

A low-angle, upward-looking photograph of a modern building's interior or exterior structure. The image features a complex network of dark, metallic beams and a large, curved glass skylight. The perspective creates a sense of height and architectural grandeur. The sky is visible through the glass panels, appearing as a light, overcast grey.

SPML Infra Ltd

Employee Stock Option Scheme 2021

Index

1.	NAME, OBJECTIVE AND PHILOSOPHY	3
2.	DEFINITIONS AND INTERPRETATIONS	3
3.	AUTHORITY AND CEILING	9
4.	ADMINISTRATION	9
5.	ELIGIBILITY AND APPLICABILITY	11
6.	GRANT OF OPTIONS	12
7.	VESTING PERIOD / SCHEDULE / CONDITIONS	12
8.	EXERCISE	12
9.	OTHER TERMS AND CONDITIONS	15
10.	TAX LIABILITY	15
11.	AUTHORITY TO VARY TERMS	16
12.	MISCELLANEOUS	16
13.	NOTICES	17
14.	GOVERNING LAW AND JURISDICTION	18

1. Name, Objective and Philosophy

- 1.1 This Scheme shall be called 'Employee Stock Option Plan 2021 (ESOP 2021)'.
- 1.2 The Company strongly believes that an equity component in the compensation goes a long way in aligning the objectives of an individual with those of the organization. The underlying philosophy of ESOP 2021 is to enable the Employees, present and future, to share the wealth that they help to create for the organization over a certain period of time.
- 1.3 The ESOP 2021 is established with effect from 12th May, 2023 and shall continue to be in force until:
- (i) Subject to applicable laws, its termination by the Board / Nomination and Remuneration Committee (hereinafter will be referred as the Nomination and Remuneration Committee of the Board); or
 - (ii) the date on which all of the Options available for issuance under the ESOP 2021 have been issued and exercised.
- 1.4 The Board of Directors / Nomination and Remuneration Committee may, subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the ESOP 2021.

2. Definitions and Interpretations

2.1 Definitions

The terms defined in this ESOP 2021 shall have the meanings herein specified and terms not defined in this ESOP 2021 shall have the meanings as defined in the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, Companies Act 1956 to the extent not repealed, the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") and SEBI (Share

Based Employee Benefits), Regulations, 2014 / SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as may be amended or replaced from time to time (“SEBI Regulations”) or in any statutory modifications or re-enactments thereof, as the case may be.

- i. **“Agreement / Arrangement”** means the Employee Stock Option Agreement / Arrangement between the Company and the Option Grantee evidencing the terms and conditions of an individual Employee Stock Option. Such Agreement / Arrangement shall be subject to the conditions of ESOP 2021 and applicable laws.
- ii. **“Applicable Law”** means the legal requirements relating to Employee Stock Options, including, without limitation, the Companies Act, 2013 and includes any statutory modification or re-enactments thereof, Securities Exchange Board of India (SEBI) Act, 1992, SEBI (Share Based Employee Benefits) Regulations, 2014 / SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and all relevant tax, securities, exchange control or corporate laws of India or any relevant jurisdiction or of any stock exchange on which the shares are listed or quoted.
- iii. **“Board”** means the Board of Directors of the Company and shall be deemed to include any Committee, which the Board may constitute to exercise its powers, and the Nomination and Remuneration Committee, to the extent required under the SEBI Regulations.
- iv. **“Companies Act”** means Companies Act, 1956, to the extent not repealed, the Companies Act, 2013, (including the Rules thereunder) and includes any statutory modifications or re-enactments thereof.
- v. **“Company”** means SPML Infra Limited, a company incorporated under the provisions of the Companies Act, 1956.

- vi. **“Company Policies / Terms of Employment”** mean the Company’s policies for Employees and the terms of employment as contained in the employment letter and any other rules / bye-laws issued from time to time.
- vii. **“Director”** means a member of the Board of the Company.
- viii. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Nomination and Remuneration Committee for granting the Employee Stock Options to the Employees.
- ix. **“Employee”** means (i) a permanent employee of the Company working in India or outside India; or (ii) a director of the Company, whether whole-time director or not, but excludes:
 - a. an employee who is a Promoter or belongs to the Promoter Group;
 - b. a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed shares of the Company;
 - c. independent director
- x. **“Employee Stock Option” or “Option”** means an Option granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the Shares underlying the Option at a pre-determined price.
- xi. **“Exercise of an Option”** means making of an application by an Employee to the Company for issue of the Shares underlying the Options vested in him, in pursuance of the ESOP 2021, in accordance with the procedure laid down by the Company for the Exercise of Options.

- xii. **“Exercise Period”** means such a time period after vesting, within which the Employee should Exercise the Options vested in him in pursuance of the ESOP 2021.
- xiii. **“Exercise Price”** means the price payable by an Employee in order to Exercise the Options granted to him in pursuance of the ESOP 2021.
- xiv. **“Grant”** means issue of Options to the Employees under the ESOP 2021.
- xv. **“Independent director”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- xvi. **“Nomination and Remuneration Committee”** means a committee of the Board of Directors of the Company to be constituted in accordance with the SEBI Regulations for administration and superintendence of the Scheme.
- xvii. **“Option Grantee”** means an Employee who has been granted an Employee Stock Option in pursuance of the ESOP 2021 and having a right but not an obligation to Exercise the Options.
- xviii. **“Permanent Disability”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Nomination and Remuneration Committee based on a certificate of a medical expert identified by such Committee.
- xix. **“Promoter”** means the person or persons who are promoters as defined under (a) the Companies Act; or (b) the SEBI ICDR Regulations. For the limited purposes of this Scheme, where a Promoter or Promoter Group of the Company is a body corporate, the promoters of that body corporate shall also be deemed to be Promoters of the Company.

- xx. **“Promoter Group”** means the persons who are promoter group, as defined under the SEBI ICDR Regulations.
- xxi. **“Relevant Date or Grant date”** means
 - (i) in case of Grant, the date of the meeting of the Nomination and Remuneration Committee on which the Grant is made; or
 - (ii) in the case of Exercise, the date on which the notice of Exercise is given to the Company by the Employee;
- xxii. **“Retirement”** means retirement as per the rules of the Company / Terms of Employment.
- xxiii. **“Scheme / Plan / ESOP 2021”** means this Employee Stock Option Scheme 2021 under which the Company is authorized to Grant Employee Stock Options to the Employees, which is implemented by the Company in accordance with the SEBI Regulations.
- xxiv. **“SEBI Act”** means the Securities & Exchange Board of India Act, 1992 as amended, and includes all regulations and clarifications issued there under.
- xxv. **“SEBI SBEB Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended and includes all regulations and clarifications issued there under.
- xxvi. **“Shares”** means equity shares of the Company arising out of the Exercise of Employee Stock Options granted under the ESOP 2021.
- xxvii. **“Stock Exchange”** means the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on which the Company’s shares are listed.

- xxviii. **“Unvested Option”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to Exercise the Option.
- xxix. **“Vesting”** means the process by which the Option Grantee is given the right to Exercise the Employee Stock Options granted to him in pursuance of the ESOP 2021 subject to Exercise conditions.
- xxx. **“Vesting Condition”** means any condition subject to which the Options granted would vest in an Option Grantee.
- xxxi. **“Vesting Period”** means the period during which the Vesting of the Employee Stock Option granted to the Employee, in pursuance of the ESOP 2021 takes place.
- xxxii. **“Vested Option”** means an Option in respect to which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to Exercise the Option subject to fulfillment of Exercise conditions.

Words and expressions used and not defined in these regulations but defined in the Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Companies Act, 2013 (18 of 2013) and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislations

2.2 Interpretation

In this ESOP 2021, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender;

- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

3. Authority and Ceiling

- 3.1 The shareholders of the Company vide their approval in their general meeting have authorised the Board / Nomination and Remuneration Committee to issue to the employees, such number of Options under the ESOP 2021 as would be exercisable into not more than 5% of equity share capital of the Company from time to time, to be issued or allotted by the Company under one or more tranches to the Employees of the Company and have granted the authority of designing, implementing and administering such Schemes to the Nomination and Remuneration Committee.
- 3.2 Under ESOP 2021, the Company will issue fresh equity shares as and when the Vested Options are exercised by the Option Grantees. Each option shall be convertible into one Share of the Company upon exercise.
- 3.3 Employee Stock Options that expire / lapse / get cancelled shall become available for future Grants, subject to compliance with all the Applicable Laws.

4. Administration

- 4.1 The ESOP 2021 shall be administered by the Nomination and Remuneration Committee. All questions of interpretation of the ESOP 2021 or any Employee Stock Option shall be determined by the Nomination and Remuneration Committee and such determination shall be final and binding upon all persons having an interest in the ESOP 2021 or such Employee Stock Option.
- 4.2 The Nomination and Remuneration Committee shall, in accordance with this ESOP 2021 and Applicable Laws, determine the detailed terms and conditions of the Employee Stock Options, including but not limited to:

- (a) The quantum of Employee Stock Options to be granted under the ESOP 2021 per Employee, during one financial year, shall not exceeding 1% or more of the issued capital of the company at the time of grant;
- (b) The Eligibility Criteria subject to which an Employee would become entitled to be granted options under the Scheme;
- (c) The Schedule for Vesting of Employee Stock Options;
- (d) Vesting Conditions;
- (e) The method for exercising the Vested Options;
- (f) The conditions under which the Employee Stock Option vested in Employees may lapse in case of termination of employment for misconduct;
- (g) The procedure for making a fair and reasonable adjustment to the number of Employee Stock Options and to the Exercise Price in case of a corporate action such as rights issues, bonus issues, merger, stock split, etc. In this regard, the following shall be taken into consideration by the Nomination and Remuneration Committee:
 - (i) the number and / or the price of the Employee Stock Options shall be adjusted in a manner such that the total value of the ESOP 2021 remains the same before and after such corporate action;
 - (ii) for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered;
 - (iii) the Vesting Period and the life of the Employee Stock Options shall be left unaltered as far as possible to protect the rights of the Option Grantee

- (h) The procedure and terms for the Grant, Vest and Exercise of Employee Stock Option in case of Employees who are on long leave;
- (i) The procedure for cashless exercise of Employee Stock Options, if required;
- (j) Approve forms, writings and/or agreements for use in pursuance of the ESOP 2021.
- (k) Frame suitable policies and systems to ensure that there is no violation of Securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 or any statutory modification or re-enactment of these regulations by the Company or any of its Employees, as applicable.
- (l) Frame any other byelaws, rules or procedures as it may deem fit for administering ESOP 2021.
- (m) Decide all other matters that must be determined in connection with an Option under the Plan.

5. Eligibility and Applicability

- 5.1 Only Employees are eligible for being granted Employee Stock Options under ESOP 2021. The specific Employees to whom the Options would be granted and their Eligibility Criteria would be determined by the Nomination and Remuneration Committee.
- 5.2 The Scheme shall be applicable to the Company and Stock Options may be granted to the Employees and Directors of the Company as determined by the Nomination and Remuneration Committee at its own discretion.

6. Grant of Options

- 6.1 Grant of Employee Stock Options shall be evidenced by the Employee Stock Option Agreement or in such form, as determined by the Nomination and Remuneration Committee from time to time. Such Agreement shall be deemed to incorporate all the terms of the ESOP 2021, as if the same were set out therein. In the event of inconsistency between the Agreement and the ESOP 2021, the ESOP 2021 shall prevail.
- 6.2 Unless otherwise provided by the Nomination and Remuneration Committee at the time when the Employee Stock Options are granted, the Employee Stock Options granted to an Employee shall be subject to the terms and conditions set forth in this Plan and the Agreement as approved by the Nomination and Remuneration Committee.

7. Vesting Period / Schedule / Conditions

Options granted under ESOP 2021 would vest minimum for one year and maximum for five years from the date of Grant of such Options, as may be decided by Nomination and Remuneration Committee.

The specific Vesting schedule and Vesting Conditions subject to which Options would vest would be detailed in writing and provided to the Option Grantee at the time of the Grant of Options.

8. Exercise

- a) The options will be granted at the market price, being the latest available closing price on the stock exchanges on which the shares of the Company are listed, prior to the date of the meeting of the Nomination and Remuneration Committee, in which options are granted. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered.

- b) The Employee Stock Options granted shall be capable of being exercised within a period being not more than five years from the date of Vesting of the respective Employee Stock Options.
- c) The Shares arising out of Exercise of Vested Options would not be subject to any lock-in period after such Exercise.
- d) In the event of resignation / termination (*other than due to misconduct or breach of Company Policies / Terms of Employment*) of the Option Grantee from employment with the Company, all the Unvested Options shall stand forfeited on the date of submission of the resignation or termination, as applicable. However, all the Vested Options as on the date of submission of resignation / date of termination shall be exercisable by the Option Grantee before his last working day with the Company.
- e) In the event of Retirement from employment with the Company, all Vested Options should be exercised by the Option Grantee before the expiry of the Exercise period, and all Unvested Options shall continue to vest as per the vesting schedule, unless otherwise determined by the Nomination and Remuneration Committee whose determination will be final and binding.
- f) In case the Option Grantee has been suspended or in case of an Option Grantee against whom an enquiry is being conducted for any reason, all Options shall stand suspended and shall not vest nor shall be exercisable until the enquiry is completed. If the Option Grantee is found guilty of misconduct under any such enquiry, the provision of Clause 8 (g) shall apply.
- g) In the event of termination of the employment of an Option Grantee due to misconduct or breach of Company Policies / Terms of Employment, all the Stock Options granted to such Option Grantee, including all the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination; the date of such breach shall be

determined by the Nomination and Remuneration Committee, and its decision on this issue shall be binding and final.

- h) In the event of termination of an Option Grantee from the Company due to reasons of Permanent Disability of the Option Grantee, all the Unvested options as on the date of such Permanent Disability shall also vest immediately and all Options granted can be exercised by the Option Grantee.
- i) In the event of the death of Option Grantee while in employment, all the Options granted to him till such date shall vest in the legal heirs or nominees (if specified by the Option Grantee) of the deceased Option Grantee and can be exercised by the legal heirs or nominees of the deceased Option Grantee before the expiry of the Exercise Period.
- j) in the event of death or permanent incapacity of an employee, the minimum vesting period of one year shall not be applicable.
- k) In the event of abandonment of employment by an Option Grantee without the Company's consent, all the Options granted to such an Option Grantee, including the Vested Options, which were not exercised at the time of abandonment of employment, shall stand terminated with immediate effect. The Nomination and Remuneration Committee, at its sole discretion, shall decide the date of abandonment by the Option Grantee and such decision shall be binding on all concerned.
- l) In the event of separation of the Option Grantee from employment with the Company for reasons other than those mentioned above, all the Unvested Options shall stand cancelled as with effect from that date and the Nomination and Remuneration Committee will decide whether the Vested Options on the date of separation can be exercised by the Option Grantee or not, and such decision shall be binding and final.

- m) The Option Grantee may exercise all Options vested in him, at one time or at various points in time within the exercise period mentioned above.
- n) Options which are not exercised within the exercise period shall lapse or expire.

9. Other Terms and Conditions

- 9.1 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc) in respect of any Shares covered by the Grant unless the Option Grantee exercises the Employee Stock Option and becomes a registered holder of the shares of the Company.
- 9.2 If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price would be made in accordance with Clause 4.2 (g) of ESOP 2021. Only if the Employee Stock Options are vested and exercised and the Option Grantee is a valid holder of the shares of the Company, the Option Grantee would be entitled for bonus or rights shares as shareholder of the Company.
- 9.3 No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option except in the event of the death of the Option Grantee.
- 9.4 The Employee Stock Option shall not be transferred, pledged, hypothecated, mortgaged or otherwise encumbered or alienated in any other manner.

10. Tax Liability

The Company shall have the right to deduct from the Employee's salary, any tax obligations, whether of the Company or of the Employee, arising in connection with the Employee Stock Option or the Shares acquired upon the Exercise thereof. The Company

shall have no obligation to deliver Shares to the Option Grantee until such tax obligations have been satisfied by the Option Grantee.

11. Authority to vary terms

The Nomination and Remuneration Committee may, if it deems necessary, vary the terms of ESOP 2021 which are not prejudicial to the interests of the Option Grantees, subject to compliance with the Applicable Laws and Regulations.

12. Miscellaneous

12.1 Government Regulations

This ESOP 2021 shall be subject to all Applicable Laws and approvals from governmental authorities, if any.

12.2 Inability to obtain authority

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

12.3 The Grant of an Employee Stock Option does not form part of the Option Grantee's entitlement to Nomination and Remuneration or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person and the Company gives such person any right or entitlement to have an Employee Stock Option granted to him in respect of any number of shares or any expectation that an Employee Stock Option might be granted to him whether subject to any condition or at all.

- 12.4 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Employee Stock Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Plan by being granted an Employee Stock Option on any other occasion.
- 12.5 The rights granted to an Option Grantee upon the Grant of an Employee Stock Option shall not afford the Option Grantee any rights or additional rights to Nomination and Remuneration or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 12.6 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Employee Stock Option in whole or in part.

12.7 General Risks

Participation in this ESOP 2021 shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the equity and the risks associated with the investments is that of the Option Grantee alone. The Option Grantee is encouraged to make considered judgement and seek adequate information / clarifications essential for appropriate decisions.

13. Notices

All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP 2021 shall be in writing. The communications shall be made by the Company in any one or more of the following ways:

- i. Sending communication(s) to the address of the Option Grantee available in the records of the Company; or

ii. Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or

iii. Emailing the communication(s) to the Option Grantee at the official email address provided if any by the Company during the continuance of employment or at the email address provided by the Option grantee after cessation of employment.

Any communication to be given by an Option Grantee to the Company in respect of ESOP 2021 shall be sent to the address mentioned below:

SPML Infra Limited

Address: 22, Camac Street, Block-A, 3rd Floor, Kolkata- 700016

E-mail ID: cs@spml.co.in

14. Governing Law and Jurisdiction

14.1 The terms and conditions of the ESOP 2021 shall be governed by and construed in accordance with the laws of India.

14.2 The Courts in Kolkata, West Bengal, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2021.

14.3 Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP 2021:

(i) in any other court of competent jurisdiction; or

(ii) Concurrently in more than one jurisdiction.