

ADVANCED ENZYME TECHNOLOGIES LIMITED

EMPLOYEES' INCENTIVE PLAN 2017

1. SHORT TITLE, BENEFICIARIES AND COMMENCEMENT

- 1.1 This Employee Stock Option Plan may be referred to as the **ADVANCED ENZYME TECHNOLOGIES LIMITED EMPLOYEES' INCENTIVE PLAN 2017 / AETL EMPLOYEES' INCENTIVE PLAN 2017** ("Plan").
- 1.2 The Plan applies only to the Employees of the Company (including its subsidiaries) and their successors as provided in the Plan.
- 1.3 This Plan has been formulated by the Nomination and Remuneration Committee of the Board ("**the Committee**") and approved on March 25, 2017.
- 1.4 This Plan shall come into force on the Effective Date (as defined below).

2. OBJECT

The Company has formulated this Plan, in furtherance to the corporate policy of the Company, for creating an environment conducive to higher growth opportunities for its Employees and Employees of its Affiliates and with a view to align the interests of such Employees and those of the shareholders by creating a common sense of purpose towards creating sustainable shareholder value.

3. TERM OF THE SCHEME

The Plan shall come into force with effect from the Effective Date (defined below) and shall continue to be in force until the date on which the maximum number of Options and SARs (defined below) that can be issued under the Plan have been exercised or have lapsed/been forfeited.

4. DEFINITIONS AND INTERPRETATION

- 4.1 Capitalized terms defined in this Plan shall have the meaning ascribed to them in this Plan. All other capitalized terms shall, if defined in the SEBI SBEB Regulations (as defined below), have the meaning ascribed to them in the SEBI SBEB Regulations.
- 4.2 The following capitalized terms shall have the meaning ascribed to them herein below:
- i. "**Affiliate**" with reference to the Company, means any Subsidiary of the Company.
 - ii. "**Appreciation**" with reference to an SAR shall mean the amount by which the Market Price of the Shares represented by the SAR is more than the SAR Base Price.
 - iii. "**Board of Directors**" means the Board of Directors for the time being of the Company.
 - iv. "**Company**" means Advanced Enzyme Technologies Limited which is a listed public limited company having its registered office at A Wing, 5th floor, Sun Magnetica, Near LIC Service Road, Louiswadi, Thane (W) – 400 604, Maharashtra, India.

- v. **"Committee"** means the Nomination and Remuneration committee of the Board of Directors and shall deem to be the Compensation Committee as provided in the SEBI SBEB Regulations.
- vi. **"Corporate Action"** means:
- a. the merger, de-merger, consolidation, amalgamation, sale of division(s), sale/lease/exchange of all/substantial assets of the Company/Subsidiary/ Division, sale or divestment of a subsidiary, or other re-organization of the Company, in which the Shares are converted into or exchanged for:
 - a different class of securities of the Company; or
 - class of securities of any other company or entity (except an Affiliate of the Company); or
 - Cash; or
 - Other property,
 - b. the sale, lease or exchange of all or substantially all of the assets of the Company to any other company or entity (except to a Subsidiary or Holding Company, of the Company).
 - c. acquisition (other than acquisition pursuant to any other clause of this definition) by any person or entity or group of more than 50% (fifty percent) of the voting power in the Company.
 - d. bonus issue, rights issue, Share split, sub-division or consolidation of Shares.
- vii. **"Disqualified Employee"** shall mean an Employee who has been disqualified by virtue of Clause 20 of this Plan.
- viii. **"Effective Date"** shall mean the date on which this Plan is approved by the Shareholders / Members of the Company.
- ix. **"Eligible Employee"** means an Employee who is not a Disqualified Employee and who satisfies the criteria prescribed by the Committee in this regard from time to time.
- x. **"Exercise Period"** means Option Exercise Period or SAR Exercise Period, as the case may be.
- xi. **"Grant"** means the grant of Options or SARs as the case may be.
- xii. **"Grantee"** means an Option Grantee or a SAR Grantee as the case may be.
- xiii. **"Letter of Grant" / "Grant Letter"** means the letter issued by the Trust intimating the Eligible Employee of the Options and/or SARs Granted to him/her.
- xiv. **"Option"** means an option granted to an Employee under this Plan, which gives such Employee an optional right (but not an obligation) to purchase at a future date Shares of the Company or the beneficial interest therein at the Option Exercise Price.
- xv. **"Option Exercise Price"** means the price payable by an Employee in order to Exercise the Option Granted to him.
- xvi. **"Option Exercise Period"** means the period within which a Vested Option can be Exercised.
- xvii. **"Option Grantee"** means an Employee to whom an Option has been Granted.

- xviii. **“Retirement”** means retirement of an Employee from his/her employment with the Company as per the rules of the Company.
- xix. **“SAR”** or **“Stock Appreciation Right”** means the right granted to an Employee which entitles such Employee to receive appreciation for a specified number of Shares where the settlement of such appreciation may be by way of cash payment or Shares.
- xx. **“SAR Base Price”** means the price from which the Appreciation is to be computed for the purposes of SARs.
- xxi. **“SAR Exercise Period”** means the period within which a Vested SAR can be Exercised.
- xxii. **“SAR Grantee”** means an Employee to whom a SAR has been Granted.
- xxiii. **“SBEB Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended and/or re-enacted from time to time.
- xxiv. **“Shares”** means, the equity Shares of the Company with *present nominal par value of Rs. 10/- (Rupees ten only)* or where the equity share of the Company has been split up or consolidated into a par value of less than or more than Rs. 10/- (Rupees ten only) [as the case may be], then the equivalent number of equity shares for the revised par value per equity share.
- *Subject to approval of the shareholders of the Company and other statutory / regulatory approvals, the Board has approved sub-division of face value of equity shares of the Company from existing face value of Rs. 10 per share to Rs. 2 per share. On receipt of requisite approvals and consequent sub-division of face value of shares of the Company, the present nominal par value shall be read as R. 2/- (Rupees two only) instead of Rs. 10/- (Rupees ten only).
- xxv. **“Stock Exchange”** or **“Secondary Market”** means the stock exchange(s) on which the Shares of the Company are listed.
- xxvi. **“Subsidiary Company”** means a subsidiary as defined in the Act.
- xxvii. **“Trust”** means AETL Employees’ Welfare Trust established or to be established by the Company for the purposes of administering and implementing, inter alia, the Plan.
- xxviii. **“Trustee”** means trustee(s) of the Trust.
- xxix. **“Unvested Option”** means an Option which has been Granted but which has not yet become Exercisable and has not lapsed / been forfeited.
- xxx. **“Unvested SAR”** means an SAR which has been Granted but which has not yet Vested and has not lapsed/been forfeited.
- xxxi. **“Vesting”** with reference to an Option means the vesting of a right (upon the expiry of the Vesting Period and upon the fulfillment of the Vesting Conditions) to Exercise an Option; and with reference to a SAR means the Vesting of the right to receive the Appreciation contemplated by the terms of the SAR.
- xxxii. **“Vesting Conditions”** shall mean the conditions as may be determined by the Committee from time to time

- xxxiii. **“Vesting Period”** means the period, on the expiry of which (subject to fulfillment of Vesting Conditions) an Option and or a SAR Vests in the Grantee so as to give the Grantee a vested right to apply (before the expiry of the Exercise Period) for Shares in terms of the Option or to receive appreciation in terms of the SAR.
- xxxiv. **“Vested Option”** means Option in respect of which Vesting has occurred.
- xxxv. **“Vested SAR”** means SAR in respect of which Vesting has occurred.

4.2 Interpretation

In this Plan, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant for the purpose of interpretation;
- b) words in singular number include the plural and vice versa;
- c) words importing a gender shall include all other genders; and

5. IMPLEMENTATION AND ADMINISTRATION OF THE PLAN

5.1 Committee

The Plan shall be monitored, administered and implemented by the Committee through the Trust.

The Committee shall have the following powers and functions:

- a. To select Eligible Employees.
- b. To prescribe the criteria required to be fulfilled (in addition to what is provided herein) for an Employee to be eligible for selection as an Eligible Employee.
- c. To evaluate the fulfillment of eligibility criteria.
- d. To consider and approve the recommendations for Grant of Options / SARs.
- e. To decide and direct the award of Grants (including the number of Options/SARs to be Granted) to Eligible Employees.
- f. To direct and authorize the issuance of Grant Letters through the Trust and also to direct the modification and/or alteration to such Grant Letters.
- g. To alter or modify the Option Vesting Period and/or SAR Vesting Period and/or the Option Exercise Period and/or the SAR Exercise Period.
- h. To interpret and construe this Plan and to remove difficulties with regard to such interpretation / construction in case any arise.
- i. To make, prescribe, amend, rescind rules and policies for the effective implementation of the Plan in accordance with applicable law and also for effective compliance with applicable law.

- j. The Committee shall have the powers to settle any questions and/or difficulty that may arise in regard to implementation of the Plan and matters ancillary and incidental thereto.
- k. In the event of a Corporate Action the Committee is empowered to make reasonable adjustments to number of Options Granted and/or Option Exercise Price. For this purpose, the Committee may consider the following factors:
 - i. the number and price of the Options shall be adjusted in a manner that the aggregate face value of the Shares than can be opted for under the Options remains approximately the same after the relevant Corporate Action;
 - ii. the Vesting Period and the Exercise Period may be left unaltered as far as reasonably possible to protect the rights of the Option Grantees.
- l. In case of any differences of opinion concerning the implementation of the Plan and/or any entitlement thereunder, the decision of the Committee shall be final and binding on all concerned.
- m. To take all actions suitable or necessary, in the opinion of the Committee, to give effect to this Plan.

5.2 Constitution of the Trust & Grant of Options

The Company has set up the Trust.

Options and/or SARs shall be Granted vide Grant Letters addressed by the Trust. The Grant Letter shall specify, inter alia, the number of Options and/or SARs Granted, the number of Shares each Option is entitled to and/or the number of Shares in respect of which Appreciation is contemplated by each SAR, the Vesting Period, the Exercise Period, the Option Exercise Price and such other matters as the Committee may from time to time recommend. The Grant Letters shall be deemed to be the agreement for the Grant of Options/SARs. Each Grant shall be subject to the terms and conditions provided for in this Plan and the Grant Letter.

Options or SARs can only be Granted to Eligible Employees who are selected by the Committee. The Committee will select Eligible Employees for award of Grants and decide the number of Options/SARs to be Granted to each such Eligible Employee after considering the recommendations of the management.

For the purpose of this Plan (subject to applicable law), the Trust may either subscribe to the Shares of the Company (as may be offered and issued by the Company, from time to time) and/or the Trust may acquire Shares of the Company through Secondary Market.

In the event of an issue of Shares, the Company shall proceed to have them listed promptly in accordance with applicable law. The Shares so issued shall rank pari passu to the Shares issued as on the Effective Date.

6. **VARIATION OF TERMS OF THE PLAN**

Subject to the provisions of the SBEB Regulations, the Committee may alter, modify, and/or amend the terms and conditions of the Plan provided that such amendment/alterations/modification is not detrimental to the interests of the Employees.

7. EFFECTIVE DATE AND CEILING

This Plan shall come into force with effect from the Effective Date.

Under this Plan, the maximum number of Shares awarded through Options and SARs, shall not exceed 9,16,000/- (i.e. 45,80,000 Shares post sub-division) or 5% of the paid up share capital of the Company whichever is lower.

1(one) Option shall be on Exercise be entitled to 1(one) Share.

1(one) SAR shall on Exercise be entitled to Appreciation on 1(one) Share.

The maximum number of Options and SARs that can be Granted in a single Financial Year shall not exceed 1% of the paid up share capital of the Company

Not more than 10,000 (i.e. 50,000 post subdivision of face value from existing Rs. 10 per share to Rs. 2 per share) Options/SARs can be Granted to a single Employee in a single Financial Year.

Lapsed/forfeited Options / SARs will be available for Grant as if they had never been Granted ab initio.

8. ELIGIBILITY FOR GRANT OF OPTIONS/SARS

The criteria to be fulfilled by an Employee for being considered an Eligible Employee may be prescribed by the Committee from time to time. Only Employees fulfilling such criteria and who are not Disqualified Employees shall be considered Eligible Employees for the purposes of this Plan. An Option and/or SAR can be Granted only to an Eligible Employee who has been selected by the Committee.

While selecting Eligible Employees for the award of Grants and for deciding the number of Options/SARs to be Granted to such Eligible Employees, the Committee may be guided by the following considerations (i.e. eligibility criteria):

- a) Number of years of service.
- b) Job profile and grade
- c) Performance rating or key result area appraisal
- d) Any other factors the Board of Directors or the Committee may deem appropriate.

9. RIGHT AND OBLIGATIONS OF GRANTEE

An Option Grantee shall not be considered or treated as a shareholder in respect of the Options Granted to him, unless and until Shares have been transferred to his name by the Trust in accordance with this Plan.

An SAR Grantee shall not be considered or treated as a shareholder in respect of the SARs Granted to him.

An Option Grantee / SAR Grantee shall have the right to exercise all the Options / SARs Vested at one time or at various points of time within the Exercise Period, subject to the provisions of Incentive Plan.

Shares as may be allotted /transferred to Employees pursuant to the Plan will not be subject to lock in period. Provided that the Shares transferred to Employees on Exercise of Options / SARs cannot be sold for such period from the date of transfer as may be mentioned in terms of Code of Conduct for Prevention of Insider Trading of the Company read with Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended or re-enacted / replaced from time to time.

10. OPTION EXERCISE PRICE AND MODE OF PAYMENT

The Option Exercise Price including method for arriving at it, shall be determined by the Committee, from time to time, which Exercise Price shall not be higher than the prevailing Market Price of the Shares as on Grant date ('Relevant Date') discounted by 20%, subject to provisions of the applicable law including SBEB Regulations. The Option Exercise Price shall become payable by the Option Grantee, upon Exercise of an Option, and not on its Grant. The method/mode of payment of the Option Exercise Price shall be as determined by the Committee from time to time.

In case of an SAR the SAR Base Price is not required to be paid by the SAR Grantee. The SAR Base Price shall only be used for computing the Appreciation.

11. OPTING OUT OF PLAN

Any Employee may opt out of this Plan by sending a suitable communication to the Committee within the period specified in the Letter of Grant. In such event the Options and/or SARs that may have been Granted to him shall lapse/stand forfeited as if the same had never been Granted ab-inito.

14. VESTING

- a. The Options and SARs shall not Vest for a period of one year from the date of the Grant. After the expiry of one year from the date of the Grant, the Vesting of Options and/or SARs shall take place over a term of 4 (four) years, as per provisions of this Plan.
- b. The Committee may prescribe conditions to be fulfilled for the Vesting of Grants and SARs.
- c. The Options and SARs shall Vest as follows:

Date of Vesting	Percentage of Vesting
1 year after the date of Grant	10% of Options/SARs Granted shall Vest
2 years after the date of Grant	20% of Options/SARs Granted shall Vest
3 years after the date of Grant	30% of Options/SARs Granted shall Vest
4 years after the date of Grant	40% of Options/SARs Granted shall Vest.

15. GRANTING

Grant Letters shall be issued by the Trust as per the instructions of the Committee. The Grant Letter shall be deemed to be the Agreement for the purpose of this Plan.

16. PROCEDURE FOR EXERCISE OF OPTIONS

- a. Only Vested Options can be Exercised.
- b. Vested Options can only be Exercised during the Option Exercise Period.
- c. Vested Options not Exercised during the Option Exercise Period shall lapse/stand forfeited as if the same had never been Granted ab-initio.
- d. 1 (one) Option shall be entitled to only 1 (one) Share.
- e. An Employee Exercising Options must Exercise at least 100 Options or the total number of unexercised Vested Options, whichever is lower.
- f. An Option Grantee wishing to Exercise the Options Vested in him shall submit an application in the specified format to the Trust before the expiry of the Exercise Period. The Application shall specify the number of Options Exercised and shall be accompanied with a demand draft towards the Option Exercise Price drawn in favour of the Trust.
- g. Subject to the provisions of the applicable law, for all Options Exercised the Trust shall take appropriate steps to transfer the relevant number of Shares as soon as practicable but not later than 60 (sixty) days (or such other period as may be prescribed by the applicable law, from time to time) from date of Exercise and shall thereafter either deliver Share certificates to the concerned Employees for the relevant number of Shares or credit the relevant number of Shares to their designated depository account. The period aforesaid for grouping of Exercise and transfer of Shares would be subject to review by the Committee from time to time.
- h. The Option Grantees who wish to Exercise the Options will have the right to nominate his / her nominees and can include the names of their spouse, children and/or their parent(s) as the second and third holders of the Shares to be transferred consequent to the Exercise of the Options.

17. PROCEDURE FOR EXERCISE OF SARs

- a. Only Vested SARs can be Exercised.
- b. Vested SARs can only be Exercised during the SAR Exercise Period.
- c. Exercise Period shall not exceed 5 (five) years from Vesting date for each tranche of Option / SAR Granted.
- d. Vested SARs not Exercised during the SAR Exercise Period shall lapse/stand forfeited as if the same had never been Granted ab-initio.
- e. 1(one) SAR shall be entitled to Appreciation on only 1(one) Share.
- f. As soon as any SAR Vests, the Trust shall purchase or subscribe to equivalent number of Shares of the Company.
- g. An Employee Exercising SARs must Exercise at least 100 SARs or the total number of unexercised Vested SARs, whichever is lower.
- h. An SAR Grantee wishing to Exercise the SARs Vested in him shall submit an application in the specified format, to the Trust before the expiry of the Exercise

Period. The Application shall specify the number of SARs Exercised.

- i. On receipt of an Application Exercising SARs the Trust, shall within a period of 15 days from the date of Exercise, pay the Appreciation to the Employee. The Appreciation may be paid in cash or in the alternative Shares having Market Value equivalent to the amount of Appreciation as on the date of payment shall be transferred to the SAR Grantee. In case of any fractional shares arising thereof, the same shall paid in cash to the concerned Employee. The Appreciation shall be computed as on the date (on which Secondary Markets are open for business) immediately following the date of Exercise.
- j. The SAR Grantees who wish to Exercise the SARs will have the right to nominate their nominees and can include the names of their spouse, children and/or their parent(s) as the second and third holders of the Shares to be transferred (in case the Trust opts to pay the Appreciation in Shares) consequent to the Exercise.

18. SUCCESSION

18.1 Succession to Options and SARs shall be governed by the following rules:

		Vested Options	Unvested Options
1	Death of an employee	<p>All Options & SAR Vested up to the date of death of the Employee shall Vest in the legal heirs of the Employee provided that in case the Employee has nominated a nominee, the Options/SARs shall Vest in such nominee to the exclusion of legal heirs.</p> <p>Notwithstanding anything stated in the Grant Letter, the Exercise Period shall expire on the expiry of 3 months from the date of death of the Employee.</p>	<p>All Options & SARs that have not Vested as on the date of death of the Employee shall Vest in the legal heirs of the Employee on the date on which they would have otherwise Vested in the deceased Employee had such deceased Employee continued to remain in employment, provided that in case the Employee has nominated a nominee, the Options/SARs shall Vest in such nominee to the exclusion of legal heirs.</p> <p>Notwithstanding anything stated in the Grant Letter, the Exercise Period shall expire on the expiry of 3 months from the date of Vesting.</p>
2	Termination due to Permanent Disability	<p>All Options Vested up to the date of such termination shall continue to remain Vested in the Employee concerned.</p> <p>Notwithstanding anything stated in the Grant Letter, the Exercise Period shall expire on the expiry of 3 months from the date of such termination.</p>	<p>All Options & SARs that have not Vested as on the date of such termination shall Vest in the terminated Employee on the date on which they would have otherwise Vested in the Employee had such Employee continued to remain in Employment.</p> <p>Notwithstanding anything stated in the Grant Letter, the</p>

			Exercise Period shall expire on the expiry of 3 months from the date of Vesting.
3	Resignation OR Termination (other than due to Misconduct or on account of becoming a Disqualified Employee)	All Vested Options & SARs as on that date of resignation / termination shall continue to Vest in such Employee.	All Options & SARs that have not Vested on the date of resignation or termination shall lapse / stand forfeited as if the same had never been Granted ab-initio.
4	Retirement of an Employee as per the rules of the Company	All Vested Options & SARs as on that date of retirement shall continue to Vest in such Employee.	All Options & SARs that have not Vested on the date of retirement shall lapse / stand forfeited as if the same had never been Granted ab-initio.
5	Voluntary Retirement under a Voluntarily Retirement scheme/plan approved by the Board of Directors of the Company.	All Vested Options & SARs as on that date of retirement shall continue to Vest in such Employee.	All Options & SARs that have not Vested on the date of retirement shall lapse / stand forfeited as if the same had never been Granted ab-initio.
6	Deputation or transfer of Employee to any Affiliate of the Company	For the purpose of Vesting and Exercise of SARs the Employee shall be treated as if he continues to remain in the continuous Employment of the Company.	For the purpose of Vesting and Exercise of SARs the Employee shall be treated as if he continues to remain in the continuous Employment of the Company.

18.2 The Committee may at its discretion reduce the Exercise Period in aforesaid case.

18.3 The Option Grantee shall not have any right to receive any dividend or to vote or in any manner enjoy the rights of a Shareholder in respect of Options Granted to him, till Shares are transferred to that Option Grantee. An SAR Grantee shall not have any right to receive any dividend or to vote or in any manner enjoy the rights of a Shareholder in respect of SARs Granted to him

18.4 The Committee may impose any additional terms and conditions or restrictions with regard to Options and/or SARs as it may determine in its absolute discretion, subject to provisions of the Applicable Law, provided such additional terms and conditions are not detrimental to the interests of the Employees.

19. POWER TO LEND MONEY TO THE TRUST:

For the purpose of implementation and administration of this Plan and subject to the provisions of the applicable laws including the limits specified therein and approval of the

Members / Shareholders, the Company has the power to lend (without or without security) and/or donate money to the Trust on such terms and conditions as the Board of Directors of the Company may at their discretion determine.

20. DISQUALIFICATIONS

20.1 An Employee shall be disqualified from participating in the Plan (“**Disqualified Employee**”) in the following circumstances:

- a) If an Employee is guilty of Misconduct.
- b) If an Employee has been dismissed from the employment of the Company for Misconduct and/or for violating the rules and/or regulations of the Company.
- c) If an Employee has abandoned his job with the Company.
- d) If the Employee has resigned from the employment of the Company before the date(s) of Vesting.
- e) If an Employee has remained absent without leave for a period exceeding 30 days.
- f) If an Employee assigns or encumbers or attempts to assign or encumber his rights under the Plan. (An Employee is not permitted to assign his rights or obligations under this Plan).
- g) If an Employee is declared insolvent.
- h) If the Employee is in breach of the terms of Employment.
- i) If an Employee during or after his employment with the Company and/or its Affiliates, directly or indirectly violates the Non-Compete obligation as specified in the Plan.
- h) If an Employee attempts to induce or has induced any customer or Employee to discontinue his/her employment/association with the Company.
- i) If in the opinion of the Committee the Employee has acted against the interest of the Company.

20.2 Misconduct shall include, without limitation:

- a) Fraud.
- b) Any offence involving moral turpitude.
- c) Deliberately causing financial loss to the Company.
- d) Damage or loss of property entrusted to the Employee for custody.
- e) Misappropriation of money and/or property.

- f) Willful neglect.
- g) Breach of trust.
- h) Unethical and/or immoral conduct.
- i) Willful disobedience.
- j) Breach of the terms of Employment.
- k) Breach of any contract or agreement between the Employee and the Company or any Affiliate of the Company.

20.3 All Options and/or SARs Granted to an Employee which becomes disqualified shall lapse / stand forfeited as if the same had never been Granted ab-initio, provided that in case of Misconduct and/or breach of Clause 26, the Employee shall also forthwith return to the Company all benefits accrued on Options and/or SARs already Exercised. The foregoing is without prejudice to all other remedies available to the Company.

21. TERMS AND CONDITIONS OF THE SHARES

All Shares transferred on Exercise of Options or towards payment of Appreciation, will rank pari-passu with the Shares issued as on the Effective Date.

Shares transferred to an Employee on the Exercise of a Vested Option or towards payment of Appreciation, shall be the absolute property of the holder thereof.

22. SURRENDER

Vested Options and SARs may be surrendered at any time before Exercise by addressing a suitable communication to the Committee and by completing such additional procedure as the Committee may prescribe. Surrendered Options / SARs shall be treated as forfeited as if the same had never been Granted ab-initio.

23. TAX LIABILITY

Any tax liability (including stamp duty and income tax liability) arising out of or in relation to (i) the Grant of Options and/or SARs; (ii) Exercise of Options and/or SARs; (iii) payment of Appreciation; (iv) transfer of Shares on Exercise of Options and/or towards payment of Appreciation shall be that of the Employee (Employee's successor) alone and shall be paid and / or borne by him/her.

24. CONTRACT OF EMPLOYMENT

This Plan shall not form part of any contract of employment between the Company and/or its Affiliation on the one hand and the Employee on the other. The rights and obligations of any Employee under the contract of employment shall not be affected by his/her participation in this Plan or by any right which he may have to participate in it.

Nothing in this Plan shall afford any Employee any additional right(s) as to or damages in consequence of the termination of office or employment for any reason whatsoever.

This Plan shall not confer on any Employee any legal or equitable right against the Company/Committee/Trust either directly or indirectly or give rise to any cause of action in law or equity against the Company / Committee / Trust.

25. GENERAL RISKS

The Company does not guarantee any return on the Option Exercise Price or any Appreciation. Any loss due to lower book value of Shares at the end of any financial year is that of the Grantees alone.

The Options / SARs are subject to the following additional risks:

1. The risk arising out of any fall in value of Shares is aggravated if the Employees' asset allocation is concentrated in the Shares of a single company.
2. The Options and SARs cannot be transferred to anybody. The Employees cannot mitigate their risks by selling the whole or part of their benefits before they are Exercised.
3. Options and SARs may lapse or stand forfeited in accordance with the terms of this Plan.
4. All investments in Shares or Options / SARs are subject to risk as the value may go down or go up. Any change in the value of Share can lead to a significantly larger change in the value of the Options / SARs.

26. NON-COMPETE & NON-SOLICITATION

During employment and for a period of 5(five) years after cessation/termination of employment for any reason whatsoever, including by way of resignation, retirement or termination or abandonment of employment or by any other mode, the Employee (former Employee) shall not:

- 26.1 Directly or indirectly compete with the Company in any manner whatsoever, including, without limitation:
 - a. Engage in any activity which directly or indirectly competes with the business of the Company.
 - b. engage in any activity or take any action which may divert from the Company any business opportunities accruing to it.
 - c. cause or influence any persons or organization to diminish commercial dealings with the Company.
 - d. request or advise any present customer or prospective customer of the Company to withdraw, curtail or cancel its dealings with the Company; and/or
 - e. commit any other act or assist others to commit any other act which might cause commercial loss to the Business or the reputation/goodwill of the Company in any way; and/or
 - f. solicit, or assist any other person to solicit, any business (other than for the Company) from any customer or prospective customer of the Company.
- 26.2 Divert any employee of the Company, including, without limitation, in the following manner:
 - a. employ, engage and do any such act which will solicit the employment or encourage or aid any other person to employ, engage and to do any such act which will solicit the employment of any Employee of the Company to terminate their employment with the Company; and/or
 - b. solicit or encourage any Employee of the Company to leave his employment; and/or

- c. hire or employ any Employee who has left the employment of the Company if such hiring is proposed to occur within the period of (twelve) months after the termination of such employee's employment with the Company.
- d. solicit or encourage any consultant then under contract with the Company to terminate his contract with the Company.

In the case of violation of this Clause 26: -

- a) the Company may forfeit the Options and SARs Granted to such Employee irrespective of whether such Options or SARs have Vested or not.
- b) The Employee shall forthwith return to the Company all benefits accrued Options and/or SARs already Exercised.
- c) the Company may pursue any other remedies as it may deem fit or necessary.

27. NOTICES

All notices or communications required to be given by the Company/Committee/Trust to the Employee may be sent by email or by courier or by registered post or by hand delivery at such address/email address as may be provided by the Employee to the Company/Committee/Trust.

All notices or communications from the Employee to the Company/Committee shall be in writing and delivered at the address mentioned below:

Company Address: A Wing, 5th floor, Sun Magnetica, Near LIC Service Road, Louiswadi, Thane (W) – 400 604, Maharashtra, India

Kind Attn: Company Secretary

28. CONFIDENTIALITY

The Employee shall maintain strict confidentiality with regard to every aspect of the Plan, unless the disclosure is required under the Court order or order of any other statutory / regulatory authority or under Applicable Law. The Company may require him / her to enter into such additional confidentiality agreement/undertaking as the Company may require, from time to time so as to implement this Plan effectively.

29. DISPUTE RESOLUTION

29.1 In the event of any dispute, the same shall be referred to the Committee for resolving the same. Any decision by the Committee in this regard shall be final, conclusive and binding on the Employees.

29.2 Subject to the provision of clause 1 above, any dispute or difference arising out of or in relation to this Plan, shall be subject to exclusive jurisdiction of appropriate Courts in Thane.
