

Valiant Organics Limited

Valiant Employee Stock Option Plan-2022

Table of Contents

Contents

1. Name, Objective and Term of the Scheme	2
2. Definitions and Interpretation	2
3. Authority	7
4. Administration	8
5. Eligibility and Applicability	9
6. Grant and Acceptance of Grant	9
7. Vesting Schedule and Vesting Conditions	10
8. Exercise	10
9. Lock-in	13
10. Surrender of Options	13
11. Exit route	13
12. Method of Valuation	13
13. Other Terms and Conditions	13
14. Taxation	14
15. Authority to vary terms	15
16. Miscellaneous	15
17. Accounting and Disclosures	16
19. Governing Laws	16
20. Notices	16
21. Jurisdiction	17
22. Severability	17
23. Confidentiality	17



For VALIANT ORGANICS LIMITED

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1. Name, Objective and Term of the Scheme

- 1.1 This Scheme shall be called '**Valiant - Employees Stock Option Plan- 2022**' ("ESOP-2022").
- 1.2 The objective of ESOP- 2022 is to reward the eligible Employees of the Company and/ or its Subsidiary Company(ies)/Group Company(ies)/ Associate Company(ies) (present or future) in India and / or outside for their performance and to motivate them to contribute to the growth and profitability of the Company. The Scheme aims to attract and retain talents in the organization. The Company views Employee Stock Options as a means that would enable the Employees to get a share in the value they create for the Company in future.
- 1.3 The Board of Directors (or the Nomination & Remuneration Committee of the Board as authorized), subject to compliance with the prevailing regulatory requirements, at any time, may alter, amend, suspend or terminate the ESOP-2022.
- 1.4 This ESOP- 2022 is valid and shall come into effect from the date of approval of the shareholders, hereinafter referred to as the "Effective Date".

2. Definitions and Interpretation

2.1 Definitions

- i. "**Act**" means the Securities and Exchange Board of India Act, 1992 (hereinafter may be referred as 'SEBI') together with the statutory modifications, amendments or re-enactments thereof from time to time;
- ii. "**Applicable Law**" means any prevailing Act, Rule or Regulation relating to Employee Stock Options, including and without limitation to the Companies Act, 2013, Securities and Exchange Board of India Act, 1992, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, Companies (Share Capital and Debenture) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (each as amended from time to time), and all relevant tax, securities, exchange control or corporate laws of India, or amendments thereof or of any relevant jurisdiction or of any Recognised Stock Exchange on which the Shares are Listed or quoted.
- iii. "**Associate Company**" means any Associate Company (present or future) as defined under section 2(6) of the Companies Act, 2013;
- iv. "**Board**" means the Board of Directors of the Company.
- v. "**Cause**" means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or terms of employment amounting to misconduct or breach of terms of employment as determined by the Board after giving the Employee an opportunity of being heard:
- (i) dishonest statements or acts of an Employee, with respect to the Company;
 - (ii) a felony or any misdemeanor involving moral turpitude, deceit, dishonesty or fraud committed by the Employee;



- (iii) gross negligence, misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company;
 - (iv) breach by the Employee of any terms of his employment agreement or the Company's policies or other documents or directions of Company including the reasons of non-performance;
 - (v) participating or abetting a strike in contravention of any law for the time being in force;
 - (vi) Misconduct as provided under the labour laws after following the principles of natural justice.
- vi. **"Committee"** means Nomination and Remuneration Committee of the Board ("**NRC**") as constituted in accordance with Section 178 of the Companies Act, and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time and will also constitute and act as the compensation committee for the purposes of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
 - vii. **"Companies Act"** means the Companies Act, 2013 and rules made thereunder and include any statutory modifications or re-enactments thereof.
 - viii. **"Company"** means 'Valiant Organics Limited' having its Corporate Identity Number: L24230MH2005PLC151348.
 - ix. **"Control"** shall have the same meaning as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - x. **"Director"** means a member of the Board of Directors of the Company.
 - xi. **"Eligibility Criteria"** means the criteria as may be determined from time to time by the Committee for granting the Employee Stock Options to the employees.
 - xii. **"Employee"** means-
 - (i) an employee as designated by the Company, who is exclusively working in India or outside India; or
 - (ii) a director of the Company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
 - (iii) an employee as defined in sub-clauses (i) or (ii), of a group company including subsidiary or its associate company, in India or outside India, or of a holding company of the Company, but does not include—
 - (a) an employee who is a promoter or a person belonging to the promoter group; or
 - (b) 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;



- xiii. **“Employee Stock Option” or “Option”** means the option given 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.
- xiv. **“Equity Shares”** means fully paid-up Equity Shares of the Company of face value of INR 10/- (Indian Rupees Ten) each.
- xv. **“ESOP - 2022” or “Scheme”** means the Valiant- Employees Stock Option Plan-2022 under which the Company is authorized to grant Employee Stock Options to the Employees.
- xvi. **“Exercise”** means making of an application by an Employee to the Company for issue of Equity Shares against Vested Options in pursuance of the ESOP - 2022, in accordance with the procedure laid down by the Company for such exercise.
- xvii. **“Exercise Period”** means such time period after Vesting within which the Employee should exercise the Options vested in him/her in pursuance of the ESOP - 2022.
- xviii. **“Exercise Price”** means the price payable by an Employee in order to exercise the Options granted to him/her in pursuance of the ESOP – 2022.
- xix. **“Fair Value of the Option”** means the value computed in respect of the Options granted based on the date of grant by use of mathematical/ statistical model such as Black Scholes.
- xx. **“Grant”** means the process by which the Company shall issue Options to the Employees under the ESOP - 2022.
- xxi. **“Grant Date”** means the date on which the NRC/compensation committee approves the grant. For accounting purposes, the grant date will be determined in accordance with applicable accounting standards;
- xxii. **“General Meeting”** means an annual general meeting or an extraordinary general meeting of the members of the Company held by the Company in compliance with the Companies Act.
- xxiii. **“Grantee”** means an Employee who receives an offer of Options from the Company or the Committee under the Scheme.
- xxiv. **“Group”** means two or more companies (present or future) which, directly or indirectly, are in a position to—
 (i) exercise twenty-six per cent or more of the voting rights in the other company; or
 (ii) appoint more than fifty per cent of the members of the Board of Directors in the other company; or
 (iii) control the management or affairs of the other company;
- xxv. **“Holding Company”** means a holding company (present or future) as defined in sub-section (46) of section 2 of the Companies Act, 2013.
- xxvi. **“Insider”** shall have the same meaning assigned to it under the Securities and



Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- xxvii. **“Independent Director”** shall have the same meaning assigned to it under the provisions of Companies Act, 2013 read together with the rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- xxviii. **“Key Managerial Personnel”** shall have the same meaning as defined under section 2(51) of the Companies Act, 2013.
- xxix. **“Long Leave”** means a sanctioned leave in excess of 60 days without break.
- xxx. **“Market Price”** means the latest available closing price on a recognised stock exchange on which the shares of the company are listed on the date immediately prior to the relevant date.
- xxxi. **“Merchant banker”** means a merchant banker as defined under regulation 2(1)(cb) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, which is registered under section 12 of the Act;
- xxxii. **“Option Grantee”** means an Employee having a right but not an obligation to exercise an Option in pursuance of the ESOP - 2022.
- xxxiii. **“Permanent Disability”** means any incapacity 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 Board/Committee based on a certificate of a medical expert identified by the Company.
- xxxiv. **“Promoter”** shall have the same meaning as assigned to the term under the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended read with Companies Act.
- xxxv. **“Promoter Group”** shall have the same meaning assigned to the term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
- xxxvi. **“Relative”** shall have the same meaning as defined under section 2(77) of the Companies Act, 2013.
- xxxvii. **“Relevant date”** means,-
 (i) in the case of grant, the date of the meeting of the compensation 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;
- xxxviii. **“Retirement”** means retirement as per the policies/rules of the Company.
- xxxix. **“SEBI”** means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.



- xI. **“SEBI (SBEB and Sweat Equity) Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended and reenacted from time to time and includes any clarifications or circulars issued thereunder.
- xli. **“Secretarial Auditor”** means a company secretary in practice appointed by a company under rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit pursuant to regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Section 204 of the Companies Act.
- xlii. **“Securities”** means securities as defined in section 2(h) of the Securities Contracts (Regulation) Act, 1956.
- xliii. **“Shares”** means Equity Shares of the Company within the meaning of this Scheme.
- xliv. **“Stock Exchange or Recognized stock exchange”** means the National Stock Exchange of India Ltd, The BSE Ltd or any other Recognized stock exchange in India on which the Company's Shares are listed or to be listed in future and shall have the same meaning attributed to it under Section 2(j) of the Securities Contracts (Regulation) Act, 1956, as amended.
- xlv. **“Subsidiary”** means a subsidiary of the Company (present or future) as per the definition under Section 2 (87) of the Companies Act, 2013.
- xlvi. **“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.
- xlvii. **“Vesting”** means process by which the Employee becomes entitled to receive the benefit of a Grant made to him in pursuance of the ESOP – 2022.
- xlviii. **“Vesting Condition”** means any condition subject to which the Options granted would vest in an Option Grantee.
- xlix. **“Vesting Period”** means the period during which the vesting of the Employee Stock Option granted to the Employee, in pursuance of ESOP - 2022 takes place.
- l. **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.

2.2 Interpretation

In this Scheme, unless the contrary intention appears:

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



- e) reference to Company shall refer to the Company and / or its Subsidiary Company (present or future) where the contexts so requires, in case Options are granted to the Employees of Holding Company or its Subsidiary Company in future.

Words and expressions used and not defined herein but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 or the Companies Act, 2013 and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation.

3. Authority

- 3.1 The shareholders of the Company by way of special resolution through Postal Ballot on June 15, 2022 approved the Plan authorizing the Committee to Grant not exceeding 10,00,000 (Ten Lakhs) Options to the eligible Employees in one or more tranches, from time to time, which in aggregate shall be exercisable into not more than 10,00,000 (Ten Lakhs) Shares of face value of Rs. 10/- each fully paid up, with each such Option conferring a right upon the Employees to apply for one Share in the Company in accordance with the terms and conditions as may be decided under the Plan.
- 3.2 The maximum number of Options that shall be granted to any specific Employee(s) of the Company or its Subsidiary Company, Group Company, Associate Company (present or future) under ESOP-2022, in any financial year and in aggregate under the ESOP-2022 shall not be equal to or exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company and in aggregate at the time of grant of Options, if the prior specific approval from members of the Company through a special resolution to this effect is not obtained. The appraisal process for determining the eligibility of the Employee will be specified by the Committee of the Board and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the Committee from time to time.
- 3.3 If an Employee Stock Option expires, lapse, gets cancelled, surrendered or becomes un-exercisable due to any reason/s, it shall be brought back to the Employee Stock Options pool and shall become available for future Grants, subject to compliance with the provisions of Applicable Law.
- 3.4 Where Shares are allotted consequent upon Exercise of an Employee Stock Option under the ESOP - 2022, the maximum number of Shares that can be allotted under ESOP - 2022 as referred to in Sub-clause 3.1 above shall stand reduced to the extent of such Shares allotted.
- 3.5 In case of a Share split, merger, demerger, sale of division, consolidation, rights issues, bonus issues and other corporate actions, if the revised face value of an Equity Share is less or more, as the case may be, then the current face value as prevailing on the date of coming into force of this Scheme, the maximum number of Shares available under ESOP - 2022 as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares x face value per Share) prior to such split or consolidation remains unchanged after such split or consolidation.



4. Administration

- 4.1 The ESOP - 2022 shall be administered by the Committee as may be authorized by the Board. All questions of interpretation of the ESOP – 2022 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the ESOP – 2022, in compliance with Applicable Law.
- 4.2 The Committee shall in accordance with this Scheme and Applicable Law determine the following:
- (a) The Eligibility Criteria for grant of Employee Stock Options to the Employees;
 - (b) The quantum of Employee Stock Options to be granted under the ESOP - 2022 per Employee and in aggregate subject to ceiling specified in Sub-clause 3.1;
 - (c) The kind of benefits to be granted under ESOP - 2022;
 - (d) Detailed terms and conditions in respect of grant to, vest in and exercise of Options by the Employees and determination of Exercise Price which may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP - 2022;
 - (e) The procedure for making a fair and reasonable adjustment in case of corporate actions such as merger, demerger, sale of division, stock-split, stock consolidation, rights issues, bonus issues and others;
 - (f) The procedure and terms for the Grant, Vest and Exercise of Employee Stock Options in case of Employees who are on Long Leave;
 - (g) Deciding on disallowance of Options in case of misconduct on the part of Option Grantee.
 - (h) The procedure for Vesting in case of termination of employment, if required;
 - (i) The procedure for cashless Exercise of Employee Stock Options, if required; and
 - (j) the procedure for buy-back of specified securities issued under these regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
 - (i) permissible sources of financing for buy-back;
 - (ii) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
 - (iii) limits upon the quantum of Employee Stock Options that the Company may buy-back in a financial year.
- 4.3 Approve forms, writings and/or agreements for use in pursuance of the ESOP - 2022.
- 4.4 The Committee shall frame suitable policies and procedures to ensure that there is no violation of Companies Act, 2013 securities laws including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India



(Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, each as amended, by the Company and its Employees, as and when such Regulations are made applicable to the Company.

4.5 Any other related or incidental matters.

5. Eligibility and Applicability

5.1 Only Employees within the meaning of this Scheme are eligible for being granted Employees Stock Options under ESOP - 2022. The specific Employees to whom the Employees Stock Options would be granted and their Eligibility Criteria would be determined by the Committee.

5.2 The Scheme shall be applicable to the Company and any successor Company thereof, Subsidiary Companies, Associate Company, Group Company (present or future) and may be granted to the Employees and Directors of the Company, or its Subsidiary Company or Associate Company or Group Company, as determined by the Committee at its own discretion.

Provided that in case of any Grant of Option to the Employees of its Subsidiary Company or Associate Company or Group Company, prior approval of the shareholders shall be obtained as per provisions of the Applicable Law.

- 5.3 Where the Employee is a Director nominated by an institution as its representative on the Board of Directors of the Company –
- i the contract or agreement entered into between the institution nominating its employee as the Director of the Company, and the Director so appointed shall, inter alia, specify the following:
 - a. whether the Employees Stock Options granted by the Company under the Scheme(s) can be accepted by the said Employee in his capacity as Director of the Company;
 - b. that Options if granted to the Director, shall not be renounced in favour of the nominating institution; and
 - c. the conditions subject to which fees, commissions, other incentives, etc. can be accepted by the Director from the Company.
 - ii the institution nominating its employee as a Director of the Company shall file a copy of the contract or agreement with the Company, which shall, in turn file the copy with all the Stock Exchanges on which its Shares are listed.
 - iii the Director so appointed shall furnish a copy of the contract or agreement at the first Board meeting of the Company attended by him after his nomination.

6. Grant and Acceptance of Grant

6.1 Grant of Options

(a) Grants contemplated under the ESOP-2022 shall be made on such day and month as decided by the Committee at its discretion.

(b) Each Grant of Option under the ESOP-2022 shall be made in writing by the Company to the eligible Employees by way of letter of Grant containing specific details of the Grant, and disclosure requirements, as prescribed under Applicable Laws.



6.2 Acceptance of the Grant

Any eligible Employee who wishes to accept the Grant made under this Plan must deliver to the Company a duly signed acceptance of the letter of Grant on or before the date (“**Closing Date**”) which shall not be more than 60 days from the date of the Grant, as specified in the letter of Grant. On receipt by the Company of the signed acceptance, the eligible Employee will become an Option Grantee.

- 6.3 Any eligible Employee, who fails to deliver the signed acceptance of the letter of Grant on or before the Closing Date stated above, shall be deemed to have rejected the Grant unless the Committee determines otherwise.

7. Vesting Schedule and Vesting Conditions

- 7.1 The Options granted shall Vest so long as an Employee continues to be in the employment of the Company or its Subsidiary Company or Associate Company or Group Company as the case may be. The Committee may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such Vesting, and the proportion in which Options granted would vest subject to the minimum Vesting Period of 1 (one) year.
- 7.2 The Vesting dates in respect of the Options granted under the Scheme may vary from Employee to Employee or any class thereof and/or in respect of the number or percentage of Options granted to an Employee.
- 7.3 Options shall vest essentially based on continuation of employment and apart from that the Committee may prescribe other performance / other condition(s) for Vesting. The Vesting may occur in tranches or otherwise.
- 7.4 Options granted under ESOP-2022 would vest subject to a maximum period of 7 years from the date of respective grant of such Options.
- 7.5 The specific Vesting schedule and conditions subject to which Vesting would take place would be outlined in the document(s) given / communication made to the Option Grantee at the time of Grant of Options.

8. Exercise

8.1 Exercise Price:

- (a) The Exercise Price shall be as may be decided by the Committee as is allowed under the Companies Act / SEBI (SBEB and Sweat Equity) Regulations which in any case will not be lower than the face value of the Equity Shares of the Company on the date of such Grant. Further the Exercise Price can be different for different sets of Employees for Options granted on same / different dates.
- (b) Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board/Committee may decide.
- (c) No amount shall be payable by the Option Grantee at the time of Grant and hence no amount is required to be forfeited even if an Employee does not Exercise the Options within



Exercise Period and accordingly no adjustment is required to be made for the same.

8.2 Exercise Period:

(a) While in employment:

- (i) The Exercise Period shall not be more than 3 years from the date of respective Vesting of Options. The Options granted may be exercised by the Grantee at one time or at various points of time within the Exercise Period as determined by the NRC Committee from time to time.
- (ii) The Vested Options shall be exercisable by the Employees by a written application (or by electronic means) to the Company expressing his/ her desire to Exercise such Options in such manner and on such format as may be prescribed by the Nomination and Remuneration Committee from time to time. The Options shall lapse if not Exercised within the specified Exercise Period.

(b) Exercise Period in case of separations: Options can be Exercised as per provisions outlined below:

Sr. No.	Separations	Vested Options	Unvested Options
1	Resignation	Subject to the terms and conditions formulated by the Committee, all Vested Options as on date of submission of resignation may be Exercised by the Option Grantee on or before his last working day with the Company.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
2	Termination (With cause like fraud, misconduct etc.)	All Vested Options which were not allotted at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	Termination (Without cause)	All Vested Options which were not allotted at the time of such termination may be Exercised by the Option Grantee on or before his last working day with the Company.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.





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4	Retirement or early Retirement approved by Company	All Vested Options as on date of retirement may be Exercised by the Option Grantee within the period as permitted by NRC committee at the time of such retirement or early retirement.	All Unvested Options shall vest immediately on the date of retirement (subject to minimum Vesting Period of 1 year from date of Grant) and may be exercised by the Option Grantee on or before his last working day with the Company.
5	Death	All Vested Options may be Exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 12 months from the date of death.	All Unvested Options as on the date of death shall vest immediately and may be Exercised by the Option Grantee's nominee or legal heir/s within 12 months from the date of death.
6	Permanent Disability	All Vested Options may be Exercised by the Option Grantee or, if the Option Grantee is himself, unable to Exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 12 months from the date of such disability.	All Unvested Options as on the date of such permanent disability shall vest immediately and can be Exercised by the Option Grantee or if the Option Grantee is himself unable to Exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 12 months from the date of such disability.
7	Abandonment*	All the Vested Options shall stand cancelled.	All the Unvested Options shall stand cancelled.
8	Any other reason not specified above	The NRC committee shall decide whether the Vested Options as on that date can be Exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

**The Board/Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned. Provided that, in accordance with Applicable Law, notwithstanding anything to the contrary contained herein, the Company shall not vary the terms of the ESOP 2022 in any manner which may be detrimental to the interests of the Employees.*

8.3 In the event of transfer of an Employee from the Company to its Subsidiary(ies) company or Associate Company (present or future), the Unvested Options as on the date of transfer, shall





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continue to vest as per the original Vesting schedule and be Exercised, subject to the compliance of the Applicable Law.

8.4 In the event that an Employee who has been granted benefits under a Scheme, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing Company, prior to the Vesting or Exercise, the treatment of Options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Employee.

8.5 **Laps of Options:**

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

9. Lock-in

The Shares issued upon Exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such Exercise. However, the Board or Committee as may be authorised by the Board may, in some cases, provide for lock-in of Shares issued upon Exercise of Options.

Provided that the transferability of the Equity Shares shall be subject to the restriction for such period in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended from time to time or for such other period as may be stipulated from time to time in terms of Company's Code of Conduct for Prevention of Insider Trading as and when such Regulations are made applicable to the Company.

10. Surrender of Options

An Employee may surrender his/her Vested /Unvested Options at any time during / post his employment with the Company. Any Employee willing to surrender his/her Options shall communicate the same to the Board or Committee in writing. Thereafter the surrendered Options shall be brought back to the Employee Stock Options pool and shall become available for future grant of Options.

11. Exit route

If the Company gets de-listed from all the Stock Exchange/s, then the Board shall have the powers to set out terms and conditions for the treatment of Vested Options and Unvested Options in due compliance of the Applicable Laws.

12. Method of Valuation

The Company will follow a fair value method for computing the compensation cost, if any, for the Options granted. The Company will follow IND AS/ any other requirements for accounting of the Employees Stock Options as are applicable to the Company for the same.

13. Other Terms and Conditions

13.1 The Employee shall not have a right to receive any dividend or to vote or in any manner



enjoy the benefits of a shareholder in respect of Employee Stock Options granted, till Shares underlying such Employee Stock Options are allotted by the Company on Exercise of such Employee Stock Option.

- 13.2 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.
- 13.3 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 13.4 If the Company issues bonus Shares or rights Shares, the Option Grantee shall not be eligible for the bonus or rights Shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with clause 4.2 of ESOP - 2022.
- 13.5 Employee Stock Options shall be personal to the Option Grantee and shall not be transferable to any person except in the event of death of the Option Grantee, in which case provisions in table under Sub-clause 8.2(b) would apply.
- 13.6 No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to any benefit arising out of the Employee Stock Option or to Exercise the Employee Stock Option except in the event of the death of the Option Grantee, in which provisions in table under Sub-clause 8.2 (b) would apply.

Provided that, subject to the Applicable Laws, the Company may fund or permit the empaneled stock brokers to make suitable arrangements to fund the Employee for payment of Exercise Price, the amount necessary to meet his/her tax obligations and other related expenses pursuant to Exercise of Options granted under the ESOP-2022 and such amount shall be adjusted against the sale proceeds of some or all the Shares of such Employee.

- 13.7 Subject to the provisions of Applicable Law, including the Companies Act, 2013, the Company may at its sole discretion provide financial assistance to the Employees of such amounts and on such terms as may be deemed fit, to enable them to Exercise the Options.

14. Taxation

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



obligations, if any, have been satisfied by the Option Grantee in full.

15. Authority to vary terms

The Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the ESOP - 2022, subject to compliance with the Applicable Law.

16. Miscellaneous

16.1 Government Regulations

The ESOP - 2022 shall be subject to all Applicable Law. The Grant of Options and allotment of Shares to the Employees under this ESOP – 2022 shall be subject to the Company requiring the Employees to comply with all Applicable Law.

16.2 Inability to obtain authority

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

16.3 Neither the existence of this Scheme 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 shall in future have any such right, entitlement or expectation to participate in this Scheme by being granted an Employee Stock Option on any other occasion.

16.4 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 compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

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

16.6 Participation in ESOP - 2022 shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the Market Price of the Shares, if any and the risks associated with the investments are that of the Employee alone.

16.7 Insider Trading etc. as and when applicable.

The Employee shall ensure that there is no violation of:

- a. Companies Act, 2013
- b. SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time; and
- c. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended from time to time; and



d. Any other regulations to prevent fraudulent or harmful practices relating to the securities market.

The Employee shall keep the Company, the Board, the Committee fully indemnified in respect of any liability arising for violation of the above provisions.

17. Accounting and Disclosures

- 17.1 The Company shall follow the laws/regulations applicable to accounting and disclosure related to Employee Stock Options, including section 133 of the Companies Act but not limited to SEBI (SBEB and Sweat Equity) Regulations as well as the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the regulatory authorities from time to time, including the disclosure requirements prescribed therein, as and when applicable to the Company.
- 17.2 The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features/Scheme document of the ESOP - 2022 in a format as prescribed under SEBI (SBEB and Sweat Equity) Regulations or any other Applicable Law as in force.
- 17.3 The Company shall disclose details of Grant, Vest, Exercise and lapse of the Employee Stock Options in the Directors' Report or in an annexure thereof as prescribed under Companies Act, SEBI (SBEB and Sweat Equity) Regulations or any other Applicable Laws as in force.

18. Certificate from Secretarial Auditors

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the Secretarial Auditors of the Company that the Scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the Company in the general meeting.

19. Governing Laws

19.1 The terms and conditions of the ESOP- 2022 shall be governed by and construed in accordance with the Applicable Law including the Foreign Exchange Laws mentioned below.

19.2 Foreign Exchange Laws

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

20. Notices

20.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP - 2022 shall be in writing or electronic mode. 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 to the prospective /existing Option Grantee during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

20.2 Any communication to be given by an Option Grantee to the Company in respect of ESOP - 2022 shall be sent to the person at the address mentioned below or e - mailed at:

Designation: Compliance Officer

Address: 109, Udyog Kshetra, 1st Floor, Mulund Goregoan Link Road, Mulund (W), Mumbai-400080

Email : co.vol@valiantorganics.com

21. Jurisdiction

- 21.1 The Courts/National Company Law Tribunal, as the case may be, in Mumbai, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP - 2022.
- 21.2 Nothing in this Clause shall however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP - 2022:
- (i) In any other court of competent jurisdiction; or
 - (ii) Concurrently in more than one jurisdiction.

22. Severability

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

23. Confidentiality

- 23.1 An Option Grantee must keep the details of the ESOP- 2022 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this Clause on confidentiality, all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this Clause on confidentiality shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Board shall have the authority to deal with such cases as it may deem fit.



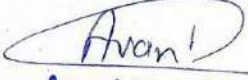


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- 23.2 On acceptance of the Grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Scheme or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need to know basis.



For VALIANT ORGANICS LIMITED


Avani D. Lakhani
Company Secretary
ICSI M. No. A47118