



## CCL EMPLOYEE STOCK OPTION SCHEME - 2022

### 1. Introduction:

- 1.1 This Scheme shall be called the “**CCL EMPLOYEE STOCK OPTION SCHEME - 2022**” hereinafter referred as “**the CCL Scheme 2022/the Scheme**”
- 1.2 The draft Scheme was approved by the Board of Directors on 05.08.2022 and by the Shareholders of the Company by way of special resolution on 30.08.2022.
- 1.3 The Scheme shall be effective from the date of approval of the Scheme by the shareholders of the Company (i.e.) 30.08.2022 (“**Effective Date**”) and is applicable for financial year 2022-23 and onwards.
- 1.4 The Scheme shall be in accordance with the regulations prescribed by Securities and Exchange Board of India (SEBI) wherever applicable and any other regulation as applicable to the Company and shall not contravene any law, for the time being in force that is material for giving effect to such Scheme.

### 2. Term of the Scheme:

- 2.1 The Scheme shall continue in effect unless terminated by the Board of Directors or until all the options granted under the Scheme are vested and exercised whichever is earlier.
- 2.2 Any such termination of the Scheme shall not affect options already granted and such options shall remain in full force and effect, subject to clause 10.3 and 10.5, as if the Scheme had not been terminated unless mutually agreed otherwise between the Grantee / Nominee / Legal Heirs and the Company.

### 3. Purpose and objectives of the Scheme:

#### 3.1 The purpose of the Scheme includes the following:

- 3.1.1 To motivate the employees to contribute to the growth and profitability of the Company/subsidiary Companies.
- 3.1.2 To retain the employees and reduce the attrition rate.
- 3.1.3 To achieve sustained growth and creation of shareholder value by aligning the interests of the employees with the long term interests of the Company/subsidiary companies.
- 3.1.4 To create a sense of ownership and participation amongst the employees to share the value they create for the Company in the years to come.
- 3.1.5 To incentivize the critical talents in line with corporate growth and creation of shareholders' wealth.,
- 3.1.6 To provide additional deferred rewards to employees.

#### CCL PRODUCTS (INDIA) LIMITED

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**4. Share Based Employee Benefits provided under the Employee Stock Option Scheme.**

**4.1** Subject to provisions of applicable law, the following benefits are provided under “**CCL EMPLOYEE STOCK OPTION SCHEME - 2022**”

**4.1.1** To grant employee stock options to employees through a Trust

**5. Definitions:**

**5.1** In this Scheme, except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against.

**5.1.1** “**Applicable Law**” means every law relating to Employee Benefit Schemes in force, including, without limitation to, Companies Act, 2013 and Rules framed there under, Securities and Exchange Board of India Act, 1992, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and includes all applicable regulations, rules, notifications, circulars, guidance notes issued by SEBI or any other competent authority and includes any statutory modifications or re-enactment thereof, and all relevant revenue, tax, securities or exchange control regulations or corporate laws of India to the extent applicable or of any Recognised Stock Exchange on which the equity shares of the Company are / will be listed or quoted and includes, any amendment, modification, alteration or re-enactment made to such laws, rules, regulations or bye-laws.

**5.1.2** “**Associate Company**” as defined under section 2(6) of the Companies Act, 2013 (18 of 2013);

**5.1.3** “**Board of Directors**” means the Board of Directors of the Company.

**5.1.4** “**Body Corporate**” shall have the same meaning as defined in section 2(11) of the Companies Act, 2013, as amended from time to time.

**5.1.5** “**Committee**” means Nomination and Remuneration Committee of the Company constituted by the Board of Directors comprising such number of members of the Board of Directors as provided under applicable law and is designated as Compensation Committee for the purpose of monitoring, administering, superintending, and implementing the Scheme in compliance with SEBI (Share Based Employee Benefit and Sweat Equity) Regulations, 2021 (“**SBEBASE Regulations**”).

**5.1.6** “**Company**” means CCL Products (India) Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Duggirala, Guntur District, Andhra Pradesh- 522330.

- 5.1.7 “Corporate action”** means rights issues, bonus issues, sub-division or consolidation of shares, changes in capital structure, merger and sale of division/undertaking or any other reorganization.
- 5.1.8 “Directors”** means a Director appointed to the Board of Directors of the Company and shall have same meaning as ascribed under Applicable Law.
- 5.1.9 “Employee”** means:
- a. A permanent employee of the Company who has been working in India or outside India; or
  - b. an employee as defined in clause (a) of subsidiary companies of the Company, in India or outside India.
- 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 relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company;
  - (iii) such other person as may be specified under SBEBASE Regulations
- 5.1.10 “Eligibility Criteria”** means the criteria, as may be determined from time to time by the committee, for grant or vesting of Options in compliance with SBEBASE Regulations.
- 5.1.11 “Exercise”** means making of an application by an employee to the company or to the trust for issue of shares against vested options in pursuance of the Scheme.
- 5.1.12 “Exercise Period”** means the time period after vesting within which an employee can exercise his/her right to apply for shares against the vested options in pursuance of the Scheme, in accordance with the procedure laid down by the Company for exercise of Options
- 5.1.13 “Exercise Price”** means the price payable by an employee for exercising the option granted to such an employee in pursuance of the Scheme
- 5.1.14 “Fair Value”** means the fair value of an option calculated in accordance with accounting policies specified in the Regulation 15 of SBEBASE Regulations under applicable Laws.
- 5.1.15 “Grant”** means the process by which the company issues options in pursuance of the Scheme.

**5.1.16 “Grant Date”** means the date on which the Committee approves the grant of Options to an Employee.

**Explanation** - For accounting purposes, the grant date shall be determined in accordance with SBEBASE Regulations and other applicable Laws.

**5.1.17 “Grant Letter”** shall mean the letter issued by the Company, substantially in the form provided for this Scheme, intimating an eligible employee of the options granted to such eligible employee for acquiring a specified number of Shares at the Exercise Price and as per the vesting period described therein.

**5.1.18 “Holding Company”** shall have the same meaning as defined in regulation 2 of Securities and Exchange Board of India (Listing Obligations and Disclosure requirement Regulations) 2015 and section 2(46) of the Companies Act, 2013, as amended from time to time.

**5.1.19 “Independent Director”** shall have the same meaning as defined in regulation 16(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure requirement Regulations) 2015 and section 2(47) of the Companies Act, 2013, as amended from time to time.

**5.1.20 “Long Leave”** means a sanctioned leave in excess of 3 months without break.

**5.1.21 “Lock-in Period”** shall mean the time period for which the shareholder shall be prohibited to transfer or trade in the shares issued pursuant through this Scheme as may be decided by the Compensation Committee.

**5.1.22 “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 or such other price as may be prescribed under applicable law.

Explanation: If such shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price.

**5.1.23 “Options / Employee Stock Options”** means the option given to an employee, which gives such an employee a right to purchase or subscribe at a future date, the shares offered by the company, at a pre-determined price in accordance with the Scheme.

**5.1.24 “option grantee / grantee”** means an employee having a right but not an obligation to exercise an option in pursuance of the Scheme.

**5.1.25 “Permanent Disability”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps a Grantee from performing any specific job, work or task which the said Grantee was capable of performing immediately before such disablement, as determined by the Board of Directors based on a certificate of a medical expert identified by the Company.

- 5.1.26 “Promoter”** shall have the same meaning as in Regulation 2 of SBEBASE Regulations, as amended from time to time.
- 5.1.27 “Promoter Group”** shall have the same meaning as defined in regulation 2 of SBEBASE Regulations, as amended from time to time.
- 5.1.28 “Recognised Stock Exchange”** means a stock exchange which has been granted recognition under section 4 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);
- 5.1.29 “Relative”** shall have the same meaning as defined as defined in regulation 2 of SBEBASE Regulations, as amended from time to time.
- 5.1.30 “Relevant date”** “relevant date” means:
- (i) in the case of grant, the date of the meeting of the committee on which the grant is made; or
  - (ii) in the case of exercise, the date on which the notice of exercise is given to the company or to the trust by the employee;
- 5.1.31 “Scheme”** shall mean the CCL Employee Stock Option Scheme - 2022 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof from time to time.
- 5.1.32 “SBEBASE Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof.
- 5.1.33 “SEBI (LODR) Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof.
- 5.1.34 “Shares”** means Equity Shares of the Company.
- 5.1.35 “Subsidiary”** shall have the same meaning as defined in regulation 2 of SEBI (LODR) Regulations and section 2(87) of the Companies Act. 2013, as amended from time to time.
- 5.1.36 “Trust”** shall mean **CCL Employees Trust** established by the Company under the provisions of Indian Trust Act, 1882, including any statutory modification or re-enactment thereof, for implementing the Scheme.
- 5.1.37 “Unvested Option”** means an option, which is not vested.
- 5.1.38 “Vested Option”** means an option, which has vested in pursuance to the Scheme and has thereby become exercisable.

**5.1.39 "Vesting"** means the process by which the Grantee becomes entitled to receive the benefit of a grant made to him/her under the Scheme.

**5.1.40 "Vesting Date"** means the date on and from which the Option vests with the Grantees and there by becomes exercisable.

**5.1.41 "Vesting period"** means the period during which the vesting of Option takes place.

**Interpretation:**

**In this document, unless the contrary intention appears:**

- a) The singular includes the plural and vice versa;
- b) The word "person" includes an individual, a firm, a body corporate or unincorporated body or authority; and
- c) Any word or expression importing the masculine, feminine or neuter genders only, shall be taken to include all three genders.
- d) Any word which is not defined under the Scheme shall be interpreted in line with applicable Law and SBEBASE Regulations.
- e) Headings are for information only and shall not affect the construction of this document.
- f) A reference to an article is respectively a reference to an article of this document.
- g) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.

**6. Implementation & Administration:**

**1.1.1** The Company proposes to implement the Scheme through a Trust wherein the Trust shall acquire the Shares through Direct allotment from the Company.

**1.1.2** The Shares so acquired by the Trust will be transferred to the Grantees as and when the Options are exercised.

**1.2** Subject to applicable laws and the framework laid down by the Committee and the Board of Directors, the Scheme shall be administered by the Committee which may delegate some or all of its power to the Trust as it may deem fit for proper administration of the Scheme. The Committee shall continue to serve until otherwise directed by the Board of Directors. From time to time, the Board of Directors may increase / decrease the size of the Committee and appoint members thereof, remove members (with or without cause) and appoint new members in substitution thereof and fill vacancies however caused.

**1.3** The Committee is authorized to interpret and make any other amendments to the Scheme that it deems necessary or desirable for the administration and implementation of the Scheme.

- 1.4** Any decision of the Committee in the interpretation and administration of the Scheme, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all the parties concerned (including but not limited to, Grantee and/or Employee and their Nominees / Legal heirs).
- 1.5** The Committee shall subject to applicable laws, inter alia, have powers to do following:
- 1.5.1** To delegate its duties and powers in whole or in part as it may decide from time to time to the Trust.
  - 1.5.2** To decide upon stopping the Options which were lapsed, forfeited or surrendered under any provisions of the Scheme from re granting.
  - 1.5.3** To decrease the pool of options to be granted under Scheme.
  - 1.5.4** To decrease the pool of shares to be issued under Scheme.
  - 1.5.5** To identify the employees eligible to participate in the Scheme.
  - 1.5.6** To finalize the eligibility criteria for grant of options.
  - 1.5.7** To determine the employees eligible for grant of options.
  - 1.5.8** To determine the number of options to be granted to each Grantee and in aggregate subject to the pool of options of the Scheme.
  - 1.5.9** To decide upon granting of options to new employees.
  - 1.5.10** To determine the grant date.
  - 1.5.11** To grant options to one or more eligible Employees.
  - 1.5.12** To calculate the exercise price after giving discount on the market price.
  - 1.5.13** To extend the period of acceptance of grant.
  - 1.5.14** To decide the vesting period subject to minimum and maximum period of vesting as stated in Scheme in case of options
  - 1.5.15** To determine the vesting schedule for each Grantee in case of options.
  - 1.5.16** To finalize the eligibility criteria for vesting of options.
  - 1.5.17** To decide upon the mode and manner of exercise of options.
  - 1.5.18** To allot shares to Trust.
  - 1.5.19** To grant loan to trust for acquisition of shares.
  - 1.5.20** To decide upon treatment of vested and unvested options in cases of cessation of employment as specified in the Scheme.
  - 1.5.21** To decide upon the treatment of vested and unvested options in the event of corporate actions taking into consideration the following:
    - a.** the number and price of options shall be adjusted in a manner such that the total value to the Grantee of the options remains the same after the corporate action;
    - b.** the vesting period and the life of options shall be left unaltered as far as possible to protect the rights of the Grantee who has been granted such options.
  - 1.5.22** To cancel all or any granted options in accordance with the Scheme.
  - 1.5.23** To accelerate the vesting of Options on a case to case basis, subject to completion of minimum 1 year from the date of grant.

- 1.5.24 To decide upon treatment of vested and unvested options in cases of dispute between the Grantee and the Company.
  - 1.5.25 To finalize letters and other documents, if any, required to be issued under the Scheme.
  - 1.5.26 To re-price the options which are not exercised, whether or not they have been vested.
  - 1.5.27 To establish, amend, suspend or waive such rules and regulations as it shall deem appropriate for the proper administration of the Scheme.
  - 1.5.28 To terminate the Scheme.
  - 1.5.29 To determine or impose other conditions to the grant of options under the Scheme, as it may deem appropriate.
  - 1.5.30 To frame suitable policies and procedure to ensure that there is no violation of securities laws, including the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 as amended, by the Company or the employees.
  - 1.5.31 To determine the procedure for funding the exercise of options.
  - 1.5.32 To decide upon vesting/un-vesting of the options in case of permanent incapacity.
  - 1.5.33 To determine matters relating to Grant, Vesting and Exercise of Options in case of Employees on Long Leave
- 1.6 The powers and functions of the Committee can be specified, varied, altered or modified from time to time by the Board of Directors, subject to the rules and regulations as may be in force. The Board of Directors may further provide that the Committee shall exercise certain powers only after consultation with the Board of Directors and in such case the said powers shall be exercised accordingly.
- 1.7 In the event of any inconsistency between the provisions of the Scheme and the provisions of the employment offer letter or employment agreement of the eligible Employee, the provisions of the Scheme shall prevail.

## **2. Pool of the Scheme/ Quantum of the Scheme**

- 2.1 The total number of Options that may be granted pursuant to this Scheme shall not exceed 4,00,000 (Four Lakhs only) convertible into equity shares at face value of Rs.2/- each.
- 2.2 If any Options under the Scheme lapse, cancelled, forfeited, terminated or surrendered, such options shall be available for further grant under the Scheme unless otherwise determined by the Committee.
- 2.3 Further, the maximum number of options that can be granted and the Shares arising upon exercise of these options shall stand adjusted in case of corporate actions.

### **3. CCL Employees Trust:**

- 3.1** CCL Employees Trust means the Trust to be established by the Company in accordance with the applicable law to subscribe, acquire, purchase, hold and deal in equity shares of the Company for the purpose of implementation of CCL Employee Stock Option Scheme – 2022 and any such schemes in future.
- 3.2** Subject to approval of the Shareholders, the Trust shall acquire Shares by way of subscribing to the fresh shares issued and allotted by the Company. Subject to applicable law and subject to approval of the Committee the Trust shall hold/transfer shares to the grantees.
- 3.3** The Trust shall keep and maintain proper books of account, records and documents, for the Scheme so as to explain its transactions and to disclose at any point of time the financial position of the Scheme and in particular give a true and fair view of the state of affairs of Scheme.
- 3.4** Subject to applicable law, no person shall be appointed as a trustee, if he
- is a Director, Key Managerial Personnel or Promoter of the Company or its Holding, Subsidiary or Associate Company or any relative of such Director, Key Managerial Personnel or Promoter; or
  - beneficially holds ten percent or more of the paid-up share capital of the Company.
- 3.5** The Trustees of the Trust shall not vote in respect of the Shares held by the Trust.
- 3.6** The Trustee shall ensure that appropriate approval from the Shareholders has been obtained by the Company in order to enable the Trust to implement the Scheme.
- 3.7** The Trust shall not deal in derivatives.
- 3.8** For the purposes of disclosures to the stock exchange, the shareholding of the Trust shall be shown as 'non-promoter and non-public' shareholding.
- 3.9** The Trust shall transfer the Shares to Grantees in the manner specified in the trust deed. The Trustee(s) of the Trust shall administer the transfer of Shares, as the case may be as per the directions of the Committee and as stipulated in the Scheme.
- 3.10** For the purpose of acquisition and dealing of Shares by the said Trust, the Trust may be funded by the Company, either through an interest free loan or any other form of financial assistance permissible under applicable laws.

3.11 Subject to provisions of applicable law, the maximum amount of loan to be provided for implementation of the Scheme by the Company to the Trust shall be up to Rs. 20 Lakhs. The tenure of such loan shall be the point where the objects of the Trust are accomplished or the repayment of loan is made, whichever is earlier. The utilization of such loan shall be for the objects of the Trust as mentioned in trust deed. The Trust shall repay the loan to the Company by utilizing the proceeds realized from exercise of options by the Grantees.

3.12 The Trust shall not become a mechanism for trading in shares and hence shall not transfer the Shares by way of sale.

#### **4. Eligibility Criteria:**

4.1 Only permanent Employees are eligible for being granted Options (convertible into equity shares) under the Scheme. Pursuant to applicable provisions of the law, the Committee shall identify the class of persons eligible under the scheme.

4.2 The Committee in consultation with Board of Directors may lay down the criteria for the entitlement of the Options. The Committee shall accordingly assess and recommend the annual entitlements to the Board. In determining the eligible Employees to whom Options are to be Granted, as well as in determining the number of Options to be granted, the Committee may consider length of service, grades, salary cost of the employee to the Company, performance appraisals and / or any other factors as the Committee shall deem relevant for accomplishing the purpose of the Scheme.

4.3 Nothing contained in the Scheme or an Option granted pursuant to the Scheme shall confer on any Employee any right to continue in the employment of the Company or interfere in any way with the rights of the Company to terminate the employee's employment at any time.

4.4 For new joiners, the Committee shall decide the eligibility based on competency and previous experience and / or any other factors as it may consider relevant for accomplishing the purpose of the Scheme.

4.5 A director nominated by an institution as its representative on the Board of Directors shall not be eligible for Employees Stock Options.

#### **5. Grant of Options**

5.1 The Committee shall recommend the grant of Options to one or more eligible Employees, in accordance with the terms and conditions of the Scheme for the time being in force and subject to Employee's employment terms, his/her continuity in the employment, and other parameters as set out by the Committee, if any.

- The maximum number of Stock Options to be granted to any eligible employee shall be decided by the Committee.

- The maximum number of options that may be granted per employee and in aggregate may vary depending upon the appraisal/assessment process.
  - The Committee reserves the right to decide on the number of options to be granted and the maximum number of options that can be granted to each employee within this ceiling.
- 5.2 Subject to availability of options in the pool under the Scheme, the maximum number of options that can be granted to any eligible Employee during any one year shall not be equal to or exceed 0.3% of the issued capital of the Company at the time of grant.
  - 5.3 The grant of options shall be communicated to the eligible employees in writing through Grant Letter specifying the vesting date, number of options granted, exercise price or pricing formula, vesting schedule, and the other terms and conditions thereof.
  - 5.4 No amount shall be payable by an employee at the time of grant of options.
  - 5.5 Upon grant of options an eligible employee shall become Grantee under the Scheme.
  - 5.6 The grant of 1 (One) option to an employee under this Scheme shall entitle the holder the option to apply for 1 (One) share in the Company upon payment of exercise price, subject to adjustments for corporate actions(s) and other conditions as provided in the Scheme.
  - 5.7 The options granted to the eligible employees shall not be transferable to any other person.
  - 5.8 Subject to applicable laws, no person, other than the employee to whom the option is granted, shall be entitled to the benefit arising out of such option, except as provided in clause 10.1
  - 5.9 The options granted to the eligible employees shall not be pledged, hypothecated, mortgaged or otherwise encumbered or alienated in any manner.

## **6. Method of Acceptance:**

- 6.1 Any Grantee who wishes to accept the grant made pursuant to the Scheme, must deliver a signed copy of Grant Letter to the Committee or any of its authorized representatives within 30 days from the date of receipt of the Grant Letter. The Committee may extend the said period of 30 days for such further duration as it may deem fit.
- 6.2 Any Grantee who fails to return the signed copy of Grant Letter and/or fails to provide his/her acceptance within the above-mentioned time period shall, unless the

Committee determines otherwise, be deemed to have rejected the grant and the Company is not liable to allot any shares or pay any amount in lieu of such rejection.

6.3 The Grantee is not required to pay any amount at the time of acceptance of the offer. Any acceptance letter received after the period stated above shall not be valid.

6.4 Subject to the terms contained herein, the acceptance in accordance with the Scheme, of a grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each option shall, on such acceptance, be an unvested option.

## **7. Vesting of Options**

7.1 Subject to applicable laws, there shall be a minimum gap of one year between the date of grant of options and vesting of options.

7.2 Vesting period for options shall commence after minimum 1 (One) year from the Grant Date and it may extend upto maximum of 4 (Four) years from the Grant Date, at the discretion of and in the manner prescribed by the Committee.

7.3 Maximum period within which the Options shall be vested: Options granted under the Scheme would vest in accordance with the terms of each grant, subject to a maximum period of 5 (five) years from the date of grant of such options (i.e., vesting period)

7.4 Vesting of options will be on yearly basis and can vary from Grantee to Grantee as per the discretion of the Committee whose decision shall be final and binding.

7.5 The Vesting Schedule and terms and conditions thereof will be communicated to the respective grantees through Grant Letter. Subject to applicable law, the Committee shall have the power to determine 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; and has the power to modify or accelerate the vesting schedule.

7.6 The minimum vesting gap of 1 (One) year as specified in clause 7.1 above shall not apply in the event of death or permanent disability of the employee while in employment; all the options, granted under the scheme to him/her till his/her death or permanent incapacitation shall vest, with effect from the date of his/her death or permanent incapacitation on the legal heir or nominee of the deceased employee/employee, as the case may be.

7.7 The Committee shall have the power to modify the vesting schedule.

7.8 The options which get lapsed due to eligibility criteria or due to lapse of exercise period or due to resignation of the employees or any other reason, would be available for being re-granted. The Committee is authorized to re-grant such lapsed/cancelled options

- 7.9 Further any fraction entitlement, to which the Grantee would become entitled to upon vesting of options, then the options to be actually vested, be rounded off to nearest lower integer.

## **8. Exercise of Options:**

- 8.1 After vesting, the options shall be entitled to exercise by the Grantee. The Grantee will receive the shares equivalent to the number of the Options exercised in accordance with the terms and conditions of the Scheme and as mentioned in Grant Letter after the Grantee has made the payment of the Exercise Price and applicable income tax.
- 8.2 The exercise period shall be 2 (two) years from the date of vesting. Failure to comply within this time period, after accepting the same, shall result in lapsing of vested options in the hands of Grantee.
- 8.3 The mode and manner of the exercise shall be communicated to the employees individually.
- 8.4 Upon valid exercise, the Trust will transfer shares to the Grantees.
- 8.5 Upon transfer of shares the Grantee shall become member of the Company.
- 8.6 Notwithstanding anything contained elsewhere in the Scheme, the Trust in consultation with the Company, may not transfer Shares, in the event of the Grantee being found to be involved in fraud, misfeasance, gross negligence, breach of trust or like event(s) and in such an event(s) the rights under the options (whether vested or not) shall lapse, forthwith, without any claim on, or recourse to the Company.
- 8.7 If the vesting or exercise of options is prevented by any law or regulation in force and the Trust is forbidden to transfer Equity Shares pursuant to exercise of options under such law or regulation, then in such an event the Company or the Trust shall not be liable to compensate the Grantee in any manner whatsoever.
- 8.8 The Committee shall have the power to cancel all or any of the Options granted under the Scheme, if so required, under any law for the time being in force or the order of any jurisdictional court. In the event of any such cancellation, the Company shall not be liable to compensate the Grantee in any manner.

## **9. Exercise Price:**

- 9.1 Subject to SBEBASE Regulations, the Exercise Price of the options granted shall be the face value of the share, i.e., Rs.2/- (as adjusted by the corporate action(s)). No amount shall be payable at the time of grant of options.

- 9.2 The aggregate exercise price payable at the time of exercise shall be paid by a cheque or Bank Transfer from the account of the Grantee drawn in the name of the Trust i.e., **CCL Employees Trust**.
- 9.3 The Income tax and any other tax payable at the time of exercise of options shall be payable at the time of exercise by a cheque or Bank Transfer from the account of the Grantee drawn in the name of the Company i.e., **CCL Products (India) Limited**.
- 9.4 The liability of paying taxes, if any, on the options exercised pursuant to this Scheme and the shares issued pursuant to exercise of the options shall be entirely on the option grantee. In the event of any tax liability arising on account of the scheme to the Company and/or the Subsidiaries, including any tax liability arising on account of all applicable taxes or payable by the Company and/or the Subsidiaries in respect of the vesting, exercise, release, or cancellation of the options granted by the Company, the Company, the Subsidiary (as the case may be) shall have the right to collect the same from the employees. In this regard, the Company may require security for such reimbursement of taxes as a precondition to Exercise of any option to the option grantee.
- 9.5 The Company shall have the right (and cause its relevant Subsidiary Company) to deduct from the Option Grantee's salary, any of the Option Grantee's tax obligations arising in connection with the Employee Stock Options or the shares acquired upon the exercise thereof.

## **10. Cessation of Employment:**

Subject to the employment terms of a grantee, the following terms shall be applicable:

### **10.1 In the event of cessation of employment due to death:**

- a) In the event of death of the employee while in employment, all the options granted under the scheme to him/her till his/her death shall vest, with effect from the date of his/her death, in the legal heirs or nominee of the deceased employee, as the case may be.
- b) The options would be exercisable by the Nominee / Legal Heir within a period of 3 (Three) months from the date of death of the employee, failing which all the unexercised Options shall lapse irrevocably and the rights thereunder shall be extinguished.
- c) All other terms and conditions of the Scheme shall apply to such Options provided that, in order to exercise the options of the deceased grantee, the Nominee / Legal Heir have to submit the following documents to the Company, to the satisfaction of the Committee and the Committee may at its discretion waive off the requirement to submit any of the documents:

**A. In case nominee is not appointed**

- Copy of the succession certificate / probate of will / letter of administration.
- No objection certificate from the other legal heirs.
- Photo copy of the death certificate duly attested by the proper authority (English translated version if in the vernacular language)
- Specimen signature of the person(s) in whose name Shares are to be transmitted (duly attested by the bank)
- Copy of PAN card and Aadhar card of the applicant (self – attested).
- Copy of address proof (self – attested)

**B. In case nominee is appointed**

- Photo copy of the death certificate duly attested by the proper authority (English translated version if in the vernacular language)
- Specimen signature of the person(s) in whose name Shares are to be transmitted (duly attested by the bank)
- Copy of PAN card and Aadhar card of the applicant (self – attested).
- Copy of address proof (self – attested)

**10.2 In the event of cessation of employment due to permanent incapacity:**

In case the employee suffers a permanent incapacity while in employment, all the options granted to him/her under a scheme as on the date of permanent incapacitation, shall vest in him/her on that day. The options would be exercisable within a period of 3 (Three) months from the date of permanent disability, failing which the entire unexercised options shall lapse irrevocably and the rights there under shall be extinguished.

**10.3 In the event of cessation of employment due to resignation or termination:**

- a) All unvested options, on the date of resignation, shall expire and stand terminated with effect from that date unless otherwise determined by the Committee whose decision will be final and binding.
- b) Subject to the terms and conditions formulated by the committee in accordance with SBEBASE Regulations, all vested options as on that date shall be exercisable by the grantee by last day of employment in the organization or before expiry of exercise period, whichever is earlier. The vested options not so exercised shall lapse irrevocably and the rights thereunder shall be extinguished.

**10.4 In the event of cessation of employment due to retirement/superannuation**

- a) In the event of cessation of employment due to retirement or superannuation, the Options granted to an employee would continue to vest in accordance with the respective

vesting schedules even after retirement or superannuation in accordance with the company's policies and the Applicable Law.

**10.5 In the event of cessation of employment due to termination (due to misconduct or ethical/ compliance violations)**

If a grantee is terminated due to misconduct or ethical/ compliance violations, all options granted whether vested or not shall stand terminated with immediate effect unless otherwise determined by the Committee, whose determination will be final and binding.

**10.6 In the event that a grantee is transferred or deputed to Subsidiaries prior to vesting or exercise of options the vesting and exercise of options, as per the terms of grant, shall continue in case of such transferred or deputed grantee even after the transfer or deputation.**

**10.7 In the event of a grantee going on long leave, i.e. absence from the office for more than three months, the treatment of options granted to him/her, whether vested or not, shall be determined by the Committee, whose decision shall be final and binding.**

**10.8 The Committee may modify the terms of grant, vesting and exercise of options in case of cessation of employment as mentioned in foregoing paras.**

**11. Other Terms and conditions /Rights of the Grantees**

**11.1 Nothing herein is intended to or shall give the grantee, any right to status of any kind as a shareholder of the Company in respect of any share covered by the grant unless the grantee exercises the options and becomes the registered shareholder of the Company.**

**11.2 The grantee shall not be entitled to any compensation or damages for any loss or potential loss which he/she may suffer by reason of being unable to exercise options in whole or in part.**

Further, any amount paid by the employee at the time of exercise of the options will be forfeited if the employee does not exercise the same within the exercise period.

**11.3 The Grantee shall abide by the Company's Code of Conduct for prevention of insider trading and Code of practices and procedures for fair disclosure of unpublished price sensitive information adopted by the Company under SEBI (Prohibition of Insider Trading) Regulations, 2015.**

**11.4 Option Grantee shall not have the right to receive any dividend or to vote or in any manner enjoy the benefits available to a shareholder in respect of an option granted to him/her, till shares are registered in his/her name upon exercise of the option.**

**12. Notices and correspondence:**

**12.1** Any notice required to be given by a grantee to the Company or any correspondence to be made between a grantee and the Company may be given or made to the Company at the corporate or registered office of the Company or at the place as may be notified by the Company/ Committee in writing or at the specific designated email id of the Company.

**12.2** Any notice, required to be given by the Company to a Grantee or any correspondence to be made between the Company and a Grantee shall be given or made by the Company on behalf of the Company at the address provided by the Grantee while accepting the options granted to him/her or at the official email Id of the Grantee.

**13. Nomination of Beneficiary:**

**13.1** Each grantee under the Scheme may nominate, a beneficiary or beneficiaries to whom any benefit under the Scheme is to be delivered in case of his or her death before he receives all of such benefit. Grantee may modify the nomination made earlier. Each such subsequent nomination shall revoke all prior nominations by the same grantee. The nomination shall be in the form prescribed by the Company and will be effective only when filed by the grantee in writing with the Company during the grantee's lifetime and taken on record by the Company. If the employee does not have spouse or a child, any other legal representative may be nominated. The nominee specified as aforesaid shall alone be entitled to exercise the rights of the Employee concerned and the Company shall not be liable in relation to any rights and obligations amongst the legal heir's interest of the Employee concerned. If the Employee fails to make a nomination, the Shares shall vest on his/her legal heirs in the event of his/her death as per the procedure specified by the Committee.

**14. Corporate Action:**

**14.1** Except as hereinafter provided, any grant made shall be subject to adjustment, by the Committee, at its discretion, as to the number and price of options, as the case may be, in the event of 'corporate action' as defined herein.

**14.2** If there is a 'corporate action' of the Company after vesting but before the options are exercised, the grantee shall be entitled to exercise the options, of such number of resultant Shares to which he/she would have been entitled as if all of the then outstanding options exercised by him/her, had been exercised before such 'Change in the Capital Structure' had taken place and the rights under the options shall stand correspondingly adjusted. In the event of a corporate action, the Committee, subject to the provisions of applicable laws, shall make fair and reasonable adjustments under the Scheme, as it deems fit, with respect to the number of options, exercise price and make any other necessary amendments to the Scheme for this purpose. The vesting period and life of the options as the case may be shall be left unaltered as far as possible.

**14.3** In the event of severance of employment of a grantee, as a part of reconstitution / amalgamation /de-merger/ sell-off or otherwise, the options granted and not exercised before such reconstitution / amalgamation / sell-off, shall be exercised as per the terms and conditions determined in the relevant Scheme of such reconstitution / amalgamation / sell-off.

**14.4** In the event of a dissolution or liquidation of the Company, any vested options outstanding under the Scheme shall be cancelled if not exercised prior to such event and no compensation shall be payable in respect of the options so cancelled.

**15. Disclosure and Accounting Policies:**

**15.1** The Company shall comply with the requirements of IND-AS / such other applicable accounting standards or policies, as may be prescribed from time to time.

**15.2** The Company shall use Fair Value method or such valuation method as may be prescribed from time to time in accordance with applicable laws for computing the compensation cost for the options granted including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time.

**15.3** Compensation cost will be recorded in the books of account of the Company as per the Accounting Standards.

**16. Taxability of the Grantee:**

**16.1** The exercisable options are subject to the applicable provisions of the Income tax Act, 1961, in so far as the Company is concerned. The Grantee shall comply with the Indian tax laws and laws applicable in the country of his/her residence, if any.

**16.2** The option holder shall be liable for any tax that may be attracted to the option holder receiving the Shares upon exercise of options. All options granted under the Plan shall be subject to deduction of applicable perquisite tax or any other tax at source as applicable under law, if at any time of Grant, Vesting or Exercise of such Options or transfer of Shares, as per the Applicable Laws. The Company shall have a right to deduct appropriate tax from any payment due to the option holder from the Company under this Plan or under the employment agreement with the option holder. In the event that the amount so due and payable by the Company is insufficient to meet the withholding tax liability, the Company shall require the option holder to remit such amount to the Company as would be necessary to meet the tax withholding obligation of the Company.

**16.3** Applicable taxes shall be paid by the employees as per the laws applicable to them.

**17. Surrender of Options:**

**17.1** Any grantee to whom the options are granted under this Scheme, may at any time, surrender his/her options to the Company. In such case the Company would not be liable to pay any compensation to the grantee on account of his/her surrender of options. The options so surrendered will be added back to the pool of the Scheme and pursuant to this the grantee shall cease to have all rights and obligations over such options.

**18. Governing Law:**

**18.1** This Scheme and all related documents thereunder shall be governed by and construed in accordance with the SBEBASE Regulations and other applicable laws of India.

**18.2** Any term of the Scheme that is contrary to the requirement of the SBEBASE Regulations or any other applicable laws shall not apply to the extent it is contrary.

**18.3** The Courts at Hyderabad shall have exclusive jurisdiction on any matter arising out of this Scheme.

**19. Regulatory Approvals:**

**19.1** The implementation of the Scheme, the Granting of any Options under this Scheme shall be subject to the procurement of all approvals and permissions by the company, grantees and or their legal heirs, nominees as the case may be from the regulatory authorities having jurisdiction over the Scheme. The Grantee/ and/or their Nominee/Legal Heirs as the case may be under this Scheme shall, if requested by the Committee / Company, provide such assurances and representations to the Company or the Committee, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.

**20. Modification of Scheme:**

**20.1** Subject to the approval of Shareholders, the Committee may, at any time:

**20.1.1** Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Scheme or all or any of the rights and obligations of the Grantee under the Scheme;

**20.1.2** Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the specific Grantee or class or category of Grantees. Each of such sets of special terms and conditions shall be restricted in its application to those specific Grantee or class or category of such Grantees.

**21. Winding up of the scheme**

Subject to compliance with SBEBASE Regulations and other applicable laws in case of winding up of the scheme being implemented by the company, the excess monies or shares remaining with the trust after meeting all the obligations, if any, shall be utilized for repayment of loan or subject to approval of the shareholders, be transferred to another scheme under these regulations, as recommended by the committee.

**22. Confidentiality:**

Notwithstanding anything contained in this Scheme, the Grantees under this Scheme shall not divulge the details of the Scheme and/or his/her holdings to any person except with the prior written permission of the Committee unless so required to do under the applicable laws or any statutes or regulations applicable to such Grantee.

On acceptance of the grant of Option offered by the Company, it shall be deemed that as if the Grantee has authorized the Company to disclose information relating to the Grantee (including the number of Options granted) during the process of implementation of this 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, or in any offer documents in relation to any proposed initial public offering or other fund-raising by the Company, or in any communication with statutory or regulatory authorities.

**23. Liquidation:**

In the event of liquidation of the Company, all the Options not granted shall automatically lapse.

**24. General risks:**

Participation in this scheme shall not be construed as any guarantee of return on the investment. Any loss due to fluctuations in the fair market value/market price of the Shares and the risks associated with the investment are that of the Grantee alone.

**\*\*\*\*\* End of the Scheme\*\*\*\*\***