

GOZO EMPLOYEE STOCK PLAN 2019

Effective February 17, 2019

The Company wishes to attract key employees to the Company and induce key employees to remain with the Company and encourage them to increase their efforts to make the Company's business more successful. In furtherance thereof, this Stock Option Plan is designed to provide equity-based incentives to key employees of the Company.

DEFINITIONS

Except for the terms defined somewhere else in the Plan, which will prevail, the following terms shall have the meanings as specified below:

1. "Agreement" means the Gozo Employee Stock Option Plan – 2019 Agreement executed between the Company and the Optionee, laying down the terms and conditions of the grant. The Agreement to be executed with an Optionee shall be subject to the terms and conditions of the Plan.
2. "Board" means the Board of Directors of the Company.
3. "Change in Control" means the occurrence of any of the following: (i) the sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Company to any person or group; or (ii) any person or group is or becomes the beneficial owner, directly or indirectly, of more than 50% of the voting stock of the Company, including by way of merger, arrangement, consolidation or otherwise;
4. "Committee" means the 'Nomination And Remuneration Committee' of the Board or any other Committee as may be prescribed by the applicable provisions of law, for the recommendation/ administration of the Plan, under Section 3.
5. "Company" means Gozo Technologies Private Limited, incorporated under the laws of the India.
6. "Date of Grant" means the date on which an Option is granted, pursuant to the Plan.
7. "Employee" means any permanent officer or employee of the Company and director of the Company (whether whole-time or not), but does not include a Promoter or a person who belongs to a promoter Group or a director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.
8. "Equity Share Capital" means the Company's aggregate Shares, at par value of Rs. 2/- per share, either currently existing or authorized and issued hereafter.
9. "Exercise Date" means the date on or after which any installment of Option, which is vested, has to be exercised.
10. "Optionee" means an Employee having a right but not an obligation to exercise under the Plan.
11. "Option" means the right to purchase, at a price the number of Shares as determined by the Committee and subject to such limitations and restrictions as are to be stipulated in the Plan.
12. "Option Price" means the exercise price per Share as set forth under Section 6.
13. "Plan" means the Company's Stock Option Plan-2019, as set forth herein.
14. "Promoter" means
 - a. THE PERSON OR PERSONS WHO ARE IN OVER-ALL CONTROL OF THE COMPANY;
 - b. the person or persons who are instrumental in the formation of the company or programme pursuant to which the shares were offered to the public;
 - c. the persons or persons named in the offer document as promoter(s). Provided that a director or officer of the company if they are acting as such only in their professional capacity will not be deemed to be a promoter.

And where a promoter of a company is a body corporate, the promoters of that body corporate shall also be deemed to be promoters of the company.
15. "Promoter Group" means

- a. an immediate relative of the promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse);
- b. persons whose shareholding is aggregated for the purpose of disclosing in the offer document "shareholding of the promoter group".
- c. "Shares" means the equity shares at par value of Rs.2/- per share, of the Company. Except as otherwise provided herein, all Shares issued pursuant to the Option will have the same rights as all other issued and outstanding Shares, including but not limited to voting rights, the right to dividends if declared and paid, and the right to pro-rata distributions of the Company's assets in the event of liquidation.
- d. "Successor" of an Optionee means the legal heirs or nominees of the deceased employees.
- e. "Vesting Date" means the date on which any installment of Option is vested as decided by the Committee, from time to time.

1. EFFECTIVE DATE AND TERMINATION OF PLAN

The effective date of the Plan is February 17, 2019 (the "Effective Date"). The Plan shall continue to be effective until March 31, 2022

2. ADMINISTRATION OF THE PLAN

This Plan shall be administered by the Nomination And Remuneration Committee appointed by the Board. The acts of the members present at any meeting of the Committee at which a quorum is present, or acts approved in writing by a majority of the entire Committee, shall be acts of the Committee for the purposes of the Plan. No member of the Committee may act as to matters under the Plan specifically relating to such member. The Committee may delegate any of the powers and authorities conferred hereby, as it deems fit, to any independent director or group of independent directors.

3. ELIGIBILITY, GRANT OF OPTIONS AND COMMITTEE AUTHORITY

- a. The Nomination And Remuneration Committee shall have the power to, in accordance with applicable law, (i) authorize the granting of Options to Employees of the Company and determine the terms thereof under the Agreement, including the conditions under which the Options may vest in the Optionees and the terms of exercise of the Options; (ii) determine and designate from time to time those Employees of the Company to whom Options are to be granted and the number of Shares to be optioned to each Employee; (iii) determine the number of Shares subject to each Option; (iv) determine the time or times when and the manner and condition in which each Option is exercisable and the duration of the exercise period; (v) establishment of procedure for grant, vesting and exercise of Options in case of Employees who are on long leave. In determining the eligibility of an Employee to receive an Option, as well as in determining the number of Shares to be Optioned to any Employee, the Committee may consider the position and responsibilities of the Employee, the nature and value to the Company of the Employee's services and accomplishments, the Employee's present and potential contribution to the success of the Company and such other factors as the Committee may deem relevant. The Employee shall take whatever additional actions and execute whatever additional documents as the Committee may in its reasonable judgment deem necessary or advisable in order to carry out or effect one or more of the obligations or restrictions imposed on the Optionee pursuant to the express provisions of the Plan.
- b. No Option shall be offered unless disclosures as specified in Regulation 16 (2) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with the disclosures specified under the Circular dated June 16, 2015 issued by the Securities and Exchange Board of India, both as amended from time to time ("SEBI Regulations"), are made by the Company to the prospective Optionees. Further, no Option shall be issued to a person resident outside India unless the conditions prescribed under the Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2000, as amended from time to time ("FEMA Regulations"), including Regulation 8 thereof, with respect to grant of employees' stock options have been met. Any such grant of Options to a person resident outside India shall be subject to the filings and other compliances prescribed under the FEMA Regulations.

4. NUMBER OF SHARES SUBJECT TO STOCK OPTION PLAN

Subject to adjustments pursuant to Section 15, an aggregate of not more than 5% of the aggregate of numbers of issued Shares of the Company at any point of time, in one or more tranches, may be issued as Options under this Plan.

Notwithstanding the foregoing provisions of this Section 5, Shares as to which an Option is granted under the Plan that remains unexercised at the expiration, forfeiture or other termination of such Option may be the subject of the grant of further Options. Shares issued hereunder may consist of fresh Shares issued out of Equity Share Capital. The certificates for Shares issued hereunder may include any legend which the Committee deems appropriate to reflect any restrictions on transfer hereunder, or as the Committee may otherwise deem appropriate.

5. OPTION PRICE

The Option Price will be determined by the Nomination And Remuneration Committee, from time to time, in accordance with the provisions of applicable law, provided that the Option Price shall not be below the face value of the Shares.

6. OPTION PERIOD AND VESTING

- a. Subject to sub clauses (d,) (e) and (g) of this clause, upon the resignation or termination of employment of the Optionee with the Company for any reason, the Options not yet vested with the Optionee shall lapse immediately and all rights there under shall extinguish. However the Option vested but not yet exercised shall be allowed to be exercised by the Optionee within a period of 30 days from the date of his/her resignation/termination becoming effective, failing which the Options vested shall lapse and rights there under shall extinguish; provided however, if the Optionee has been terminated by the Company on account of misconduct, all Options vested but not yet exercised shall lapse immediately and rights there under shall extinguish.
- b. Subject to the provisions of the Plan, Options will vest as per the terms and conditions authorised by the Nomination And Remuneration Committee from time to time.
- c. Exercise Date: The Exercise Dates will be any time after 7 days from the respective vesting dates in respect of each installment of Option then due.
- d. In the event of death of the Optionee all Option will vest immediately with the Successors of the Optionee. However, such Successors will have a choice to not to exercise any/all such Options.
- e. Notwithstanding any other provision of the Plan in the event of retirement of the Optionee, all Option will vest immediately with the Optionee. However, such retired employee will have a choice to not to exercise any/all such Options.
- f. Notwithstanding any other provision of the Plan in case the Optionee suffers a permanent incapacity while in employment, all the Options granted to him as on the date of permanent incapacitation, shall vest in him on that day. However, such disabled employee will have a choice of not to exercise any/all such Option.
- g. If an Optionee is transferred or deputed to any company within the Gozo Group prior to vesting or exercise of the Options granted to such Optionee under the Plan, the rights under such Options granted shall continue even after the transfer / deputation, as per the terms of the Plan and the Agreement executed by such Optionee.
- h. The Optionee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of Option granted to him, till shares are issued on exercise of Option.

7. EXERCISE OF OPTIONS

In order to exercise the Option, the Optionee must provide written notice (the "**Exercise Notice**") to the Company stating the number of Shares in respect of which the Option is being exercised at least 30 days before the Exercise Date or actual exercise of Option whichever is earlier. The Exercise Notice must be signed by the Optionee and must include his/ her complete address and other details. At the time of exercise, the Optionee must pay to the Company the Option Price per Share times the number of Shares as to which the Option is being exercised, payable in cash / account payee cheque/ normal banking channel, as the case may be subject to the applicable laws.

8. TAX WITHHOLDING

The Committee may, in its sole discretion, require the Optionee to pay to the Company at the time of exercise of any Option the amount that the Committee deems necessary to satisfy the Company's obligation to withhold income or other taxes incurred by reason of the exercise. Upon exercise of the Option, the Optionee may make a written election to have Shares then issued withheld by the Company from the Shares otherwise to be received, or to deliver previously owned Shares, in order to satisfy the liability for such withholding taxes. In the event the Optionee makes, and the Committee permits, such an election, the number of Shares so withheld or delivered shall have an aggregate Fair Market Value on the date of exercise sufficient to satisfy the applicable withholding taxes. Where the exercise of an Option does not give rise to an obligation by the Company to withhold taxes, as per the law then in force, on the date of exercise, but may give rise to such an obligation in the future, the Committee may, in its sole discretion, make such arrangements and impose such requirements as it deems necessary or appropriate. Notwithstanding anything contained in the Plan to the contrary, the Optionee's satisfaction of any tax-withholding requirements imposed by the Committee shall be a condition precedent to the Company's obligations as may otherwise be provided hereunder to provide Shares to the Optionee, and the failure of the Optionee to satisfy such requirements with respect to the exercise of an Option shall cause such Option to expire.

9. EXERCISE BY SUCCESSORS AND PAYMENT IN FULL

An Option may be exercised, and payment in full of the aggregate Option Price made, by the Successor(s) of an Optionee only by written notice (in the form prescribed by the Committee) to the Company specifying the number of Shares to be purchased. Such notice shall state that the aggregate Option Price will be paid in full, or that the Option will be exercised as otherwise agreed upon, in the discretion of the Company or the Committee.

10. NON-TRANSFERABILITY OF OPTION

The Optionee shall not directly or indirectly sell, pledge or otherwise transfer ("**Transfer**") any un-exercised portion of the Option or the rights and privileges pertaining thereto. In addition, the Optionee should acknowledge that transfer of the Option and any Shares issuable upon exercise of the Option are subject to the provisions of this Plan. Neither the Option nor the underlying Shares is/are liable for, or subject to, in whole or in part, the debts, contracts, liabilities or torts of the Optionee, nor will they be subject to garnishment, attachment, execution, levy or other legal or equitable process.

11. REGULATIONS AND APPROVALS

- a. The Company or the Committee will not be obligated to sell or issue any Shares upon the exercise of any Option granted under the Plan unless the issuance and delivery of such Shares complies with all provisions of applicable securities and other laws and the requirements of any stock exchange upon which the Shares are or to be listed. As a condition to the exercise of an Option, the Company may require the person exercising the Option to get such approvals and make such representations and warranties as may be necessary to assure the availability of an exemption from the registration, prospectus or disclosure requirements or similar requirements of applicable laws. The Company will not be liable for refusing to sell or issue any Shares covered by any Option if the Company/ Optionee cannot obtain authority from the appropriate regulatory bodies deemed by the Company to be necessary to lawfully sell or issue such Shares. No Optionee will be, or will be deemed to be, a holder of any Shares subject to an Option unless and until such Optionee has exercised his or her Option and paid the Option Price for the subject Shares.
- b. The Committee may make such changes to the Plan as may be necessary or appropriate to comply with the rules and regulations of any government authority.

12. INTERPRETATION AND AMENDMENTS; OTHER RULES

- a. The Committee may make such rules and regulations and establish such procedures for the administration of the Plan, as it deems appropriate.
- b. In the event of any dispute or disagreement as to the interpretation of the Plan or of any rule, regulation or procedure, or as to any question, right or obligation arising from or related to the Plan, the decision of the Committee shall be final and binding upon all persons.

13. CHANGES IN CAPITAL STRUCTURE/ CORPORATE RESTRUCTURING

If (i) the Company shall at any time be involved in a merger, consolidation, dissolution, liquidation, re-organisation, exchange of Shares, sale of all or substantially all of the assets or shares of the Company, or a transaction similar thereto, (ii) any share dividend, share split, share combination, reclassification, recapitalisation or other similar change in the capital structure of the Company, or any distribution to holders of Shares other than cash dividends, shall occur or (iii) any other event shall occur which in the judgment of the Committee necessitates action by way of adjusting the terms of the outstanding Options, then the Committee may forthwith take any such action as in its judgment shall be necessary to preserve the Optionee's rights substantially proportionate to the rights existing prior to such event, including, without limitation, adjustments in (a) the number and kind of Shares subject to Options, (b) the Option Price, and (c) the number and kind of Shares available under Section 5. To the extent that such action shall include an increase or decrease in the number of Shares subject to outstanding Options, the number of Shares available under Section 5 above shall be increased or decreased proportionately.

If a Change in Control shall occur, then the Committee may make such adjustments as it, in its discretion, determines are necessary or appropriate in light of the Change in Control (including, without limitation, the substitution of Shares/ Options given under the Plan, with shares/ options of another company and the acceleration of the exercisability of the Options), provided that the Committee determines that such adjustments do not have a substantial adverse economic impact on the Optionee as determined at the time of the adjustments. The judgement of the Committee with respect to any matter referred to in this Section 15 shall be conclusive and binding upon each Optionee without the need for any amendment to the Plan.

In the event the Company undertakes a demerger of any of its undertakings, the Committee shall formulate the terms and conditions with respect to the grant of options by the transferee company to the Optionee, as the Committee may, in its discretion, deem appropriate.

14. OPTION PARKING

The Company may park certain numbers of Shares of the Company with any trust, company or institution formed for the benefit of employees and issue / transfer Shares to the Optionee from such Trust, company or institution in lieu of the Option granted herein, provided that the number of Shares and the exercise price per Share will be suitably adjusted so that the Optionee is not affected adversely.

15. SHAREHOLDER APPROVAL

Any amendments to terms and conditions of the Plan shall be subject to approval by the shareholders of the Company. Such shareholder approval shall be obtained in the degree and manner required by the SEBI Regulations and Companies Act, 2013, as applicable, and other applicable laws. Any change however will not be to the detriment of the Optionee.

16. MISCELLANEOUS

- a. Neither the Optionee nor any person claiming under or through the Optionee will have any of the rights or privileges of a shareholder of the Company in respect of any of the Shares issuable upon exercise of the Option unless and until certificates representing such Shares have been issued and delivered.
- b. Any notice under the Plan shall be in writing and deemed as delivered when delivered in person, the day after being sent by courier, or five days after being mailed by registered mail, return receipt requested.
- c. Any party may change its authorised person to receive notice or address by written notice to the other party.

- d. If any provision of the Plan is held to be illegal, invalid or unenforceable under any applicable law, then such provision will be deemed to be modified to the minimum extent necessary to render it legal, valid and enforceable, and if no such modification will render it legal, valid and enforceable, then the Plan will be construed as if not containing the provisions held to be invalid, and the rights and obligations of the parties will be construed and enforced accordingly.
- e. The Plan shall be governed by the laws of India.
- f. Nothing contained in the Plan will affect the right of the Company to terminate the Optionee at any time, with or without cause, or be deemed to create any rights to employment on the part of the Optionee. The rights and obligations arising under the Plan are not intended to, and do not, affect the employment relationship that otherwise exists between the Company and the Optionee, whether such employment relationship is at will or defined by an employment contract. However, the Plan is not intended to, and does not, amend any existing employment contract between the Company and the Optionee. To the extent there is a conflict between the Plan on one side and an employment contract on the other side, the employment contract will govern and take priority.
- g. Neither the Company, its directors, officers or employees or the Committee or any of its member will be liable to any Optionee or other person if it is determined for any reason, under the Income Tax Act, 1961 or tax laws of the Country to which such Optionee is subject, that such Optionee will not be entitled to any tax benefits as envisaged and for any tax obligations imposed on the Optionee by such tax laws.
- h. All taxes, whether domestic or foreign, arising out of the Option will be borne by Optionee. If Optionee is required to take any permission of any statutory authority now or at any other point of time, domestic or foreign, under any present or future laws, the Plan will be subject to the Optionee getting all such approvals and the conditions imposed in granting such approvals. The Company will try to facilitate Optionee in getting such approvals but will not be obligated to do so.
- i. To the maximum extent permitted by law, the Company shall indemnify and hold harmless the members of the Board and the members of the Committee from and against any and all liabilities, costs and expenses incurred by such persons as a result of any act or omission to act in connection with the performance of such person's duties, responsibilities and obligations under the Plan, other than such liabilities, costs and expenses as may result from the gross negligence, bad faith, willful misconduct or criminal acts of such persons.

17. GOZO EMPLOYEE STOCK OPTION AGREEMENT

The Optionees shall enter into the Agreement with the Company at the time of grant of Options. The grant will be governed by the terms and conditions listed herein and the Agreement.