or
 - ii. Appoint more than fifty percent, of the members of the board of directors in the other company; or
 - iii. Control the management or affairs of the other company
- xx. **“Independent Director”** means a Director within the meaning of Section 149(6) of the Companies Act read with Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- xxi. **“Lock-in Period”** means the period during which the Employee must not sell, pledge or otherwise transfer, directly or indirectly, any of his Shares or dispose of any interest in or over or right attaching to any of his Shares.
- xxii. **“Market Price”** means the latest available closing price of the Shares on the recognized Stock Exchange on which the Shares of the Company are listed, on the date immediately prior to the Grant Date.

Explanation: In case Shares are listed on more than one recognized Stock Exchange, then the Stock Exchange where the highest trading volume on the said date shall be considered.

- xxiii. **“Merchant Banker”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, which is registered under Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- xxiv. **“Misconduct”** means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or terms of employment amounting to violation or breach of terms of employment as determined by the Committee after giving the Employee an opportunity of being heard:
- (i) dishonest statements or acts of an Employee, with respect to the Company;
 - (ii) any misdemeanor involving moral turpitude, deceit, dishonesty, or fraud committed by the Employee.
 - (iii) gross negligence, Misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company;
 - (iv) breach by the Employee of any terms of his employment agreement or the Company’s policies or other documents or directions of Company;
 - (v) participating or abetting a strike in contravention of any law for the time being in force; and
 - (vi) Misconduct as provided under the labor laws after following the principles of natural justice.
- xxv. **“Nomination Form”** means the form through which an Employee may nominate a person on his behalf to exercise the rights of such Employee under the Scheme.
- xxvi. **“Option”** means ESOPs individually or collectively, as the context may require within the meaning of the Scheme.
- xxvii. **“Option Grantee”** means an Employee who has been granted an Option and has accepted such Grant as required under the Scheme and shall deem to include nominee/ legal heir of an Option Grantee in case of his/her death to the extent provisions of the Scheme are applicable to such nominee/ legal heir.
- xxviii. **“Permanent Incapacity / disability”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Committee based on a certificate of a medical expert identified by the Company.
- xxix. **“Scheme”** means and refers to ‘Uniparts India Limited –Employee Stock Option Scheme’ (**“ESOS 2023”/ “Scheme”**) defined hereof.
- xxx. **“Promoter”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended.

- xxxi. **“Promoter Group”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended.
- xxxii. **“Retirement”** means retirement or superannuation as per the applicable rules of the Company and or terms of appointment.
- xxxiii. **“SEBI SBEB & SE Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and enacted from time to time read with all circulars and notifications issued thereunder.
- xxxiv. **“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.
- xxxv. **“Shares”** means equity shares of the Company of face value of Rs. 10 (ten) each fully paid-up including the equity shares arising out of the Exercise of Options granted under the Scheme.
- xxxvi. **“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.
- xxxvii. **“Subsidiary Company”** means any present or future subsidiary of the Company, as per the provisions of the Companies Act.
- xxxviii. **“Unvested Option”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to Exercise the Option.
- xxxix. **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to Exercise the Option.
- xl. **“Vesting”** means earning by the Option Grantee, of the right to Exercise the Option granted to him in pursuance of the Scheme.
- xli. **“Vesting Condition”** means any condition subject to which the Options granted would vest in an Option Grantee.
- xlii. **“Vesting Period”** means the period during which the Vesting of the Option granted to the Employee, in pursuance of the Scheme takes place.

2.2 Interpretation

In this Scheme, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;

- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender; and
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.
- f) for the purposes of any calculation under this Scheme any fraction will be rounded up or down to the nearest integer;
- g) reference to any statute, rules, regulations, or notification shall include any amendment, modification, substitution, or re-enactment thereof.
- h) the terms defined above, including their grammatical variations and cognate expressions, shall, unless repugnant to the context or meaning thereof, for the purposes of this Scheme have the meanings herein specified and terms not defined above shall have the meanings as defined in the Companies Act or Applicable Law including SEBI SBEB & SE Regulations, as the context requires; and
- i) Words / phrases and expressions used and not defined here but defined in the SEBI SBEB & SE Regulations, Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Companies Act, and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation, as the context requires.

3. Authority and Ceiling

- 3.1 The shareholders of the Company by way of special resolution dated **January 9, 2024** approved the Scheme, authorizing the Committee to grant not exceeding **9,02,675 (Nine Lakh Two Thousand Six Hundred Seventy-Five)** Options to the eligible Employees, in one or more tranches, from time to time, which in aggregate shall be exercisable into not more than **9,02,675 (Nine Lakh Two Thousand Six Hundred Seventy-Five)** Shares of face value of **Rs. 10 (Ten)** each fully paid up to be sourced by way of primary issue, with each such Option conferring a right upon the Employees to apply for one Share in the Company in accordance with the terms and conditions as may be decided under the Scheme.
- 3.2 The maximum number of Options under Scheme that may be granted per Employee in any year and in aggregate shall not exceed **5,00,000 (Five Lakh)** Options.
- 3.3 If an Option expires, lapses, or becomes un-exercisable due to any reason, it shall be brought back to the Options pool as mentioned in Sub-clause 3.1 and shall become available for future Grants, subject to compliance with all Applicable Law.
- 3.4 Where Shares are issued consequent upon Exercise of an Option under the Scheme, the maximum number of Shares that can be issued under the Scheme as referred to in Sub-clause 3.1 above shall stand reduced to the extent of such Shares issued.
- 3.5 In case of a consolidation, if the revised face value of the Share becomes more than the current face value, the maximum number of Shares available for being granted under the

Scheme as specified 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 consolidation remains unchanged after such consolidation. Thus, for example, if the prevailing face value of each Share is Rs. 10 per Share and the revised face value after the Share consolidation is Rs. 20 per Share, the total number of Shares available under the Scheme would be (Shares reserved at Sub-Clause 3.1/ 2) Shares of Rs. 20 each. Same principle shall be followed in case of a Share split at any point in time. In case, of corporate actions including bonus issue of Shares, the Shares reserved at Sub-Clause 3.1 shall stand revised as per requirements of SEBI SBEB & SE Regulations read with Sub-clause 4.2(f).

- 3.6 Prior approval of shareholders of the Company in the general meeting by passing special resolution shall be obtained in case the Grant of Options to any identified Employee, in any one financial year, is equal to or exceeding 1% (one percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Option.
- 3.7 Prior approval of shareholders in the general meeting by passing special resolution shall be obtained in case Options shall be granted to any Employee of the Group Company(ies) including its Subsidiary Company(ies), or Associate Company(ies).

4. Administration

- 4.1 The Scheme shall be administered by the Committee. All questions of interpretation of the Scheme including or any of the Scheme thereunder or any Option shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Scheme or in any Option issued thereunder.
- 4.2 The Committee shall in accordance with this Scheme and Applicable Law determine the following:
- (a) The quantum of the Option to be granted under the Scheme per Employee, subject to the ceiling as specified in Sub-clause 3.1;
 - (b) the Eligibility Criteria for Grant of Option to the Employees;
 - (c) the specific 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;
 - (d) the specified time period within which the Employee shall Exercise the Vested Option in the event of termination or resignation of an Employee;
 - (e) 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;
 - (f) the procedure for making a fair and reasonable adjustment to the number of Option 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 Committee:
 - (i) the number and the price of Option shall be adjusted in a manner such that total value of the Option remains the same after the corporate action; and

- (ii) the Vesting Period and the life of the Option shall be left unaltered as far as possible to protect the rights of the Option Grantees.
 - (g) the procedure and terms for the Grant, Vesting and Exercise of Option in case of Employees who are on long leave;
 - (h) the conditions under which Option vested in Employees may lapse in case of termination of employment for Misconduct;
 - (i) the procedure for buy-back of Options granted under the Scheme 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 Options that the Company may buy-back in a financial year.
 - (j) the procedure for funding for Exercise of Options, as permitted under the Applicable Law; and
 - (k) approve forms, writings and/or agreements for use in pursuance of the Scheme.
- 4.3 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.
- 4.4 The Committee shall have a right to delegate or authorize any officer of the Company, if required and subject to the extent allowed under the Applicable Law, such power to do specific acts and things without limitation to the listing of Shares on recognized Stock Exchange(s) arising pursuant to Exercise of Vested Options, execution and submission of various document(s) to recognized Stock Exchange(s) or any other institution as may be deemed necessary in connection with the Scheme.
- 4.5 The Committee subject to the prior approval of the Board can recommend formation of an employee welfare trust to administer the Scheme which may be executed subject to prior approval of the shareholders of the Company by way of special resolution.
- 5. Eligibility and Applicability**
- 5.1 Only Employees are eligible for being granted Option under the Scheme. The specific Employees to whom the Option would be granted, and their Eligibility Criteria shall be determined by the Committee.

5.2 Appraisal process for determining the eligibility of the Employees will be based on grade, criticality, skills, potential contribution, and such other criteria as may be determined by the Committee at its sole discretion, from time to time.

5.3 This Scheme shall be applicable to the Company, its Group Company including its Subsidiary Company(ies), and Associate Company within or outside India and any successor company thereof to the extent any Options have been granted to the Employees of such entities, to the extent required under the Applicable Law.

6. Grant of ESOPs

(a) Grants contemplated under the Scheme shall be made on such day and month as decided by the Committee at its discretion.

(b) Each Grant of Option under the Scheme shall be made in writing by the Company to the eligible Employees by way of letter of Grant containing specific details of the Grant, and disclosure requirements, as prescribed under Applicable Law.

7. Vesting Schedule and Vesting Conditions

7.1 Options granted under Scheme shall vest not earlier than minimum Vesting Period of **1 (one)** year and not later than maximum Vesting Period of **4 (four)** years from the Grant Date. The Committee may at its discretion change the Vesting schedule provided that such change is not detrimental to the interest of the Employees.

Provided that in case where Options are granted by the Company under the Scheme in lieu of Options held by a person under a similar Scheme in another company ("Transferor Company") which has merged, demerged, arranged 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 as per the Scheme.

Provided further that in the event of death or Permanent Incapacity, the minimum Vesting Period of 1 (one) year shall not be applicable and in such instances, the Options shall vest on the date of death or Permanent Incapacity, as the case may be.

7.2 Vesting of Options would be subject to continued employment with the Company subject to the condition that the Employee is not under notice of resignation.

7.3 The Options would vest essentially on the basis of continued tenure. Apart from this, the Committee **shall** prescribe achievement of performance condition(s), the criteria being a mix of corporate and business unit/segment, and individual performance for Vesting. The specific Vesting Conditions subject to which Vesting would take place shall be specified in the letter of Grant issued to the Option Grantee at the time of Grant.

7.4 As a prerequisite for a valid Vesting, an Option Grantee should not be subject to any disciplinary proceedings pending against him on the date of Vesting. In case of any disciplinary proceedings against any Option Grantee, the relevant Vesting shall be kept in abeyance until disposal of the proceedings and such Vesting shall be determined accordingly.

7.5 The specific Vesting schedule and Vesting Conditions subject to which Vesting would take place shall be specified in the letter of Grant issued to the Option Grantee at the time of Grant.

7.6 Vesting of Options in case of Employees on long leave

The period of leave shall not be considered in determining the Vesting Period in the event an Employee is on long leave of more than 90 (ninety) consecutive days unless otherwise specifically approved by the Committee. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period.

7.7 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 Options pool of ungranted options and shall be available for further grants under this Scheme in terms of Sub-clause 3.1 of this Scheme.

8. Exercise

8.1 Exercise Price

(a) The Exercise Price per Option shall be determined by the Committee which shall be up to a maximum of 25% (twenty-five percent) discount to Market Price of Share as on the date of Grant.

Explanation: Market Price for this purpose shall mean the latest available closing price of Shares on the Stock Exchange having higher trading volume on the date immediately preceding the date of grant, as per SEBI SBEB & SE Regulations.

(b) The specific Exercise Price shall be intimated to the Option Grantee in the Grant letter at the time of Grant.

(c) Payment of the Exercise Price shall be made by online payment to the account of the Company or in such other mode and manner as the Committee may decide from time to time.

8.2 Exercise Period

(a) Exercise while in employment:

The Exercise Period in respect of the Vested Options shall be subject to a maximum period of **3 (three)** years from the date of each Vesting.

(b) Exercise in case of separation from employment:

The Options can be exercised as under:

S. No.	Events of separation	Vested Options	Unvested Options
1	Resignation / termination (other than due to Misconduct)	All the Vested Options as on the date of submission of resignation/ date of termination shall be exercisable by the Option Grantee on last working day of Option Grantee or such other extended date as approved by the Committee.	All the Unvested Options as on date of submission of resignation/ date of termination shall stand cancelled with effect from date of such resignation/ termination.
2	Termination due to Misconduct	All the Vested Options at the time of such termination shall stand cancelled with effect from the date of such termination.	All the Unvested Options at the time of such termination shall stand cancelled with effect from the date of such termination.
3	Retirement	All the Vested Options as on the date of Retirement shall be exercisable by the Option Grantee within 12 (twelve) months from last working day.	All Unvested Options as on the date of Retirement would continue to vest in accordance with the original vesting schedule even after the Retirement unless otherwise determined by the Committee in accordance with the Company's Policies and provisions of the then prevailing Applicable Law and can be exercised within a period of 12 (twelve) months from the date of Vesting.
4	Death	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 12 (Twelve) months from the date of death of the Option Grantee.	All the Unvested Options as on date of death shall vest immediately with effect from the date of his/her death to the Option Grantee's nominee or legal heir and can be exercised within 12 (Twelve) months from the date of death by nominee or legal heirs.
5	Permanent Incapacity	All Vested Options may be exercised by the Option Grantee, immediately after, but in no event later than 12 (Twelve) months from the date of such incapacity.	All the Unvested Options as on date of incurring of such incapacity shall vest immediately with effect from such event to the Option Grantee and can be exercised

S. No.	Events of separation	Vested Options	Unvested Options
			within 12 (Twelve) months from the date of permanent incapacity.
6	Termination due to reasons apart from those mentioned above	The Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of such termination shall stand cancelled unless otherwise required by Applicable Law.

8.3 The Options shall be deemed to have been exercised when an Employee makes an application in writing to the Company or by any other means as decided by the Committee, for the issue of Shares against the Options vested in him/ her, subject to payment of Exercise Price and compliance of other requisite conditions of Exercise.

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

8.5 Lapse of Options

The Options not exercised within the respective Exercise Periods prescribed in Sub-clauses of Clause 8 shall lapse and be deemed to be cancelled on expiry of such Exercise Period. The Option Grantee shall have no right or recourse over such lapsed/ cancelled/ expired Options.

9. Lock-in

The Shares arising out of Exercise of Vested Options shall not be subject to any lock-in period from the date of allotment of such Shares under the Scheme.

Provided that the Shares allotted on such Exercise cannot be transferred for such further period or intermittently as required under the terms 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.

10. Exit route in case of de-listing

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

11. Restriction on transfer of Options

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

11.2 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.

- 11.3 No person other than the Employee to whom the Option is granted shall be entitled to Exercise the Option except in the event of the death of the Option Grantee holder, in which case provisions at sub-clause 8.2(b) would apply.

12. Rights as a shareholder

- 12.1 The Employee shall not have a right to receive any dividend or to vote or in any manner or enjoy the benefits of a shareholder in respect of Options granted, till Shares underlying such Options are issued by the Company up on Exercise of such Option.
- 12.2 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any Shares covered by the Grant unless the Option Grantee exercises the Option and becomes a registered holder of the Shares of the Company.
- 12.3 If the Company issues bonus shares or rights shares, the Option Grantee shall not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with sub-clause 4.2 (f) of the Scheme.

13. Deduction/Recovery of Tax

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

14. Authority to vary terms

- 14.1 The Committee may with prior approval of the shareholders, revise the terms of the Scheme and/ or terms of the Options already granted under the Scheme subject to the condition that such amendment, alteration, or variation, as the case may be is not detrimental to the interest of Employees.

Provided that the Company shall be entitled to vary the terms of the Scheme to meet any regulatory requirement without seeking shareholders' approval by way of a special resolution.

- 14.2 The Company may also re-price the Options which are not exercised, whether or not they have vested, if the Scheme 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.

15. Miscellaneous

15.1 Government Regulations

This Scheme shall be subject to all Applicable Law, and approvals from government authorities. required if any. The Grant and the allotment of Shares under this Scheme shall also be subject to the Company requiring Employees to comply with all Applicable Law.

15.2 Inability to obtain authority

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

- 15.3 Neither the existence of this Scheme nor the fact that an individual has on any occasion been granted an Option shall give such individual any right, entitlement, or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Scheme by being granted an Option on any other occasion.

- 15.4 The rights granted to an Option Grantee upon the grant of an Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

- 15.5 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Option in whole or in part.

15.6 General Risks

Participation in the Scheme shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the equity and the risks associated with the investments is that of the Option Grantee alone.

16. Accounting and Disclosures

- 16.1 The Company shall follow the requirements including the disclosure requirements and 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, 2013 or any other appropriate authority, from time to time, including any guidance note on Accounting for employee share-based payments issued in that regard from time to time and the disclosure requirements prescribed therein, in compliance with relevant provisions of Regulation 15 of SEBI SBEB & SE Regulations.

16.2 The Company shall make disclosures to the prospective Option Grantee containing statement of risks, information about the Company and salient features of the ESOS 2023 in a format as prescribed under SEBI SBEB & SE Regulations.

16.3 The Company shall disclose details of Grant, Vest, Exercise, and lapse of the Options in the Directors' Report or in an annexure thereof as prescribed under SEBI SBEB & SE Regulations or any other Applicable Law as in force.

17. Certificate from Secretarial Auditors

The Committee shall at each annual general meeting place before the shareholders a certificate from the Secretarial Auditors of the Company that the Scheme has been implemented in accordance with the SEBI SBEB & SE Regulations and in accordance with the resolution of the Company in the general meeting.

18. Governing Laws

18.1 The terms and conditions of the Scheme shall be governed by and construed in accordance with the Applicable Law including the Foreign Exchange Laws mentioned below.

18.2 Foreign Exchange Laws

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

19. No Restriction on Corporate Action

The existence of the Scheme and any Grant made hereunder shall not in any way affect the right or the power of the Board or the shareholders of the Company to make or authorize any change in capital structure, including any issue of Shares, debt or other securities having any priority or preference with respect to the Shares of the Company or the rights thereof or from making any corporate action which is deemed to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Scheme or any Grant made under the Scheme. No Employee or other person shall have any claim against the Company as a result of such action. However, the Committee shall make fair and reasonable adjustments due to such events as specified in Clause 4.2 (f) of the Scheme.

20. New Schemes

Nothing contained in the Scheme shall be construed to prevent the Company from implementing any other new scheme for granting Options and/or share purchase rights, which is deemed by the Company to be appropriate or in its best interest, whether or not such action would have any adverse impact on the Scheme, or any Grant made under the Scheme. No Employee or other person shall have any claim against the Company as a result of such action.

21. Notices

- 21.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this Scheme shall be in writing. The communications shall be made by the Company in any one or more of the following ways:
- i. sending communication(s) to the address of the Option Grantee available in the records of the Company; and/ or
 - ii. delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; and/ or
 - iii. emailing the communication(s) to the Option Grantee at the official email address provided if any by the Company during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.
- 21.2 All notices of communication to be given by an Option Grantee to the Company in respect of Scheme shall be sent to the address mentioned below:

Attention: Compliance Department

Company: Uniparts India Limited

Address: Gripwel Houseblock-5, C6 & 7, Vasant Kunj, Delhi – 110070, India.

Email: compliance.officer@unipartsgroup.com

22. Nomination

The Employee may nominate a person as his/her nominee with submission of Nomination Form complete in all respects. The nominee in case of death or Permanent Incapacity of Employee shall be the legal representative recognized by the Company as the inheritor of the Employee in respect of all rights and liabilities for the purposes of this Scheme.

23. Jurisdiction

- 23.1 The Courts in New Delhi, India shall have jurisdiction in respect of any or all matters, disputes or differences arising in relation to or out of this Scheme.
- 23.2 Nothing in this Sub-clause will however limit the right of the Company to bring proceedings against any Employee in connection with this Scheme:
- (i) in any other forum or court of competent jurisdiction; or
 - (ii) con-currently in more than one jurisdiction.

24. Listing of the Shares

- 24.1 The Company shall not Grant Options under the Scheme unless it obtains in-principle approval from the Stock Exchanges where it is listed.
- 24.2 The Company shall appoint a Merchant Banker for the implementation of the Scheme upto in-principle approval from the Stock Exchanges where it is listed.

- 24.3 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.

25. Severability

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

26. Confidentiality

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

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