



TEJAS NETWORKS LIMITED ESOP / RSU SCHEMES



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TEJAS EMPLOYEE STOCK OPTION PLAN 2014

Tejas Networks Limited (the "**Company**") is engaged in the business of research, design, development, manufacturing and selling networking equipment. The Company has a team of competent professionals of high caliber who have a track record of delivering high quality solutions.

Objectives:

The Company is currently pursuing a high growth path. Combined with strategic visions of the core team and a balanced work force, the Company is seeking to establish itself as a preeminent player in the networking equipment field.

The Company fully recognizes that to achieve this, contribution from Employees is significant and critical. It is proposed to introduce an ESOP Plan to recognize and reward key Employees who would play an important role in the future of the Company.

It is expected that this ESOP Plan would provide incentive and motivate the Employees to catapult the Company in a high growth trajectory thereby increasing and improving the value of their own holding.

Thus, it has been proposed to introduce an ESOP Plan titled "**Tejas Networks Limited Employee Stock Option Plan – 2014**" (the "**ESOP Plan**").

The other key objectives are:

- to attract and retain the best available personnel for positions of substantial responsibility;
- motivate Employees to perform better and achieve a greater value for their shareholding in the Company;
- reward performing Employees with additional stock options;
- encourage Employees to participate in the growth of the Company;
- to promote the success of the Company's business.

MAIN FEATURES OF THE ESOP PLAN

- a) Options are given to identify performing Employees of the Company as well as new Employees;
- b) Option entitlements are determined on the basis of various parameters as laid down by the Board;
- c) The Compensation Committee shall have the requisite authority for implementation of the ESOP Plan in accordance with the directions of the Board;
- d) Options are structured in such a manner that the Employee is entitled for cascading benefits and also for rewarding past performance.

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ESOP PLAN STRUCTURE – MAIN GUIDELINES GOVERNING ESOP PLAN

1. DEFINITIONS

- 1.1. **“Board”** means the duly constituted Board of Directors of the Company in accordance with the Articles of Association of the Company for the time being in force and subject to the applicable provisions of the Companies Act 2013, and as may be constituted / reconstituted in such manner from time to time.
- 1.2. **“Beneficiary”** means any beneficiary or beneficiaries nominated, from time to time, by each Employee under the ESOP Plan to whom any benefit under the ESOP Plan is to be delivered in case of his or her death before he or she receives all of such benefit.
- 1.3. **“Closing Date”** means the last date on which the Grantee can accept & communicate to the Company the acceptance of the Options Granted to the Grantee.
- 1.4. **“Company”** for the purposes of this ESOP Plan shall mean Tejas Networks Limited.
- 1.5. **“Compensation Committee”** is a committee constituted by the Board and its objectives among others includes the administration, implementation and superintendence of the ESOP Plan of the Company in accordance with the ESOP Guidelines.
- 1.6. **“Effective Date”** of the ESOP Plan shall be September 24, 2014.
- 1.7. **“Eligible Employee”** means an Employee eligible for Grant of Options under clause 2 of this ESOP Plan.
- 1.8. **“Employee(s)”** means:
 - (a) a permanent employee of the company working in India or out of India; or
 - (b) a director of the company, whether a whole time director or not but excluding an independent director; or;
 - (c) An employee as defined above in sub clauses (a) and (b) of the Company's Subsidiary/ Holding Company in India or outside India.
- 1.9. **“ESOP Plan”** shall mean the Company Employee Stock Option Plan-2014 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.
- 1.10. **“ESOP Guidelines”** means provisions and Rules relating to Employee Stock Option Scheme prescribed in the Companies Act, 2013 and the Securities and Exchange Board of India (Share Based Employment Benefits) Regulations, 2014.
- 1.11. **“Exercise”** means making of an application by the Employee to the Company for issue of Shares against Option(s) Vested in him in pursuance of this ESOP Plan.
- 1.12. **“Exercise Date”** means the date on which the Employee Exercises his Vested Options and in case of partial Exercise, shall mean each date on which the Employee Exercises part of his Vested Options.

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- 1.13. "**Exercise Period**" means the time period after Vesting within which the Employee should Exercise his right to apply for Shares against the Option(s) Vested in him in pursuance of the ESOP Plan.
- 1.14. "**Exercise Price**" means the price payable by the Employee for Exercising the Option Granted to him in pursuance of ESOP Plan.
- 1.15. "**Grant**" means issue of Option to Employees under this ESOP Plan.
- 1.16. "**Grant Date**" means the date on which a Grant is made to an Employee.
- 1.17. "**Individual Grant Notices**" means the Grant Notices issued to Employees setting out the terms and conditions of issue of Options, Vesting Period, Exercise procedure and such other terms as may be necessary.
- 1.18. "**Law**" means any statute, law, regulation, ordinance, rule, judgment, notification, rule of common law, order, decree, bye-law, government approval, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, whether in effect as of the date of this ESOP Plan or thereafter.
- 1.19. "**Option**" means a right but not an obligation Granted to an Employee in pursuance of the ESOP Plan to apply for Shares of the Company at the Exercise Price, in accordance with the ESOP Plan.
- 1.20. "**Optionee**" means the holder of an outstanding Option granted pursuant to this ESOP Plan.
- 1.21. "**Promoter**" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- 1.22. "**Promoter Group**" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Provided where the Promoter or Promoter Group is a body corporate, the Promoters of that body corporate shall also be deemed to be Promoters of the Company.
- 1.23. "**Share**" means equity shares and securities convertible into equity shares and shall include American Depository Receipts (ADRs), Global Depository Receipts (GDRs), or other depository receipts representing underlying equity shares or securities convertible into equity shares.
- 1.24. "**Shareholder**" means the registered holder of a Share in the share capital of the Company.
- 1.25. "**Stock Option Agreement**" means an agreement entered into between the Company and the Employee as specified under clause 6 of this ESOP Plan.

- 1.26. **"Tejas Employees Welfare Trust"** means the trust set up by the Company for various purposes and among others including facilitating / assisting in the issue of Options / Shares under the ESOP Plan and such other work as directed by the Board from time to time in accordance with the provisions of the ESOP Guidelines.
- 1.27. **"Termination Date"** means the date of termination of employment by the Employee with the Company.
- 1.28. **"Unvested Option"** means an Option, which is not a Vested Option.
- 1.29. **"Vesting"** means the process by which the Employee is given the right to apply for Shares of the Company against the Option Granted to him in pursuance of the ESOP Plan and as per the terms specified in the Individual Grant Notices.
- 1.30. **"Vesting Date"** means the date on and from which the Option Vests with the Employee and thereby becomes Exercisable.
- 1.31. **"Vesting Period"** means the period during which the Vesting of the Option Granted to the Employee in pursuance of the ESOP Plan takes place.
- 1.32. **"Vested Option"** means an Option, which has Vested under sub-heading "Vesting of Option" with the Employee and has thereby become Exercisable.

2. ELIGIBILITY

- 2.1. All Employees are eligible for participation in the ESOP Plan. The Compensation Committee shall periodically recommend the names of Employees for the purposes of Granting Options under the ESOP Plan of the Company. This shall be based on the performance of the person, future potential of the person, criticality of his job towards Company's success and their tenure of Employment in the Company.
- 2.2. The following persons shall not be eligible to participate in the ESOP Plan:

Promoter(s); or

- Belonging to the Promoter Group; or
- A director who either by himself or through his relative or through anybody corporate, directly or indirectly, holds more than 10 percent of the outstanding equity shares of the Company.
- An Independent Director

[Note: For clarification of doubt, "Independent Director" shall have the meaning assigned to it under regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

3. COMPENSATION COMMITTEE

- 3.1. The Board has formed a Compensation Committee; such committee constitutes members who were nominated by the Board in accordance with the ESOP Guidelines. The Compensation Committee shall be responsible for the administration and the

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superintendence of the ESOP Plan. The Compensation Committee shall consist of a majority of Independent Directors.

3.2. The terms of reference of the Compensation Committee shall include:

- a) The quantum of Option to be Granted per Employee and in aggregate;
- b) The conditions under which Options Vested in Employees may lapse, such as in the case of termination of employment for misconduct in accordance with the policies laid down by the Company in this regard;
- c) The Vesting schedule specifying how the Options would Vest in respect of the Employees.
- d) The Exercise Period within which the Employee should Exercise the Option and that Option would lapse on failure to Exercise the Option within the Exercise Period;
- e) The specified time period within which the Employee shall Exercise the Vested Options in the event of termination or resignation of any Employee;
- f) The right of an Employee to Exercise all the Options Vested in him at one time or at various points of time within the Exercise Period;
- g) The procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price, including in situations such as rights issues, bonus issues and other corporate actions;

In this regard following shall be taken into consideration by the Compensation Committee:

- (i) the number and the price of the Options shall be adjusted in a manner such that total value of the Options remains the same after the 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 options shall be left unaltered as far as possible to protect the rights of the option holders;
- h) Accelerating the Vesting schedule including but not limited to any change of control of the Company For the purpose of this clause, Change of Control shall mean (i) a merger, acquisition, sale of voting control or other business combination such that the current shareholders of the Company prior to such transaction do not hold more than 50% of the voting power of the acquiring or surviving corporation.
 - i) any alterations, modification and such other actions or decisions that may be required for complying with the applicable law;
 - j) The Grant, Vest and Exercise of Option in case of Employees who are on long leave; and
 - k) Procedure of cashless exercise of options.
 - l) Increase or decrease the terms with regard to vesting as well as exercising Options.

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- 3.3. All decisions made by the Compensation Committee in the matter referred to above shall be conclusive and binding on all parties concerned (including, but not limited to, Employee and/ or Employees and their beneficiaries or successors). Neither the Company, nor the Compensation Committee shall be liable for any action or determination made in good faith with respect to the ESOP Plan or any Option Granted there under.
- 3.4. The Board of Directors shall frame suitable policies to ensure that there is no violation of the provisions and Rules relating to Employee Stock Option Scheme prescribed in the Companies Act, 2013.

4. ESOP SIZE

- 4.1. This ESOP Plan would be for a total of 71,01,767 Shares of Rs. 10/- each, available for Grant to the Eligible Employees, as determined by the Board / Compensation Committee. The shares under this ESOP Plan may be allotted on behalf of the employees of the Company directly through the Company or to the Tejas Employees Welfare Trust
- 4.2. This ESOP Plan would be called "Tejas Employee Stock Option Plan – 2014" and any ESOP Plans that may be formulated at subsequent dates would be called "the ESOP Plan (*year of operation*)". This ESOP Plan would be for the stated quantity of Shares that would be allotted to the present Employees / future Employees of the Company / its subsidiary companies.

5. ESOP PRICING

- 5.1. Each Option issued by the Company to the Employees, would be eligible for allotment into One Share of the Company by payment of the Exercise Price.
- 5.2. The Exercise Price shall be determined by the Compensation Committee subject to compliance with the provisions of the ESOP Guidelines.

6. GRANT OF OPTIONS

- 6.1. The Option distribution would be done in accordance with the recommendations of the Compensation Committee to the present / future Employees of the Company / its subsidiary Companies.
- 6.2. The Options would be issued either directly by the Company or through Tejas Employees Welfare Trust in accordance with the provisions of the ESOP Guidelines. In case the ESOP Plan is administered through the Tejas Employees Welfare Trust, the accounts of the Company shall be prepared as if the Company itself is administering the ESOP Plan.
- 6.3. Eligible Employees of the Company would be Granted an Option in pursuance of the ESOP Plan to apply for Shares of the Company at the Exercise Price. Employees would be issued Grant Notices and may enter into an agreement ("**Stock Option Agreement**") stating, amongst other matters, the following:

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- The quantum of Option offered to the Employee under the ESOP Plan
 - The Vesting Period and the terms of Vesting
 - The Exercise procedure and the Exercise Price
 - The terms and conditions of the Options
 - Cessation of service
 - Rights as option holder
- 6.4. The Grant of the Options by the Compensation Committee to the Employee shall be made in writing and communicated to the Employee by way of the Individual Grant Notice. Such a Grant shall state the number of Options Granted, the Exercise Price and the Closing Date of accepting the Grant.
- 6.5. The Closing Date shall not be more than 60 (Sixty) days from the Grant Date.
- 6.6. A Grant made to an Employee, is personal to the Employee and cannot be transferred in any manner whatsoever except as provided under this ESOP Plan.
- 6.7. Any Employee who wishes to accept the Grant made, must signify his acceptance on the Individual Grant Notice, duly completed as required therein to the Compensation Committee on or before the Closing Date stated in the Individual Grant Notices. Any Employee who fails to communicate his / her acceptance before the Closing Date, is deemed to have accepted the Grant.

7. VESTING OF OPTIONS

- 7.1. There shall be a minimum period of one year between the grant of Option and the Vesting of Option. In the case of new employee, the minimum period of one year shall be reckoned from the date of joining.
- 7.2. Upon the Employee continuing in the employment of the Company and upon compliance with the terms of this ESOP Plan, the Options Granted by the Company on the recommendations of the Compensation Committee would Vest with the Employees over the Vesting Period set out in the Grant Notice.
- 7.3. The Compensation Committee may also prescribe a different Vesting schedule for different Employees based on reasons to be recorded in writing in accordance with the ESOP Guidelines. Such Vesting schedule shall be as specified in the Individual Grant Notices issued to the Employees.
- 7.4. Unless otherwise decided by the Compensation Committee, 25% of Grant will vest after 12 months from the date of Grant, and the balance thereafter will vest at the rate of 6.25% per quarter.

8. EXERCISE PERIOD

- 8.1. The Exercise Period of the Option will commence from the Vesting Date as indicated above and expires upon the earliest of the following:

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- a) Not later than 15 years from the date of Vesting of Options, provided the Optionee continues to be employed by the Company; unless such period is further extended by the Compensation Committee.
- b) In the case of cessation of the continuous service of the Employee due to resignation of employment for reasons of normal retirement or an early retirement specifically approved by the Company – prior to the date of retirement or resignation (all such Options shall lapse on the date of retirement).
- c) In the event of resignation of the Employee other than by way of retirement as mentioned in (b) above – prior to the date of cessation of employment of the Employee (all such Options shall lapse on the date of cessation of employment).
- d) In case of death or permanent disability of the Employee, the Options can be Exercised by the Beneficiary of the Employee - within 5 days of such event or such other period as may be decided by the Board.
- e) Such lesser period as may be decided by the Compensation Committee in accordance with the provisions of the ESOP Guidelines.

9. EXERCISE OF AN OPTION

9.1. Vested Options can be Exercised only by the Employee in whom the Options have been vested.

9.2. The Employee in whom an Option is Vested would make an application to the Company for issue of Shares against the Option Vested in him. This application should be made after the Vesting Date within the Exercise Period. Vested Options can be Exercised in part or whole, provided however that all Exercise shall be made for share in multiples of whole integers [greater than 1 (one) and not for fractional shares viz. less than 1 (one)]. The Vested Options not Exercised, will continue to be available to the Optionee or the Beneficiary nominated by the Optionee, for Exercise, in case of specified circumstances such as death, disability, etc. upto such time frame as provided for in the ESOP Plan. All stock options shall be rounded down to the nearest 1(one) share.

9.3. Capitalization by way of issue of Bonus Shares

All the Options including those which are Vested but were not Exercised and / or, as well as the price per Share covered by each outstanding Option, may, subject to the recommendations of the Compensation Committee, be proportionately adjusted for any increase in the number of issued Shares resulting from issue of bonus shares without the receipt of consideration by the Company.

9.4. Issue of Rights Shares

All the Options including those which are Vested but were not Exercised and / or the price per Share covered by each such outstanding Options, may, subject to the



recommendations of the Compensation Committee, be proportionately adjusted for any increase in the number of issued Shares resulting from the issue of rights shares.

9.5. Exercise of Options

9.5.1. Procedure for Exercise of Options

An Option Granted hereunder shall be Exercisable according to the terms hereof at such times and under such conditions as determined by the Compensation Committee and set forth in the Stock Option Agreement. The Option shall be deemed to be Exercised when the Company receives;

- written or electronic notice of Exercise (in accordance with the ESOP Plan) from the person entitled to Exercise the Option;
- full payment for the Shares with respect to which the Option is Exercised.

9.5.2. Exercise of Options in the case of separation of an Employee from the Company

In the event of separation of an Employee from the Company due to reasons of permanent and total disability of the Optionee, all the Options Granted to the Employee as on the date of such permanent and total disability shall Vest in him or her on that date and the Optionee may Exercise his or her Vested Options, immediately on the date of permanent and total disability.

In the event of death of an Employee while in employment with the Company, all the Options Granted to the Employee till the date of Optionee's death shall Vest in the Beneficiary nominated by the Optionee and the Vested Options may be Exercised by the Beneficiary immediately.

In the event of resignation from employment for reasons of normal retirement or an early retirement specifically approved by the Company, the Vested Options may be Exercised by the Optionee prior to the date of resignation or retirement. Vested Options not Exercised within the aforementioned period, shall lapse upon the expiry of the period specified herein. All Options not Vested as on that day shall expire and stand terminated with effect from that date.

In the event of resignation of the Employee (other than by way of retirement as mentioned above), all Options Granted, which are not Vested on the date of submission of resignation, shall expire and stand terminated with effect from that date. However, all Vested Options as on that date, shall be Exercised by the Employee immediately but not later than the last working day of the Employee. Vested Options not Exercised within the aforementioned period, shall lapse upon the expiry of the period specified herein.

In the event of abandonment of service by an Optionee without Company's consent, all Options Granted including those, which are Vested but were not Exercised at the time of abandonment of service, shall stand terminated with immediate effect. The date of abandonment of an Employee shall be decided by the Company at its sole discretion which decision shall be binding on all concerned.

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9.5.3. Breach of the policies of the Company or the terms of employment

In the event of breach of the policies of the Company or the terms of employment by the Optionee, during the term of his employment , including cases where the Employee is terminated for cause, all Options Granted, including those which are Vested but not Exercised at the time of such breach shall expire and stand terminated with effect from the date of such breach or termination of employment.

9.5.4. Cessation of ESOP Plan

In all the cases mentioned above - death / permanent disability / resignation / abandonment of service / breach of policies, the ESOP Plan with respect to the specific Employee shall cease to be in force and no further Options shall be claimed / Granted under the ESOP Plan to such Employees.

9.6. **Rights of the Option-holder**

The Employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a Shareholder in respect of Option Granted to him, till Shares are issued on Exercise of Option.

9.7. **Notices and correspondence**

9.7.1. Any notice required to be given by an Employee to the Company or the Compensation Committee or any correspondence to be made between an Employee and the Company or the Compensation Committee may be given or made to the Company / Compensation Committee at the registered office of the Company or at the place as may be notified by the Company / Compensation Committee in writing.

9.7.2. Any notice, required to be given by the Company or the Compensation Committee to an Employee or any correspondence to be made between the Company or the Compensation Committee and an Employee shall be given or made by the Company or the Compensation Committee on behalf of the Company at the address provided by the Employee in his acceptance form.

9.8. **Beneficiary designation**

Each Employee under the ESOP Plan may nominate, from time to time, any **Beneficiary** to whom any benefit under the ESOP Plan is to be delivered in case of his or her death before he or she receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Employee, shall be in a form prescribed by the Company as per Annexure-A and will be effective only when filed by the Employee in writing with the Company during the Employee's lifetime.

9.9. **Consequence of failure to Exercise Option**

The amount payable by the Employee, if any, at the time of Grant of Option:

- a) may be forfeited by the Company if the Option is not exercised by the Employee within the Exercise Period; or

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- b) the amount may be refunded to the Employee if the Options are not Vested due to non-fulfillment of condition relating to Vesting of Option as per the ESOP Plan.

9.10. Non-Transferability of Option/Shares

9.10.1 Option Granted to any Employee shall not be transferable to any person. No person other than the Employee to whom the Option is Granted shall be entitled to Exercise the Option except in the case of death of the Employee during employment as contemplated under this ESOP Plan. The Option Granted to the Employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

9.10.2 Shares acquired by any Employee pursuant to exercise of Options, can be freely transferable to immediate family members. Transfer of Shares to any other person apart from immediate family members shall be first offered for sale to the Company or its existing shareholders at a fair market price which shall be determined based on the audited financial statements of the Company for the financial year, immediately preceding the date of transfer in accordance with the applicable Law. Shares cannot be pledged, hypothecated, mortgaged or otherwise alienated in any other manner. The restrictions contained in this clause shall apply till such time the Shares of the Company are listed on any recognized stock exchange in India, after which time the Employee is free to deal with the Shares in any manner as he may deem fit in accordance with the applicable Law.

9.11. Re-Transfer of Shares upon resignation / termination

9.11.1. Upon resignation / termination of an Employee from the services of the Company, if required by the Company, the Employee shall transfer the Shares acquired by him out of such ESOP Plan, to Tejas Employees Welfare Trust, at a fair market price which shall be determined based on the audited financial statements of the Company for the financial year, immediately preceding the date of resignation / termination of the Employee in accordance with the applicable Law. The Beneficiary of the Employee who acquires Shares upon death of an Employee shall also be bound by this clause.

9.11.2 The Shares acquired by an Employee can be transferred to his immediate family members and no other transfer shall be permitted by the Company. Such Shares cannot be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

9.11.3. The restrictions contained in this clause shall apply till such time the Shares of the Company are listed on any recognized stock exchange in India, after which time the Employee is free to deal with the Shares in any manner as he may deem fit in accordance with the applicable Law.

10. GENERAL

This ESOP Plan shall not form part of any contract of employment between the Company and the Employees. Nothing in this ESOP Plan shall be construed as affording any Employee additional rights as to compensation or damages consequent to termination of employment for any reason. The Grant of ESOP does not guarantee continuation of employment.

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- 10.1. This ESOP Plan shall not confer on any person any legal or equitable rights, other than those which he / she would be entitled to as an ordinary member of the Company, against the Company either directly or indirectly or give rise to any cause of action in law or in equity against the Company.
- 10.2. This ESOP Plan would be subject to prevalent Indian Laws, regulations and the Stock Option Agreement.

11. STATUTORY COMPLIANCES

11.1. Approvals required

11.1.1. Approval of the Shareholders of the Company, by means of a special resolution, is required for this ESOP Plan. Accordingly, approval of the ESOP Plan will be obtained from the Shareholders at the Annual General Meeting with the following broad terms, as set out in the Notice / Explanatory Statement:

- a) The total number of Options to be Granted;
- b) Identification of classes of Employees entitled to participate in the ESOP Plan;
- c) Requirements of Vesting and period of Vesting;
- d) Maximum period within which the Option shall be Vested;
- e) Exercise Price or pricing formula for arriving the same;
- f) Exercise Period and process of Exercise;
- g) the Lock-in period, if any ;
- (i) the maximum number of options to be granted per employee and in aggregate;
- (j) the method which the company shall use to value its options;
- (k) the conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct;
- (l) the specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee; and
- (m) a statement to the effect that the company shall comply with the applicable accounting standards .
- (n) Grant of Option to Employees of subsidiary or holding company and,
- (o) Grant of Option to identified Employees, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Option.

11.2. Variation of terms of ESOP

- 11.2.1. The Company shall not vary the terms of the ESOP Plan in any manner, which may be detrimental to the interests of the Employees.
- 11.2.2. The Company may by special resolution in a general meeting vary the terms of ESOP Plan offered pursuant to an earlier resolution of a general body but not yet Exercised by the Employee provided such variation is not prejudicial to the interests of the Employee.
- 11.2.3. The notice for passing special resolution for variation of terms of ESOP Plan shall disclose full details of the variation, the rationale therefore, and the details of the Employees who are beneficiary of such variation.

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11.2.4. The Company may re-price the Options which are not Exercised, whether or not they have been Vested if the Options were rendered unattractive due to fall in the price of the Shares in the market. Provided that the Company ensures that such re-pricing shall not be detrimental to the interest of Employees and approval of shareholders in general meeting has been obtained for such re-pricing.

11.3. Reimbursement of Taxes:

The Company shall be reimbursed by the Employee in full, for any liability that the Company incurs towards any fringe benefit tax ("FBT") or other such tax paid or payable in respect of the vesting, exercise, release, cancellation, transfer of any Options, within the time prescribed by the Company. The Company may require security for such reimbursement of taxes as a precondition to exercise of any Options and the Optionees may be required to execute additional documents as requested by the Company for such security or otherwise for reimbursement of such taxes to the Company.

11.4. Employee Taxation

11.4.1. Subject to approval by the Income Tax Department of this ESOP Plan, currently there would be no tax liability on the Employee at the time of Exercise of the Option. At the time of eventual sale of the Shares by the Employee, the difference between the acquisition price and the sale price of the Shares would be liable to tax (capital gains). Such capital gains could either be long term or short term and taxed at the prevailing rates.

Disclaimer - In the event of any tax liability arising on account of the issue of the Options/conversion into Shares/sale of Shares or any other event, to the Employee the liability shall be that of the Employee alone.

11.4.2. In the event of any tax liability arising on account of the ESOP Plan to the Company, including any tax liability arising on account of the applicable fringe benefit tax incurred / paid or payable by the Company in respect of the Vesting, Exercise, release, cancellation of Options Granted by the Company, the Company on the advice of the Compensation Committee/ESOP shall have the right to collect / deduct, the same from the Employees. In this regard, the Company may require security for such reimbursement of taxes as a precondition to Exercise of any Option by the Optionee.

11.4.3. Employees are advised to consult their respective tax advisors.

12. DISCLOSURES

12.1.1. The Board of Directors shall, *inter alia*, disclose either in the Directors' report or in the annexure to the Director's report, the following details:

- a) Options Granted;
- b) Options Vested;
- c) Options Exercised;
- d) The total number of Shares arising as a result of Exercise of Option;
- e) Options lapsed;

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- f) Exercise Price
- g) variation of terms of Options;
- h) money realised by Exercise of Options;
- i) total number of options in force;
- j) Employee wise details of Options Granted to:-
 - (i) key managerial personnel;
 - (ii) any other Employee who receives a Grant in any one year of Option amounting to 5% or more of Option Granted during that year;
 - (iii) identified Employees who were Granted Option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant.

12.1.2. Any other disclosures as mandated by the accounting standards & policies.

13. CONFIDENTIALITY

No employee who holds any options or shares issued under the plan shall disclose the details of the plan and his / her holding, to any person, except with the prior permission of the Company.

14. ACCOUNTING POLICIES

The Company shall comply with the accounting policies specified in the ESOP Guidelines.

15. CERTIFICATE FROM AUDITORS

Post Company getting listed on the stock exchanges, as required the Board shall at each annual general meeting place before the shareholders a certificate from the auditors of the Company that the ESOP Plan has been implemented in accordance with the ESOP Guidelines and in accordance with the resolution of the Company in the general meeting.

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Annexure – A

NOMINATION FORM

Eligible employees may submit the following nomination form to nominate from time to time, any Beneficiary to whom any benefit under the ESOP Plan is to be delivered in case of his or her death before he or she receives all of such benefit. Incomplete forms may be considered ineligible for assessment.

Send the Completed Form to following address

Tejas Networks Limited
5th Floor, Plot No 25, J P Software Park
Electronic City, Phase 1,
Hosur Road,
Bangalore – 560 100
Ph: 080 - 41794600

Name of the Shareholder	Regd Folio no:
Address	Share certificate No:
	DP ID / Client ID:
	No of shares:

Nominee details

First name:	Surname:
Nominee's postal address: <i>(include postcode)</i>	
Nominee's Age:	
Nominee's phone number:	
Nominee's email address:	
Nominees Occupation:	

TEJAS EMPLOYEE STOCK OPTION PLAN 2014-A

Tejas Networks Limited (the "**Company**") is engaged in the business of research, design, development, manufacturing and selling networking equipment. The Company has a team of competent professionals of high caliber who have a track record of delivering high quality solutions.

Objectives

The Company is currently pursuing a high growth path. Combined with strategic visions of the core team and a balanced work force, the Company is seeking to establish itself as a preeminent player in the networking equipment field.

The Company fully recognizes that to achieve this, contribution from Employees is significant and critical. It is proposed to introduce an ESOP Plan to recognize and reward key Employees who would play an important role in the future of the Company.

It is expected that this ESOP Plan would provide incentive and motivate the Employees to catapult the Company in a high growth trajectory thereby increasing and improving the value of their own holding.

Thus, it has been proposed to introduce an ESOP Plan titled "**Tejas Networks Limited Employee Stock Option Plan – 2014-A**" (the "**ESOP Plan**").

The other key objectives are:

- to attract and retain the best available personnel for positions of substantial responsibility;
- motivate Employees to perform better and achieve a greater value for their shareholding in the Company;
- reward performing Employees with additional stock options;
- encourage Employees to participate in the growth of the Company;
- to promote the success of the Company's business.

ESOP – 2014-A is an extension of ESOP – 2014, all the terms and conditions remains unchanged, the main feature and terms and conditions are reproduced here below;

MAIN FEATURES OF THE ESOP PLAN

- a) Options are given to Identify performing Employees of the Company as well as new Employees;
- b) Option entitlements are determined on the basis of various parameters as laid down by the Board;



- c) The Nomination and Remuneration Committee shall have the requisite authority for implementation of the ESOP Plan in accordance with the directions of the Board;
- d) Options are structured in such a manner that the Employee is entitled for cascading benefits and also for rewarding past performance.

ESOP PLAN STRUCTURE – MAIN GUIDELINES GOVERNING ESOP PLAN

1. DEFINITIONS

- 1.1. **"Board"** means the duly constituted Board of Directors of the Company in accordance with the Articles of Association of the Company for the time being in force and subject to the applicable provisions of the Companies Act 2013, and as may be constituted / reconstituted in such manner from time to time.
- 1.2. **"Beneficiary"** means any beneficiary or beneficiaries nominated, from time to time, by each Employee under the ESOP Plan to whom any benefit under the ESOP Plan is to be delivered in case of his or her death before he or she receives all of such benefit.
- 1.3. **"Closing Date"** means the last date on which the Grantee can accept & communicate to the Company the acceptance of the Options Granted to the Grantee.
- 1.4. **"Company"** for the purposes of this ESOP Plan shall mean Tejas Networks Limited.
- 1.5. **"Nomination and Remuneration Committee"** is a committee constituted by the Board and its objectives among others includes the administration, implementation and superintendence of the ESOP Plan of the Company in accordance with the ESOP Guidelines.
- 1.6. **"Effective Date"** of the ESOP Plan shall be July 25, 2016
- 1.7. **"Eligible Employee"** means an Employee eligible for Grant of Options under clause 2 of this ESOP Plan.
- 1.8. **"Employee"** means:
 - (a) a permanent employee of the company working in India or out of India;
or
 - (b) a director of the company, whether a whole time director or not but excluding an independent director; or;
 - (c) An employee as defined above in sub clauses (a) and (b) of the Company's Subsidiary/Holding Company in India or outside India.

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- 1.9. **"ESOP Plan"** shall mean the Company Employee Stock Option Plan-2014-A and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.
- 1.10. **"ESOP Guidelines"** means provisions and Rules relating to Employee Stock Option Scheme prescribed in the Companies Act, 2013 and the Securities and Exchange Board of India (Share Based Employment Benefits) Regulations, 2014.
- 1.11. **"Exercise"** means making of an application by the Employee to the Company for issue of Shares against Option(s) Vested in him in pursuance of this ESOP Plan.
- 1.12. **"Exercise Date"** means the date on which the Employee Exercises his Vested Options and in case of partial Exercise, shall mean each date on which the Employee Exercises part of his Vested Options.
- 1.13. **"Exercise Period"** means the time period after Vesting within which the Employee should Exercise his right to apply for Shares against the Option(s) Vested in him in pursuance of the ESOP Plan.
- 1.14. **"Exercise Price"** means the price payable by the Employee for Exercising the Option Granted to him in pursuance of ESOP Plan.
- 1.15. **"Grant"** means issue of Option to Employees under this ESOP Plan.
- 1.16. **"Grant Date"** means the date on which a Grant is made to an Employee.
- 1.17. **"Individual Grant Notices"** means the Grant Notices issued to Employees setting out the terms and conditions of issue of Options, Vesting Period, Exercise procedure and such other terms as may be necessary.
- 1.18. **"Law"** means any statute, law, regulation, ordinance, rule, judgment, notification, rule of common law, order, decree, bye-law, government approval, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, whether in effect as of the date of this ESOP Plan or thereafter.
- 1.19. **"Option"** means a right but not an obligation Granted to an Employee in pursuance of the ESOP Plan to apply for Shares of the Company at the Exercise Price, in accordance with the ESOP Plan.
- 1.20. **"Optionee"** means the holder of an outstanding Option granted pursuant to this ESOP Plan.



- 1.21. **"Promoter"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- 1.22. **"Promoter Group"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Provided where the Promoter or Promoter Group is a body corporate, the Promoters of that body corporate shall also be deemed to be Promoters of the Company.
- 1.23. **"Share"** means equity shares and securities convertible into equity shares and shall include American Depository Receipts (ADRs), Global Depository Receipts (GDRs), or other depository receipts representing underlying equity shares or securities convertible into equity shares.
- 1.24. **"Shareholder"** means the registered holder of a Share in the share capital of the Company.
- 1.25. **"Stock Option Agreement"** means an agreement entered into between the Company and the Employee as specified under clause 6 of this ESOP Plan.
- 1.26. **"Tejas Employees Welfare Trust"** means the trust set up by the Company for various purposes and among others including facilitating / assisting in the issue of Options / Shares under the ESOP Plan and such other work as directed by the Board from time to time in accordance with the provisions of the ESOP Guidelines.
- 1.27. **"Termination Date"** means the date of termination of employment by the Employee with the Company.
- 1.28. **"Unvested Option"** means an Option, which is not a Vested Option.
- 1.29. **"Vesting"** means the process by which the Employee is given the right to apply for Shares of the Company against the Option Granted to him in pursuance of the ESOP Plan and as per the terms specified in the Individual Grant Notices.
- 1.30. **"Vesting Date"** means the date on and from which the Option Vests with the Employee and thereby becomes Exercisable.
- 1.31. **"Vesting Period"** means the period during which the Vesting of the Option Granted to the Employee in pursuance of the ESOP Plan takes place.
- 1.32. **"Vested Option"** means an Option, which has Vested under sub-heading "Vesting of Option" with the Employee and has thereby become Exercisable.

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2. ELIGIBILITY

- 2.1. All Employees are eligible for participation in the ESOP Plan. The Nomination and Remuneration Committee shall periodically recommend the names of Employees for the purposes of Granting Options under the ESOP Plan of the Company. This shall be based on the performance of the person, future potential of the person, criticality of his job towards Company's success and their tenure of Employment in the Company.
- 2.2. The following persons shall not be eligible to participate in the ESOP Plan:
- Promoter(s); or
 - Belonging to the Promoter Group; or
 - A director who either by himself or through his relative or through anybody corporate, directly or indirectly, holds more than 10 percent of the outstanding equity shares of the Company.
 - An Independent Director

[“Note: For clarification of doubt, “Independent Director” shall have the meaning assigned to it under regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015”]

3. NOMINATION AND REMUNERATION COMMITTEE

- 3.1. The Board has formed a Nomination and Remuneration Committee; such committee constitutes members who were nominated by the Board in accordance with the ESOP Guidelines. The Nomination and Remuneration Committee shall be responsible for the administration and the superintendence of the ESOP Plan. The Nomination and Remuneration Committee shall consist of a majority of Independent Directors.
- 3.2. The terms of reference of the Nomination and Remuneration Committee shall include:
- a) The quantum of Option to be Granted per Employee and in aggregate;
 - b) The conditions under which Options Vested in Employees may lapse, such as in the case of termination of employment for misconduct in accordance with the policies laid down by the Company in this regard;
 - c) The Vesting schedule specifying how the Options would Vest in respect of the Employees.
 - d) The Exercise Period within which the Employee should Exercise the Option and that Option would lapse on failure to Exercise the Option within the Exercise Period;
 - e) The specified time period within which the Employee shall Exercise the Vested Options in the event of termination or resignation of any Employee;

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- f) The right of an Employee to Exercise all the Options Vested in him at one time or at various points of time within the Exercise Period;
- g) The procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price, including in situations such as rights issues, bonus issues and other corporate actions;

In this regard following shall be taken into consideration by the Nomination and Remuneration Committee:

- (i) the number and the price of the Options shall be adjusted in a manner such that total value of the Options remains the same after the 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 options shall be left unaltered as far as possible to protect the rights of the option holders;
- h) Accelerating the Vesting schedule including but not limited to any change of control of the Company For the purpose of this clause, Change of Control shall mean (i) a merger, acquisition, sale of voting control or other business combination such that the current shareholders of the Company prior to such transaction do not hold more than 50% of the voting power of the acquiring or surviving corporation.
 - i) any alterations, modification and such other actions or decisions that may be required for complying with the applicable law;
 - j) The Grant, Vest and Exercise of Option in case of Employees who are on long leave; and
 - k) Procedure of cashless exercise of options.
 - l) Increase or decrease the terms with regard to vesting as well as exercising Options.
- 3.3. All decisions made by the Nomination and Remuneration Committee in the matter referred to above shall be conclusive and binding on all parties concerned (including, but not limited to, Employee and/ or Employees and their beneficiaries or successors). Neither the Company, nor the Nomination and Remuneration Committee shall be liable for any action or determination made in good faith with respect to the ESOP Plan or any Option Granted there under.
- 3.4. The Board of Directors shall frame suitable policies to ensure that there is no violation of the provisions and Rules relating to Employee Stock Option Scheme prescribed in the Companies Act, 2013.

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4. ESOP SIZE

- 4.1. This ESOP Plan would be for a total of 20,00,000 Shares of Rs. 10/- each, available for Grant to the Eligible Employees, as determined by the Board / Nomination and Remuneration Committee. The shares under this ESOP Plan may be allotted on behalf of the employees of the Company directly through the Company or to the Tejas Employees Welfare Trust.
- 4.2. This ESOP Plan would be called "Tejas Employee Stock Option Plan – 2014-A" and any ESOP Plans that may be formulated at subsequent dates would be called "the ESOP Plan (*year of operation*)". This ESOP Plan would be for the stated quantity of Shares that would be allotted to the present Employees / future Employees of the Company / its subsidiary companies.

5. ESOP PRICING

- 5.1. Each Option issued by the Company to the Employees, would be eligible for allotment into One Share of the Company by payment of the Exercise Price.
- 5.2. The Exercise Price shall be determined by the Nomination and Remuneration Committee subject to compliance with the provisions of the ESOP Guidelines.

6. GRANT OF OPTIONS

- 6.1. The Option distribution would be done in accordance with the recommendations of the Nomination and Remuneration Committee to the present / future Employees of the Company / its subsidiary Companies.
- 6.2. The Options would be issued either directly by the Company or through Tejas Employees Welfare Trust in accordance with the provisions of the ESOP Guidelines. In case the ESOP Plan is administered through the Tejas Employees Welfare Trust, the accounts of the Company shall be prepared as if the Company itself is administering the ESOP Plan.
- 6.3. Eligible Employees of the Company would be Granted an Option in pursuance of the ESOP Plan to apply for Shares of the Company at the Exercise Price. Employees would be issued Grant Notices and may enter into an agreement ("**Stock Option Agreement**") stating, amongst other matters, the following:
 - The quantum of Option offered to the Employee under the ESOP Plan.
 - The Vesting Period and the terms of Vesting
 - The Exercise procedure and the Exercise Price
 - The terms and conditions of the Options
 - Cessation of service
 - Rights as option holder
- 6.4. The Grant of the Options by the Nomination and Remuneration Committee to the Employee shall be made in writing and communicated to the Employee



by way of the Individual Grant Notice. Such a Grant shall state the number of Options Granted, the Exercise Price and the Closing Date of accepting the Grant.

- 6.5. The Closing Date shall not be more than 60 (Sixty) days from the Grant Date.
- 6.6. A Grant made to an Employee, is personal to the Employee and cannot be transferred in any manner whatsoever except as provided under this ESOP Plan.
- 6.7. Any Employee who wishes to accept the Grant made, must signify his acceptance on the Individual Grant Notice, duly completed as required therein to the Nomination and Remuneration Committee on or before the Closing Date stated in the Individual Grant Notices. Any Employee who fails to communicate his / her acceptance before the Closing Date, is deemed to have accepted the Grant.

7. VESTING OF OPTIONS

- 7.1. There shall be a minimum period of one year between the grant of Option and the Vesting of Option. In the case of new employee, the minimum period of one year shall be reckoned from the date of joining.
- 7.2. Upon the Employee continuing in the employment of the Company and upon compliance with the terms of this ESOP Plan, the Options Granted by the Company on the recommendations of the Nomination and Remuneration Committee would Vest with the Employees over the Vesting Period set out in the Grant Notice.
- 7.3. The Nomination and Remuneration Committee may also prescribe a different Vesting schedule for different Employees based on reasons to be recorded in writing in accordance with the ESOP Guidelines. Such Vesting schedule shall be as specified in the Individual Grant Notices issued to the Employees.
- 7.4. Unless otherwise decided by the Nomination and Remuneration Committee, 25% of Grant will vest after 12 months from the date of Grant, and the balance thereafter will vest at the rate of 6.25% per quarter.

8. EXERCISE PERIOD

- 8.1. The Exercise Period of the Option will commence from the Vesting Date as indicated above and expires upon the earliest of the following:
 - a) Not later than 4 years from the date of Vesting of Options, provided the Optionee continues to be employed by the Company; unless such period is further extended by the Nomination and Remuneration Committee.

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Note: In respect of employees who have not exercised the Stock Options that are vested and which will get lapsed as per the time frame indicated in the Plan to another 4 years from the original date of the lapse or expiry of the options in respect of the Stock Options that were vested and not exercised by the employee and which are liable to be forfeited

(Approved by the Board/ Nomination and Compensation Meeting in their meeting held on October 21, 2020)

- b) In the case of cessation of the continuous service of the Employee due to resignation of employment for reasons of normal retirement or an early retirement specifically approved by the Company – prior to the date of retirement or resignation (all such Options shall lapse on the date of retirement).
- c) In the event of resignation of the Employee other than by way of retirement as mentioned in (b) above – prior to the date of cessation of employment of the Employee (all such Options shall lapse on the date of cessation of employment).
- d) In case of death or permanent disability of the Employee, the Options can be Exercised by the Beneficiary of the Employee - within 5 days of such event or such other period as may be decided by the Board.
- e) Such lesser period as may be decided by the Nomination and Remuneration Committee in accordance with the provisions of the ESOP Guidelines.

9. EXERCISE OF AN OPTION

- 9.1. Vested Options can be Exercised only by the Employee in whom the Options have been vested.
- 9.2. The Employee in whom an Option is Vested would make an application to the Company for issue of Shares against the Option Vested in him. This application should be made after the Vesting Date within the Exercise Period. Vested Options can be Exercised in part or whole, provided however that all Exercise shall be made for share in multiples of whole integers [greater than 1 (one) and not for fractional shares viz. less than 1 (one)]. The Vested Options not Exercised, will continue to be available to the Optionee or the Beneficiary nominated by the Optionee, for Exercise, in case of specified circumstances such as death, disability, etc. upto such time frame as provided for in the ESOP Plan. All stock options shall be rounded down to the nearest 1(one) share.

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9.3. Capitalization by way of issue of Bonus Shares

All the Options including those which are Vested but were not Exercised and / or, as well as the price per Share covered by each outstanding Option, may, subject to the recommendations of the Nomination and Remuneration Committee, be proportionately adjusted for any increase in the number of issued Shares resulting from issue of bonus shares without the receipt of consideration by the Company.

9.4. Issue of Rights Shares

All the Options including those which are Vested but were not Exercised and / or the price per Share covered by each such outstanding Options, may, subject to the recommendations of the Nomination and Remuneration Committee, be proportionately adjusted for any increase in the number of issued Shares resulting from the issue of rights shares.

9.5. Exercise of Options

9.5.1. Procedure for Exercise of Options

An Option Granted hereunder shall be Exercisable according to the terms hereof at such times and under such conditions as determined by the Nomination and Remuneration Committee. The Option shall be deemed to be Exercised when the Company receives;

- written or electronic notice or Exercise (in accordance with the ESOP Plan) from the person entitled to Exercise the Option;
- full payment for the Shares with respect to which the Option is Exercised.

9.5.2. Exercise of Options in the case of separation of an Employee from the Company

In the event of separation of an Employee from the Company due to reasons of permanent and total disability of the Optionee, all the Options Granted to the Employee as on the date of such permanent and total disability shall Vest in him or her on that date and the Optionee may Exercise his or her Vested Options, immediately on the date of permanent and total disability.

In the event of death of an Employee while in employment with the Company, all the Options Granted to the Employee till the date of Optionee's death shall Vest in the Beneficiary nominated by the Optionee and the Vested Options may be Exercised by the Beneficiary immediately.

In the event of resignation from employment for reasons of normal retirement or an early retirement specifically approved by the Company, the

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Vested Options may be Exercised by the Optionee prior to the date of resignation or retirement. Vested Options not Exercised within the aforementioned period, shall lapse upon the expiry of the period specified herein. All Options not Vested as on that day shall expire and stand terminated with effect from that date.

In the event of resignation of the Employee (other than by way of retirement as mentioned above), all Options Granted, which are not Vested on the date of submission of resignation, shall expire and stand terminated with effect from that date. However, all Vested Options as on that date, shall be Exercised by the Employee immediately but not later than the last working day of the Employee. Vested Options not Exercised within the aforementioned period, shall lapse upon the expiry of the period specified herein.

In the event of abandonment of service by an Optionee without Company's consent, all Options Granted including those, which are Vested but were not Exercised at the time of abandonment of service, shall stand terminated with immediate effect. The date of abandonment of an Employee shall be decided by the Company at its sole discretion which decision shall be binding on all concerned.

9.5.3. Breach of the policies of the Company or the terms of employment

In the event of breach of the policies of the Company or the terms of employment by the Optionee, during the term of his employment, including cases where the Employee is terminated for cause, all Options Granted, including those which are Vested but not Exercised at the time of such breach shall expire and stand terminated with effect from the date of such breach or termination of employment.

9.5.4. Cessation of ESOP Plan

In all the cases mentioned above - death / permanent disability / resignation / abandonment of service / breach of policies, the ESOP Plan with respect to the specific Employee shall cease to be in force and no further Options shall be claimed / Granted under the ESOP Plan to such Employees.

9.6. **Rights of the Option-holder**

The Employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a Shareholder in respect of Option Granted to him, till Shares are issued on Exercise of Option.

9.7. **Notices and correspondence**

9.7.1. Any notice required to be given by an Employee to the Company or the Nomination and Remuneration Committee or any correspondence to be made



between an Employee and the Company or the Nomination and Remuneration Committee may be given or made to the Company / Nomination and Remuneration Committee at the registered office of the Company or at the place as may be notified by the Company / Nomination and Remuneration Committee in writing.

9.7.2. Any notice, required to be given by the Company or the Nomination and Remuneration Committee to an Employee or any correspondence to be made between the Company or the Nomination and Remuneration Committee and an Employee shall be given or made by the Company or the Nomination and Remuneration Committee on behalf of the Company at the address provided by the Employee in his acceptance form.

9.8. **Beneficiary designation**

Each Employee under the ESOP Plan may nominate, from time to time, any **Beneficiary** to whom any benefit under the ESOP Plan is to be delivered in case of his or her death before he or she receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Employee, shall be in a form prescribed by the Company as per Annexure-A and will be effective only when filed by the Employee in writing with the Company during the Employee's lifetime.

9.9. **Consequence of failure to Exercise Option**

The amount payable by the Employee, if any, at the time of Grant of Option:

- a) may be forfeited by the Company if the Option is not exercised by the Employee within the Exercise Period; or
- b) the amount may be refunded to the Employee if the Options are not Vested due to non-fulfillment of condition relating to Vesting of Option as per the ESOP Plan.

9.10. **Non-Transferability of Option/Shares**

9.10.1 Option Granted to any Employee shall not be transferable to any person. No person other than the Employee to whom the Option is Granted shall be entitled to Exercise the Option except in the case of death of the Employee during employment as contemplated under this ESOP Plan. The Option Granted to the Employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

9.10.2 Shares acquired by any Employee pursuant to exercise of Options, can be freely transferable to immediate family members. Transfer of Shares to any other person apart from immediate family members shall be first offered for sale to the Company or its existing shareholders at a fair market price which shall be determined based on



the audited financial statements of the Company for the financial year, immediately preceding the date of transfer in accordance with the applicable Law. Shares cannot be pledged, hypothecated, mortgaged or otherwise alienated in any other manner. The restrictions contained in this clause shall apply till such time the Shares of the Company are listed on any recognized stock exchange in India, after which time the Employee is free to deal with the Shares in any manner as he may deem fit in accordance with the applicable Law.

9.11. Re-Transfer of Shares upon resignation / termination

9.11.1. Upon resignation / termination of an Employee from the services of the Company, if required by the Company, the Employee shall transfer the Shares acquired by him out of such ESOP Plan, to Tejas Employees Welfare Trust, at a fair market price which shall be determined based on the audited financial statements of the Company for the financial year, immediately preceding the date of resignation / termination of the Employee in accordance with the applicable Law. The Beneficiary of the Employee who acquires Shares upon death of an Employee shall also be bound by this clause.

9.11.2 The Shares acquired by an Employee can be transferred to his immediate family members and no other transfer shall be permitted by the Company. Such Shares cannot be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

9.11.3. The restrictions contained in this clause shall apply till such time the Shares of the Company are listed on any recognized stock exchange in India, after which time the Employee is free to deal with the Shares in any manner as he may deem fit in accordance with the applicable Law.

10. GENERAL

This ESOP Plan shall not form part of any contract of employment between the Company and the Employees. Nothing in this ESOP Plan shall be construed as affording any Employee additional rights as to compensation or damages consequent to termination of employment for any reason. The Grant of ESOP does not guarantee continuation of employment.

10.1. This ESOP Plan shall not confirm on any person any legal or equitable rights, other than those which he / she would be entitled to as an ordinary member of the Company, against the Company either directly or indirectly or give rise to any cause of action in law or in equity against the Company.

10.2. This ESOP Plan would be subject to prevalent Indian Laws, regulations and the Stock Option Agreement.

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11. STATUTORY COMPLIANCES

11.1. Approvals required

11.1.1. Approval of the Shareholders of the Company, by means of a special resolution, is required for this ESOP Plan. Accordingly, approval of the ESOP Plan will be obtained from the Shareholders at the Annual General Meeting with the following broad terms, as set out in the Notice / Explanatory Statement:

- a) The total number of Options to be Granted;
- b) Identification of classes of Employees entitled to participate in the ESOP Plan;
- c) Requirements of Vesting and period of Vesting;
- d) Maximum period within which the Option shall be Vested;
- e) Exercise Price or pricing formula for arriving the same;
- f) Exercise Period and process of Exercise;
- g) the Lock-in period, if any ;
- (i) the maximum number of options to be granted per employee and in aggregate;
- (j) the method which the company shall use to value its options;
- (k) the conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct;
- (l) the specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee; and
- (m) a statement to the effect that the company shall comply with the applicable accounting standards .
- (n) Grant of Option to Employees of subsidiary or holding company and,
- (o) Grant of Option to identified Employees, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Option.

11.2. Variation of terms of ESOP

11.2.1. The Company shall not vary the terms of the ESOP Plan in any manner, which may be detrimental to the interests of the Employees.

11.2.2. The Company may by special resolution in a general meeting vary the terms of ESOP Plan offered pursuant to an earlier resolution of a general body but not yet Exercised by the Employee provided such variation is not prejudicial to the interests of the Employee.

11.2.3. The notice for passing special resolution for variation of terms of ESOP Plan shall disclose full details of the variation, the rationale therefore, and the details of the Employees who are beneficiary of such variation.

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11.2.4. The Company may re-price the Options which are not Exercised, whether or not they have been Vested if the Options were rendered unattractive due to fall in the price of the Shares in the market. Provided that the Company ensures that such re-pricing shall not be detrimental to the interest of Employees and approval of shareholders in general meeting has been obtained for such re-pricing.

11.3. **Reimbursement of Taxes:**

The Company shall be reimbursed by the Employee in full, for any liability that the Company incurs towards any fringe benefit tax ("FBT") or other such tax paid or payable in respect of the vesting, exercise, release, cancellation, transfer of any Options, within the time prescribed by the Company. The Company may require security for such reimbursement of taxes as a precondition to exercise of any Options and the Optionees may be required to execute additional documents as requested by the Company for such security or otherwise for reimbursement of such taxes to the Company.

11.4. **Employee Taxation**

11.4.1. Subject to approval by the Income Tax Department of this ESOP Plan, currently there would be no tax liability on the Employee at the time of Exercise of the Option. At the time of eventual sale of the Shares by the Employee, the difference between the acquisition price and the sale price of the Shares would be liable to tax (capital gains). Such capital gains could either be long term or short term and taxed at the prevailing rates.

Disclaimer - In the event of any tax liability arising on account of the issue of the Options/conversion into Shares/sale of Shares or any other event, to the Employee the liability shall be that of the Employee alone.

11.4.2. In the event of any tax liability arising on account of the ESOP Plan to the Company, including any tax liability arising on account of the applicable fringe benefit tax incurred / paid or payable by the Company in respect of the Vesting, Exercise, release, cancellation of Options Granted by the Company, the Company on the advice of the Nomination and Remuneration Committee/ESOP shall have the right to collect / deduct, the same from the Employees. In this regard, the Company may require security for such reimbursement of taxes as a precondition to Exercise of any Option by the Optionee.

11.4.3. Employees are advised to consult their respective tax advisors.

12. **DISCLOSURES**

12.1.1. The Board of Directors shall, *inter alia*, disclose either in the Directors' report or in

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the annexure to the Director's report, the following details:

- a) Options Granted;
- b) Options Vested;
- c) Options Exercised;
- d) The total number of Shares arising as a result of Exercise of Option;
- e) Options lapsed;
- f) Exercise Price
- g) variation of terms of Options;
- h) money realised by Exercise of Options;
- i) total number of options in force;
- j) Employee wise details of Options Granted to:-
 - (i) key managerial personnel;
 - (ii) any other Employee who receives a Grant in any one year of Option amounting to 5% or more of Option Granted during that year;
 - (iii) Identified Employees who were Granted Option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant.

12.1.2. Any other disclosures as mandated by the accounting standards & policies.

13. CONFIDENTIALITY

No employee who holds any options or shares issued under the plan shall disclose the details of the plan and his / her holding, to any person, except with the prior permission of the Company.

14. ACCOUNTING POLICIES

The Company shall comply with the accounting policies specified in the ESOP Guidelines.

15. CERTIFICATE FROM AUDITORS

Post Company getting listed on the stock exchanges, as required, the Board shall at each annual general meeting place before the shareholders a certificate from the auditors of the Company that the ESOP Plan has been implemented in accordance with the ESOP Guidelines and in accordance with the resolution of the Company in the general meeting.

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Annexure – A

NOMINATION FORM

Eligible employees may submit the following nomination form to nominate from time to time, any Beneficiary to whom any benefit under the ESOP Plan is to be delivered in case of his or her death before he or she receives all of such benefit. Incomplete forms may be considered ineligible for assessment.

Send the Completed Form to following address

Tejas Networks Limited
5th Floor, Plot No 25, J P Software Park
Electronic City, Phase 1,
Hosur Road,
Bangalore – 560 100
Ph: 080 - 41794600

Name of the Shareholder	Regd Folio no:
Address	Share certificate No:
	DP ID / Client ID:
	No of shares:

Nominee details

First name:	Surname:
Nominee's postal address: <i>(include postcode)</i>	
Nominee's Age:	
Nominee's phone number:	
Nominee's email address:	
Nominees Occupation:	

TEJAS EMPLOYEE STOCK OPTION PLAN 2016

Tejas Networks Limited (the "**Company**") is engaged in the business of research, design, development, manufacturing and selling networking equipment. The Company has a team of competent professionals of high caliber who have a track record of delivering high quality solutions.

Objectives

The Company is currently pursuing a high growth path. Combined with strategic visions of the core team and a balanced work force, the Company is seeking to establish itself as a preeminent player in the networking equipment field.

The Company fully recognizes that to achieve this, contribution from Employees is significant and critical. It is proposed to introduce an ESOP Plan to recognize and reward key Employees who would play an important role in the future of the Company.

It is expected that this ESOP Plan would provide incentive and motivate the Employees to catapult the Company in a high growth trajectory thereby increasing and improving the value of their own holding.

Thus, it has been proposed to introduce an ESOP Plan titled "**Tejas Networks Limited Employee Stock Option Plan – 2016**" (the "**ESOP Plan**").

The other key objectives are:

- to attract and retain the best available personnel for positions of substantial responsibility;
- motivate Employees to perform better and achieve a greater value for their shareholding in the Company;
- reward performing Employees with additional stock options;
- encourage Employees to participate in the growth of the Company;
- to promote the success of the Company's business.

MAIN FEATURES OF THE ESOP PLAN

- a) Options are given to identify performing Employees of the Company as well as new Employees;
- b) Option entitlements are determined on the basis of various parameters as laid down by the Board;
- c) The NRC shall have the requisite authority for implementation of the ESOP Plan in accordance with the directions of the Board;

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- d) Options are structured in such a manner that the Employee is entitled for cascading benefits and also for rewarding past performance

ESOP PLAN STRUCTURE – MAIN GUIDELINES GOVERNING ESOP PLAN

1. DEFINITIONS

- 1.1. **"Board"** means the duly constituted Board of Directors of the Company in accordance with the Articles of Association of the Company for the time being in force and subject to the applicable provisions of the Companies Act 2013, and as may be constituted / reconstituted in such manner from time to time.
- 1.2. **"Beneficiary"** means any beneficiary or beneficiaries nominated, from time to time, by each Employee under the ESOP Plan to whom any benefit under the ESOP Plan is to be delivered in case of his or her death before he or she receives all of such benefit.
- 1.3. **"Closing Date"** means the last date on which the Grantee can accept & communicate to the Company the acceptance of the Options Granted to the Grantee.
- 1.4. **"Company"** for the purposes of this ESOP Plan shall mean Tejas Networks Limited.
- 1.5. **"Nomination and Remuneration Committee (NRC)"** is a committee constituted by the Board and its objectives among others includes the administration, implementation and superintendence of the ESOP Plan of the Company in accordance with the ESOP Guidelines.
- 1.6. **"Effective Date"** of the ESOP Plan shall be August 29, 2016.
- 1.7. **"Eligible Employee"** means an Employee eligible for Grant of Options under clause 2 of this ESOP Plan.
- 1.8. **"Employee"** means:
- (a) a permanent employee of the company working in India or out of India; or
 - (b) a director of the company, whether a whole time director or not but excluding an independent director; or;
 - (c) An employee as defined above in sub clauses (a) and (b) of the Company's Subsidiary/Holding Company in India or outside India.

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- 1.9. "**ESOP Plan**" shall mean the Company Employee Stock Option Plan-2016 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.
- 1.10. "**ESOP Guidelines**" means provisions and Rules relating to Employee Stock Option Scheme prescribed in the Companies Act, 2013 and the Securities and Exchange Board of India (Share Based Employment Benefits) Regulations, 2014.
- 1.11. "**Exercise**" means making of an application by the Employee to the Company for issue of Shares against Option(s) Vested in him in pursuance of this ESOP
- 1.12. "**Exercise Date**" means the date on which the Employee Exercises his Vested Options and in case of partial Exercise, shall mean each date on which the Employee Exercises part of his Vested Options.
- 1.13. "**Exercise Period**" means the time period after Vesting within which the Employee should Exercise his right to apply for Shares against the Option(s) Vested in him in pursuance of the ESOP Plan.
- 1.14. "**Exercise Price**" means the price payable by the Employee for Exercising the Option Granted to him in pursuance of ESOP Plan.
- 1.15. "**Grant**" means issue of Option to Employees under this ESOP Plan.
- 1.16. "**Grant Date**" means the date on which a Grant is made to an Employee.
- 1.17. "**Individual Grant Notices**" means the Grant Notices issued to Employees setting out the terms and conditions of issue of Options, Vesting Period, Exercise procedure and such other terms as may be necessary.
- 1.18. "**Law**" means any statute, law, regulation, ordinance, rule, judgment, notification, rule of common law, order, decree, bye-law, government approval, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, whether in effect as of the date of this ESOP Plan or thereafter.
- 1.19. "**Option**" means a right but not an obligation Granted to an Employee in pursuance of the ESOP Plan to apply for Shares of the Company at the Exercise Price, in accordance with the ESOP Plan.
- 1.20. "**Optionee**" means the holder of an outstanding Option granted pursuant to this ESOP Plan.

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- 1.21. **"Promoter"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- 1.22. **"Promoter Group"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Provided where the Promoter or Promoter Group is a body corporate, the Promoters of that body corporate shall also be deemed to be Promoters of the Company.
- 1.23. **"Share"** means equity shares and securities convertible into equity shares and shall include American Depository Receipts (ADRs), Global Depository Receipts (GDRs), or other depository receipts representing underlying equity shares or securities convertible into equity shares.
- 1.24. **"Shareholder"** means the registered holder of a Share in the share capital of the Company.
- 1.25. **"Stock Option Agreement"** means an agreement entered into between the Company and the Employee as specified under clause 6 of this ESOP Plan.
- 1.26. **"Tejas Employees Welfare Trust"** means the trust set up by the Company for various purposes and among others including facilitating / assisting in the issue of Options / Shares under the ESOP Plan and such other work as directed by the Board from time to time in accordance with the provisions of the ESOP Guidelines.
- 1.27. **"Termination Date"** means the date of termination of employment by the Employee with the Company.
- 1.28. **"Unvested Option"** means an Option, which is not a Vested Option.
- 1.29. **"Vesting"** means the process by which the Employee is given the right to apply for Shares of the Company against the Option Granted to him in pursuance of the ESOP Plan and as per the terms specified in the Individual Grant Notices.
- 1.30. **"Vesting Date"** means the date on and from which the Option Vests with the Employee and thereby becomes Exercisable.
- 1.31. **"Vesting Period"** means the period during which the Vesting of the Option Granted to the Employee in pursuance of the ESOP Plan takes place.
- 1.32. **"Vested Option"** means an Option, which has Vested under sub-heading "Vesting of Option" with the Employee and has thereby become Exercisable.

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2. ELIGIBILITY

- 2.1. All Employees are eligible for participation in the ESOP Plan. The NRC shall periodically recommend the names of Employees for the purposes of Granting Options under the ESOP Plan of the Company. This shall be based on the performance of the person, future potential of the person, criticality of his job towards Company's success and their tenure of Employment in the Company.
- 2.2. The following persons shall not be eligible to participate in the ESOP Plan:
- Promoter(s); or
 - Belonging to the Promoter Group; or
 - A director who either by himself or through his relative or through anybody corporate, directly or indirectly, holds more than 10 percent of the outstanding equity shares of the Company.
 - An Independent Director

[“Note: For clarification of doubt, “Independent Director” shall have the meaning assigned to it under regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015”]

3. NOMINATION AND REMUNERATION COMMITTEE (NRC)

- 3.1. The Board has formed a Nomination and Remuneration Committee; such committee constitutes members who were nominated by the Board in accordance with the ESOP Guidelines. The NRC shall be responsible for the administration and the superintendence of the ESOP Plan. The NRC shall consist of a majority of Independent Directors.
- 3.2. The terms of reference of the NRC shall include:
- a) The quantum of Option to be Granted per Employee and in aggregate;
 - b) The conditions under which Options Vested in Employees may lapse, such as in the case of termination of employment for misconduct in accordance with the policies laid down by the Company in this regard;
 - c) The Vesting schedule specifying how the Options would Vest in respect of the Employees.
 - d) The Exercise Period within which the Employee should Exercise the Option and that Option would lapse on failure to Exercise the Option within the Exercise Period;
 - e) The specified time period within which the Employee shall Exercise the Vested Options in the event of termination or resignation of any Employee;

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- f) The right of an Employee to Exercise all the Options Vested in him at one time or at various points of time within the Exercise Period;
- g) The procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price, including in situations such as rights issues, bonus issues and other corporate actions;

In this regard following shall be taken into consideration by the NRC:

- the number and the price of the Options shall be adjusted in a manner such that total value of the Options remains the same after the corporate action;
 - for this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered;
 - the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders;
- h) Accelerating the Vesting schedule including but not limited to any change of control of the Company For the purpose of this clause, Change of Control shall mean (i) a merger, acquisition, sale of voting control or other business combination such that the current shareholders of the Company prior to such transaction do not hold more than 50% of the voting power of the acquiring or surviving corporation.
 - i) any alterations, modification and such other actions or decisions that may be required for complying with the applicable law;
 - j) The Grant, Vest and Exercise of Option in case of Employees who are on long leave; and
 - k) Procedure of cashless exercise of options.
 - l) Increase or decrease the terms with regard to vesting as well as exercising Options.
- 3.3. All decisions made by the NRC in the matter referred to above shall be conclusive and binding on all parties concerned (including, but not limited to, Employee and/ or Employees and their beneficiaries or successors). Neither the Company, nor the NRC shall be liable for any action or determination made in good faith with respect to the ESOP Plan or any Option Granted there under.
- 3.4. The Board of Directors shall frame suitable policies to ensure that there is no violation of the provisions and Rules relating to Employee Stock Option Scheme prescribed in the Companies Act, 2013.

4. ESOP SIZE

- 4.1. This ESOP Plan would be for a total of 50,00,000 Shares of Rs. 10/- each, available for Grant to the Eligible Employees, as determined by

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the Board / NRC. The shares under this ESOP Plan may be allotted on behalf of the employees of the Company directly through the Company or to the Tejas Employees Welfare Trust.

- 4.2. This ESOP Plan would be called "Tejas Employee Stock Option Plan – 2016" and any ESOP Plans that may be formulated at subsequent dates would be called "the ESOP Plan (*year of operation*)". This ESOP Plan would be for the stated quantity of Shares that would be allotted to the present Employees / future Employees of the Company / its subsidiary companies.

5. ESOP PRICING

- 5.1. Each Option issued by the Company to the Employees, would be eligible for allotment into One Share of the Company by payment of the Exercise Price.
- 5.2. The Exercise Price shall be determined by the NRC subject to compliance with the provisions of the ESOP Guidelines.

6. GRANT OF OPTIONS

- 6.1. The Option distribution would be done in accordance with the recommendations of the NRC to the present / future Employees of the Company / its subsidiary Companies.
- 6.2. The Options would be issued either directly by the Company or through Tejas Employees Welfare Trust in accordance with the provisions of the ESOP Guidelines. In case the ESOP Plan is administered through the Tejas Employees Welfare Trust, the accounts of the Company shall be prepared as if the Company itself is administering the ESOP Plan.
- 6.3. Eligible Employees of the Company would be Granted an Option in pursuance of the ESOP Plan to apply for Shares of the Company at the Exercise Price. Employees would be issued Grant Notices and may enter into an agreement ("**Stock Option Agreement**") stating, amongst other matters, the following:
- The quantum of Option offered to the Employee under the ESOP Plan
 - The Vesting Period and the terms of Vesting
 - The Exercise procedure and the Exercise Price
 - The terms and conditions of the Options
 - Cessation of service
 - Rights as option holder
- 6.4. The Grant of the Options by the NRC to the Employee shall be made in writing and communicated to the Employee by way of the Individual

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Grant Notice. Such a Grant shall state the number of Options Granted, the Exercise Price and the Closing Date of accepting the Grant.

- 6.5. The Closing Date shall not be more than 60 (Sixty) days from the Grant Date.
- 6.6. A Grant made to an Employee, is personal to the Employee and cannot be transferred in any manner whatsoever except as provided under this ESOP Plan.
- 6.7. Any Employee who wishes to accept the Grant made, must signify his acceptance on the Individual Grant Notice, duly completed as required therein to the NRC on or before the Closing Date stated in the Individual Grant Notices. Any Employee who fails to communicate his / her acceptance before the Closing Date, is deemed to have accepted the Grant.

7. VESTING OF OPTIONS

- 7.1. There shall be a minimum period of one year between the grant of Option and the Vesting of Option. In the case of new employee, the minimum period of one year shall be reckoned from the date of joining.
- 7.2. Upon the Employee continuing in the employment of the Company and upon compliance with the terms of this ESOP Plan, the Options Granted by the Company on the recommendations of the NRC would Vest with the Employees over the Vesting Period set out in the Grant Notice.
- 7.3. The NRC may also prescribe a different Vesting schedule for different Employees based on reasons to be recorded in writing in accordance with the ESOP Guidelines. Such Vesting schedule shall be as specified in the Individual Grant Notices issued to the Employees.
- 7.4. Unless otherwise decided by the NRC, 25% of Grant will vest after 12 months from the date of Grant, and the balance thereafter will vest at the rate of 6.25% per quarter.

8. EXERCISE PERIOD

- 8.1. The Exercise Period of the Option will commence from the Vesting Date as indicated above and expires upon the earliest of the following:
 - a) Not later than 4 years from the date of Vesting of Options, provided the optionee continues to be employed by the Company; unless such period is further extended by the NRC.

Note: In respect of employees who have not exercised the Stock Options that are vested and which will get lapsed as per the time frame indicated in the Plan to another 4 years from the original date of the lapse or expiry of the options in

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respect of the Stock Options that were vested and not exercised by the employee and which are liable to be forfeited

(Approved by the Board/ Nomination and Compensation Meeting in their meeting held on October 21, 2020)

- b) In the case of cessation of the continuous service of the Employee due to resignation of employment for reasons of normal retirement or an early retirement specifically approved by the Company – prior to the date of retirement or resignation (all such Options shall lapse on the date of retirement).
- c) In the event of resignation of the Employee other than by way of retirement as mentioned in (b) above – prior to the date of cessation of employment of the Employee (all such Options shall lapse on the date of cessation of employment).
- d) In case of death or permanent disability of the Employee, the Options can be Exercised by the Beneficiary of the Employee - within 5 days of such event or such other period as may be decided by the Board.
- e) Such lesser period as may be decided by the NRC in accordance with the provisions of the ESOP Guidelines.

9. EXERCISE OF AN OPTION

9.1. Vested Options can be Exercised only by the Employee in whom the Options have been vested.

9.2. The Employee in whom an Option is Vested would make an application to the Company for issue of Shares against the Option Vested in him. This application should be made after the Vesting Date within the Exercise Period. Vested Options can be Exercised in part or whole, provided however that all Exercise shall be made for share in multiples of whole integers [greater than 1 (one) and not for fractional shares viz. less than 1 (one)]. The Vested Options not Exercised, will continue to be available to the Optionee or the Beneficiary nominated by the Optionee, for Exercise, in case of specified circumstances such as death, disability, etc. upto such time frame as provided for in the ESOP Plan. All stock options shall be rounded down to the nearest 1(one) share.

9.3. Capitalization by way of issue of Bonus Shares

All the Options including those which are Vested but were not Exercised and / or, as well as the price per Share covered by each outstanding Option, may, subject to the recommendations of the NRC, be proportionately adjusted for any increase in the number of

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issued Shares resulting from issue of bonus shares without the receipt of consideration by the Company.

9.4. **Issue of Rights Shares**

All the Options including those which are Vested but were not Exercised and / or the price per Share covered by each such outstanding Options, may, subject to the recommendations of the NRC, be proportionately adjusted for any increase in the number of issued Shares resulting from the issue of rights shares.

9.5. **Exercise of Options**

9.5.1. Procedure for Exercise of Options

An Option Granted hereunder shall be Exercisable according to the terms hereof at such times and under such conditions as determined by the NRC. The Option shall be deemed to be Exercised when the Company receives;

- written or electronic notice or Exercise (in accordance with the ESOP Plan) from the person entitled to Exercise the Option;
- full payment for the Shares with respect to which the Option is Exercised.

9.5.2. Exercise of Options in the case of separation of an Employee from the Company

In the event of separation of an Employee from the Company due to reasons of permanent and total disability of the Optionee, all the Options Granted to the Employee as on the date of such permanent and total disability shall Vest in him or her on that date and the Optionee may Exercise his or her Vested Options, immediately on the date of permanent and total disability. .

In the event of death of an Employee while in employment with the Company, all the Options Granted to the Employee till the date of Optionee's death shall Vest in the Beneficiary nominated by the Optionee and the Vested Options may be Exercised by the Beneficiary immediately. .

In the event of resignation from employment for reasons of normal retirement or an early retirement specifically approved by the Company, the Vested Options may be Exercised by the Optionee prior to the date of resignation or retirement. Vested Options not Exercised within the aforementioned period, shall lapse upon the expiry of the period specified herein. All Options not Vested as on that day shall expire and stand terminated with effect from that date.

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In the event of resignation of the Employee (other than by way of retirement as mentioned above), all Options Granted, which are not Vested on the date of submission of resignation, shall expire and stand terminated with effect from that date. However, all Vested Options as on that date, shall be Exercised by the Employee immediately but not later than the last working day of the Employee. Vested Options not Exercised within the aforementioned period, shall lapse upon the expiry of the period specified herein.

In the event of abandonment of service by an Optionee without Company's consent, all Options Granted including those, which are Vested but were not Exercised at the time of abandonment of service, shall stand terminated with immediate effect. The date of abandonment of an Employee shall be decided by the Company at its sole discretion which decision shall be binding on all concerned.

9.5.3. Breach of the policies of the Company or the terms of employment

In the event of breach of the policies of the Company or the terms of employment by the Optionee, during the term of his employment , including cases where the Employee is terminated for cause, all Options Granted, including those which are Vested but not Exercised at the time of such breach shall expire and stand terminated with effect from the date of such breach or termination of employment.

9.5.4. Cessation of ESOP Plan

In all the cases mentioned above - death / permanent disability / resignation / abandonment of service / breach of policies, the ESOP Plan with respect to the specific Employee shall cease to be in force and no further Options shall be claimed / Granted under the ESOP Plan to such Employees.

9.6. Rights of the Option-holder

The Employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a Shareholder in respect of Option Granted to him, till Shares are issued on Exercise of Option.

9.7. Notices and correspondence

9.7.1. Any notice required to be given by an Employee to the Company or the NRC or any correspondence to be made between an Employee and the Company or the NRC may be given or made to the Company / NRC at the registered office of the Company or at the place as may be notified by the Company / NRC in writing.

9.7.2. Any notice, required to be given by the Company or the NRC to an Employee or any correspondence to be made between the Company or the NRC and an Employee shall be given or made by the Company or



the NRC on behalf of the Company at the address provided by the Employee in his acceptance form.

9.8. **Beneficiary designation**

Each Employee under the ESOP Plan may nominate, from time to time, any **Beneficiary** to whom any benefit under the ESOP Plan is to be delivered in case of his or her death before he or she receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Employee, shall be in a form prescribed by the Company as per Annexure-A and will be effective only when filed by the Employee in writing with the Company during the Employee's lifetime.

9.9. **Consequence of failure to Exercise Option**

The amount payable by the Employee, if any, at the time of Grant of Option:

- a) may be forfeited by the Company if the Option is not exercised by the Employee within the Exercise Period; or
- b) the amount may be refunded to the Employee if the Options are not Vested due to non-fulfillment of condition relating to Vesting of Option as per the ESOP Plan.

9.10. **Non-Transferability of Option/Shares**

9.10.1 Option Granted to any Employee shall not be transferable to any person. No person other than the Employee to whom the Option is Granted shall be entitled to Exercise the Option except in the case of death of the Employee during employment as contemplated under this ESOP Plan. The Option Granted to the Employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

9.10.2 Shares acquired by any Employee pursuant to exercise of Options, can be freely transferable to immediate family members. Transfer of Shares to any other person apart from immediate family members shall be first offered for sale to the Company or its existing shareholders at a fair market price which shall be determined based on the audited financial statements of the Company for the financial year, immediately preceding the date of transfer in accordance with the applicable Law. Shares cannot be pledged, hypothecated, mortgaged or otherwise alienated in any other manner. The restrictions contained in this clause shall apply till such time the Shares of the Company are listed on any recognized stock exchange in India, after which time the Employee is free to deal with the Shares in any manner as he may deem fit in accordance with the applicable Law.

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9.11. Re-Transfer of Shares upon resignation / termination

9.11.1. Upon resignation / termination of an Employee from the services of the Company, if required by the Company, the Employee shall transfer the Shares acquired by him out of such ESOP Plan, to Tejas Employees Welfare Trust, at a fair market price which shall be determined based on the audited financial statements of the Company for the financial year, immediately preceding the date of resignation / termination of the Employee in accordance with the applicable Law. The Beneficiary of the Employee who acquires Shares upon death of an Employee shall also be bound by this clause.

9.11.2. The Shares acquired by an Employee can be transferred to his immediate family members and no other transfer shall be permitted by the Company. Such Shares cannot be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

9.11.3. The restrictions contained in this clause shall apply till such time the Shares of the Company are listed on any recognized stock exchange in India, after which time the Employee is free to deal with the Shares in any manner as he may deem fit in accordance with the applicable Law.

10. GENERAL

This ESOP Plan shall not form part of any contract of employment between the Company and the Employees. Nothing in this ESOP Plan shall be construed as affording any Employee additional rights as to compensation or damages consequent to termination of employment for any reason. The Grant of ESOP does not guarantee continuation of employment.

10.1. This ESOP Plan shall not confirm on any person any legal or equitable rights, other than those which he / she would be entitled to as an ordinary member of the Company, against the Company either directly or indirectly or give rise to any cause of action in law or in equity against the Company.

10.2. This ESOP Plan would be subject to prevalent Indian Laws, regulations and the Stock Option Agreement.

11. STATUTORY COMPLIANCES

11.1. Approvals required

11.1.1. Approval of the Shareholders of the Company, by means of a special resolution, is required for this ESOP Plan. Accordingly, approval of the ESOP Plan will be obtained from the Shareholders at the Annual

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General Meeting with the following broad terms, as set out in the Notice / Explanatory Statement:

- a) The total number of Options to be Granted;
- b) Identification of classes of Employees entitled to participate in the ESOP Plan;
- c) Requirements of Vesting and period of Vesting;
- d) Maximum period within which the Option shall be Vested;
- e) Exercise Price or pricing formula for arriving the same;
- f) Exercise Period and process of Exercise;
- g) the Lock-in period, if any ;
- (i) the maximum number of options to be granted per employee and in aggregate;
- (j) the method which the company shall use to value its options;
- (k) the conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct;
- (l) the specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee; and
- (m) a statement to the effect that the company shall comply with the applicable accounting standards .
- (n) Grant of Option to Employees of subsidiary or holding company and,
- (o) Grant of Option to identified Employees, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Option.

11.2. Variation of terms of ESOP

11.2.1. The Company shall not vary the terms of the ESOP Plan in any manner, which may be detrimental to the interests of the Employees.

11.2.2. The Company may by special resolution in a general meeting vary the terms of ESOP Plan offered pursuant to an earlier resolution of a general body but not yet Exercised by the Employee provided such variation is not prejudicial to the interests of the Employee.

11.2.3. The notice for passing special resolution for variation of terms of ESOP Plan shall disclose full details of the variation, the rationale therefore, and the details of the Employees who are beneficiary of such variation.

11.2.4. The Company may re-price the Options which are not Exercised, whether or not they have been Vested if the Options were rendered unattractive due to fall in the price of the Shares in the market. Provided that the Company ensures that such re-pricing shall not be detrimental to the interest of Employees and approval of shareholders in general meeting has been obtained for such re-pricing.

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11.3. Reimbursement of Taxes:

The Company shall be reimbursed by the Employee in full, for any liability that the Company incurs towards any fringe benefit tax ("FBT") or other such tax paid or payable in respect of the vesting, exercise, release, cancellation, transfer of any Options, within the time prescribed by the Company. The Company may require security for such reimbursement of taxes as a precondition to exercise of any Options and the Optionees may be required to execute additional documents as requested by the Company for such security or otherwise for reimbursement of such taxes to the Company.

11.4. Employee Taxation

11.4.1. Subject to approval by the Income Tax Department of this ESOP Plan, currently there would be no tax liability on the Employee at the time of Exercise of the Option. At the time of eventual sale of the Shares by the Employee, the difference between the acquisition price and the sale price of the Shares would be liable to tax (capital gains). Such capital gains could either be long term or short term and taxed at the prevailing rates.

Disclaimer - In the event of any tax liability arising on account of the issue of the Options/conversion into Shares/sale of Shares or any other event, to the Employee the liability shall be that of the Employee alone.

11.4.2. In the event of any tax liability arising on account of the ESOP Plan to the Company, including any tax liability arising on account of the applicable fringe benefit tax incurred / paid or payable by the Company in respect of the Vesting, Exercise, release, cancellation of Options Granted by the Company, the Company on the advice of the NRC/ESOP shall have the right to collect / deduct, the same from the Employees. In this regard, the Company may require security for such reimbursement of taxes as a precondition to Exercise of any Option by the Optionee.

11.4.3. Employees are advised to consult their respective tax advisors.

12. DISCLOSURES

12.1.1. The Board of Directors shall, *inter alia*, disclose either in the Directors' report or in the annexure to the Director's report, the following details:

- a) Options Granted;
- b) Options Vested;
- c) Options Exercised;
- d) The total number of Shares arising as a result of Exercise of Option;

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- e) Options lapsed;
- f) Exercise Price
- g) variation of terms of Options;
- h) money realised by Exercise of Options;
- i) total number of options in force;
- j) Employee wise details of Options Granted to:-
 - (i) key managerial personnel;
 - (ii) any other Employee who receives a Grant in any one year of Option amounting to 5% or more of Option Granted during that year;
 - (iii) identified Employees who were Granted Option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant.

12.1.2. Any other disclosures as mandated by the accounting standards & policies.

13. CONFIDENTIALITY

No employee who holds any options or shares issued under the plan shall disclose the details of the plan and his / her holding, to any person, except with the prior permission of the Company.

14. ACCOUNTING POLICIES

The Company shall comply with the accounting policies specified in the ESOP Guidelines.

15. CERTIFICATE FROM AUDITORS

Post Company getting listed on the stock exchanges, as required, the Board shall at each annual general meeting place before the shareholders a certificate from the auditors of the Company that the ESOP Plan has been implemented in accordance with the ESOP Guidelines and in accordance with the resolution of the Company in the general meeting.

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Annexure – A

NOMINATION FORM

Eligible employees may submit the following nomination form to nominate from time to time, any Beneficiary to whom any benefit under the ESOP Plan is to be delivered in case of his or her death before he or she receives all of such benefit. Incomplete forms may be considered ineligible for assessment.

Send the Completed Form to following address

Tejas Networks Limited
5th Floor, Plot No 25, J P Software Park
Electronic City, Phase 1,
Hosur Road,
Bangalore – 560 100
Ph: 080 - 41794600

Name of the Shareholder	Regd Folio no:
Address	Share certificate No:
	DP ID / Client ID:
	No of shares:

Nominee details

First name:	Surname:
Nominee's postal address: <i>(include postcode)</i>	
Nominee's Age:	
Nominee's phone number:	
Nominee's email address:	
Nominees Occupation:	

TEJAS NETWORKS LIMITED

Corporate Identity Number (CIN): L72900KA2000PLC026980
Registered Office: J P Software Park, Plot No 25, Sy No 13, 14, 17, 18
Konnappa Agrahara Village, Begur Hobli, Bangalore - 560100
Tel. No.: 080 4179 4600, Fax: +91 80 2852 0201
Email: corporate@tejasnetworks.com
Website: www.tejasnetworks.com

RESTRICTED STOCK UNITS PLAN

[Amended by Board of Directors on April 22, 2022]

1. Purpose

1.1 The purpose of Tejas Networks Limited's Restricted Stock Units Plan ("Plan") is to provide increased financial reward opportunity and align the interests of eligible Employees, including the directors of Tejas Networks Limited and its subsidiaries (together, referred to as the "Company"), with those of the Company's shareholders by providing long-term incentive compensation opportunities tied to the performance of the Company and its equity shares, in order to:

- Attract, retain and motivate talented and critical employees and consultants;
- Encourage Employees (as defined hereinafter) to align individual performance with Company objectives;
- Reward performance with ownership in proportion to their contribution; and
- Align Employee's interest with those of the organization.

1.2 This Plan will be based upon the award of certain Restricted Stock Units or "RSUs" (as defined hereinafter), which shall entitle the Participant to receive a specified number of equity shares, that Vest on a date determined in accordance with the provisions of this Plan, as per the terms and conditions stipulated herein. The settlement of such Restricted Stock Units granted to the Participants shall be made either by way of cash payment or by issue of Shares.

2. Definitions

2.1 For purposes of the Plan, the following terms are defined below:

"Act" means the Companies Act, 2013, the rules made thereunder and any amendments thereof.

"Administrator" means the Board or if nominated, the Nominations and Remuneration Committee that administers the Plan either through itself or through a trust that is set up for this purpose, in accordance with Section 4 of the Plan.

"Applicable Laws" means the legal requirements applicable to an Award or the Plan, including, without limitation, the Act, the SEBI Regulations, the Insider Trading Regulations and all relevant tax, securities, exchange control or corporate laws, rules and regulations of India and the regulations of any stock exchanges on which the Shares underlying such Award are listed, as such laws, rules, regulations and requirements shall be in place from time to time.

"Award" means, individually or collectively, an award of Restricted Stock Units granted to the Participant under this Plan.

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"Award Agreement" means a written or electronic agreement entered into between the Company and a Participant, which will specify, *inter alia*, the terms and conditions for the award of the Restricted Stock Units under the Plan, the number of Restricted Stock Units, and other details thereof, applicable to the Award.

"Board" means the duly constituted Board of Directors of the Company in accordance with the Articles of Association of the Company for the time being in force and subject to the applicable provisions of the Companies Act 2013, and as may be constituted / reconstituted in such manner from time to time.

"Beneficiary" means any beneficiary or beneficiaries nominated, from time to time, by each Employee under the RSU Plan to whom any benefit under the RSU Plan is to be delivered in case of his or her death before he or she receives all of such benefit.

"Closing Date" means the last date on which the Grantee can accept & communicate to the Company the acceptance of the Units Granted to the Grantee

"Closing 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, as determined in accordance with the SEBI Regulations.

"Company" means Tejas Networks Limited and where applicable it shall include its subsidiaries.

"Control" means: (i) the ownership of more than 50% or more of the equity shares or other voting securities of the Company; or (ii) the possession of the power to direct the management and policies of the Company; or (iii) the power to appoint a majority of the directors, or representatives to the governing body by virtue of ownership of voting securities or management or contract or in any other manner, whether (a) formal or informal; or (b) directly or indirectly, including through one or more persons.

"Disability" means any disability of whatsoever nature, be it by reason of any medically determinable physical, mental or otherwise, which results in the inability of or prevents or handicaps the Participant to perform any specific job, work or task, which such Participant was capable of performing immediately before such disablement.

"Employee", except in relation to issue of sweat equity shares, 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

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(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.

'Exercise Date' means the date on which the Employee Exercises his Vested RSU and in case of partial Exercise, shall mean each date on which the Employee Exercises part of his Vested RSU

'Exercise Price' means, the price payable by the Participant to exercise an Award granted under the Plan as may be decided by the Administrator from time to time, including any revisions that are permitted under the SEBI Regulations.

'Exercise Period' means the time period after Vesting within which the Participant can exercise his right to apply for the issue of Shares or receive the equivalent monetary value of such Share in lieu of the Shares underlying a Restricted Stock Unit against the Award Vested in him or her pursuant to the Plan

'Grant' means issue of Option to Employees under this ESOP Plan.

'Grant Date' means the date on which the compensation committee approves the grant.
Explanation. —For accounting purposes, the grant date will be determined in accordance with applicable accounting standards.

'Insider Trading Regulations' means the SEBI (Prohibition of Insider Trading) Regulations, 2015 (any successor thereto) and any insider trading regulations applicable to a Participant in any other jurisdiction, as amended from time to time.

'Long Leave' shall mean anyother leave availed by the employee and approved in accordance with the Company Policy and does not include leave availed due to disability.

'Participant' means any Employee of the Company or the Company's affiliated entities and subsidiaries, as designated by the Administrator, eligible to participate in this Plan and who is granted Restricted Stock Units under this Plan

'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

'Restricted Stock Units' means a Restricted Stock Unit granted pursuant to Section [4] of this Agreement, comprising a right but not an obligation granted to a Participant to apply for and be issued Shares or receive the equivalent monetary value of such Share in lieu of the Shares underlying a Restricted Stock Unit at the Exercise Price, during or within the Exercise Period, subject to the requirements of Vesting

'SEBI' means Securities Exchange Board of India or such other statutory authority having power to the Plan from time to time

'SEBI Regulations' means the SEBI (Share Based Employee Benefit) Regulations, 2014 (and any successor thereto), as amended from time to time, as applicable to Awards granted under this Plan.

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"Securities" means securities as defined in section 2(h) of the Securities Contracts (Regulation) Act, 1956 (42 of 1956); and shall include American Depository Receipts (ADRs), Global Depository Receipts (GDRs), or other depository receipts representing underlying equity shares or securities convertible into equity shares.

Termination Date means the date of termination of employment by the Employee with the Company

Unvested Option means an RSU, which is not a Vested RSU.

Vesting means to become exercisable or to otherwise obtain ownership rights in an Award pursuant to Section [7] of this Plan.

Vesting Date means the date on and from which the RSU Vests with the Employee and thereby becomes Exercisable.

Vesting Period means the period during which the Vesting of the RSU Granted to the Employee in pursuance of the RSU Plan takes place.

Vested RSU means an RSU, which has Vested with the Employee and has thereby become Exercisable.

2.2 In this Plan.

- a. words denoting the singular shall include the plural and vice versa, and the same shall be interpreted neutral to gender,
- b. other grammatical forms of defined words or expressions have corresponding meanings;
- c. unless the context otherwise requires references to clauses or annexures are to clauses or annexures of this Agreement;
- d. the article, section and other headings of this Agreement are for convenience of reference only and shall not be construed to affect the meaning of any provision contained herein;
- e. reference to any statute or statutory provision includes a reference to that statute or statutory provision as amended, extended or re-enacted or consolidated (from time to time) and all statutory instruments or orders (including delegated legislation whether by way of rules, notifications, bye-laws and guidelines) that are currently in force.

3. Shares Subject to the Plan and Quantum

3.1 Shares subject to the Plan: The Shares, which are subject to Restricted Stock Units, shall be authorised but unissued Shares.

3.2 Quantum: Subject to [Section 6.3(adjustments)] of the Plan, the maximum number of Shares which shall be subject to Restricted Stock Units under the Plan is as under:

Nominal Value per Share	The maximum number of Shares subject to RSU under the plan
INR Rs 10/-	3 Million shares

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Where Shares are issued by the Company consequent to an exercise of an Restricted Stock Unit under the Plan, the maximum number of Shares which are subject to Restricted Stock Units from time to time referred in this section shall stand reduced to the extent of such Shares issued by the Company to eligible employees as per the Plan or as may be permitted by the stock exchanges.

- 3.3 Share Issuance: Any Shares to be issued under the Plan may be issued by the Company or by a trust established by the Company. Any such trust shall be subject to compliance with SEBI Regulations and all other Applicable Laws.

4. Administration, Claim and Review Procedure

- 4.1 Administration of the Plan: The Plan shall be administered by the Administrator.

- 4.2 Authority and Discretion of the Administrator:

Subject to the provisions of the Plan, the Administrator will have exclusive power/authority to:

- a) Select the Participants who should be granted Restricted Stock Units;
 - b) Determine the number of Restricted Stock Units to be granted to each Participant;
 - c) Determine the terms and conditions, including Exercise Period, date of Vesting, etc of the Restricted Stock Units granted under this Plan;
 - d) Set all other terms and conditions for the Award;
 - e) Construe and interpret the Plan and Award Agreements executed pursuant to the Plan;
 - f) Modify or amend each Award, subject to the provisions of the Plan.
 - g) Adopt and revise rules and regulations relating to the Plan;
 - h) To frame suitable policies and systems to ensure that there is no violation of securities laws, by any Employee or director;
 - i) To prescribe, amend and rescind rules and regulations relating to the Plan,
 - j) To allow a Participant to defer the settlement of the Restricted Stock Units that would otherwise be due to such Participant under an Award pursuant to such procedures as the Administrator may determine; and
 - k) Make any other determinations that it believes necessary or advisable for the administration of the Plan.
- 4.3 Determinations by the Administrator with respect to all matters relating to the Plan will be final and binding on all Participants and any other holders of Awards.
- 4.4 Indemnification: No member of the Board or officer of the Company shall be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan, the Award Agreements, or the Award, and all members of the Board and/or or officer of the Company shall be fully protected and indemnified by the Company with respect to any such action, determination, or interpretation

5. Eligibility

The persons eligible to participate in the Plan are as follows:

- a) Employees, other than any Employee who is a Promoter or belongs to the Promoter Group; and

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- b) Directors or directors of any holding company or Subsidiary, other than (i) any Independent Directors or (ii) Director(s) who either themselves or through a relative or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Shares.
- c) Where such 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 a company and the director so appointed shall, *inter alia*, specify the following: -
 - whether the grants by the company under its scheme(s) can be accepted by the said employee in his capacity as director of the company;
 - that grant if made to the director, shall not be renounced in favour of the nominating institution; and
 - 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 said company, which shall, in turn file the copy with all the recognised 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. Awards of Restricted Stock Units

6.1 Awards:

- a) Restricted Stock Units may be granted to Participants as the Administrator may determine from time to time.
- b) The Administrator may require the Participant to pay an Exercise Price to exercise their right to opt for the Restricted Stock Units offered, in the manner set out in the Award Agreement.
- c) Each Award will be evidenced by an Award Agreement, which shall be communicated to the Participant within thirty (30) days from the Grant Date.

6.2 Restricted Stock Units Available: The Restricted Stock Units shall be awarded under the Plan as determined by the Administrator, subject to adjustment in accordance with Section 6.3. If any Restricted Stock Units awarded under the Plan are forfeited or canceled, such Restricted Stock Units may be re-awarded under the Plan.

6.3 Adjustments: The Administrator shall make or provide for such adjustments to the Restricted Stock Units awarded as it deems appropriate in its sole discretion in the event of changes to the Company's share capital, by a division or consolidation of such share capital including by way of stock dividend or stock bonus, stock splits, or by reason of a recapitalization, merger, purchase of assets, consolidation, exchange, reorganization and the like.

6.4 Termination: Outstanding unvested Restricted Stock Units shall automatically terminate without any payment if the performance goals or service Vesting

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requirements established for those Awards are not attained or satisfied as per the terms contained in the Award Agreement.

7. Vesting of Restricted Stock Units

- 7.1 The Administrator will, in its discretion, set the Vesting criteria which may be based on the Participant's period of service and/or the attainment of specified performance objectives. After the grant of Restricted Stock Units, the Administrator in its sole discretion, may reduce or waive any Vesting restrictions for such Restricted Stock Units
- 7.2 The minimum Vesting Period of a Restricted Stock Unit Award shall not be less than a period of 12 months.
- 7.3 In addition, the Vesting of the Award will accelerate in full upon the Participant's death or Disability during the period of Service to the extent required under the SEBI Regulations. In the event of death of the Participant, all the Restricted Stock Units granted to him till such date shall Vest in the legal heirs or nominees of the Participant.

8. Exercise of Restricted Stock Units

a. Procedure for Exercise of Restricted Stock Units

An Option Granted hereunder shall be Exercisable according to the terms hereof at such times and under such conditions as determined by the Compensation Committee and set forth in the Stock Option Agreement. The Option shall be deemed to be exercised when the Company receives,

- written or electronic notice of Exercise (in accordance with the ESOP Plan) from the person entitled to Exercise the Option;
- full payment for the Shares with respect to which the Option is Exercised

b. Exercise of Options by the Employee in the case of cessation of employment

• **Cessation of employment due to reasons of permanent and total disability**

In the event of separation of an Employee from the Company due to reasons of permanent and total disability of the Optionee, all the Options Granted to the Employee as on the date of such permanent and total disability shall Vest in him or her on that date and the Optionee may Exercise his or her Vested Options, immediately on the date of permanent and total disability.

• **Cessation of Employment due to death of the Employee**

In the event of death of an Employee while in employment with the Company, all the Options Granted to the Employee till the date of Optionee's death shall Vest in the Beneficiary nominated by the Optionee and the Vested Options may be Exercised by the Beneficiary immediately

• **Cessation of Employment due to retirement or superannuation**

In the event of cessation of employment due to normal retirement, early retirement specifically approved by the Company or superannuation the options granted to an

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employee would continue to vest in accordance with the respective vesting schedules even after normal retirement, early retirement specifically approved by the Company or superannuation in accordance with the company's policies and the applicable law.

- **Cessation of Employment due to resignation or termination**

In the event of resignation of the Employee (other than by way of retirement as mentioned above) or termination, all Options Granted, which were granted and not yet Vested on the date of submission of resignation, shall expire and stand terminated with effect from that date. However, all Vested Options as on that date, shall be Exercised by the Employee immediately but not later than the last working day of the Employee. Vested Options not Exercised within the aforementioned period, shall lapse upon the expiry of the period specified herein.

- **Cessation of Employment due to abandonment of Service**

In the event of abandonment of service by an Optionee without Company's consent, all Options Granted including those, which are Vested but were not Exercised at the time of abandonment of service, shall stand terminated with immediate effect. The date of abandonment of an Employee shall be decided by the Company at its sole discretion which decision shall be binding on all concerned.

- **Cessation of Employment due to transfer or deputation**

In the event that an employee, who has been granted options is transferred or deputed to an associate company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

- **Cessation of Employment due to Scheme of arrangement, amalgamation, merger or demerger**

In the event that an employee who has been granted options 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

9. **Form and Timing of Settlement**

Settlement of Vested Restricted Stock Units will be made as soon as practicable after the date(s) set forth in the Award Agreement, subject to applicable tax withholding requirements. To the extent permitted by Applicable Laws and at its sole discretion, the Administrator shall decide if the Vested Restricted Stock Units be paid in cash or through issuance of Shares, in accordance with the provisions contained in the Award Agreement. In respect of settlements of Vested Restricted Stock Units for Shares, the Company shall issue the underlying quantum of Shares corresponding to the number of Restricted Stock Units exercised, after adjusting for any amounts payable by the Participant, including Exercise Price, amounts to be withheld with respect to any tax, social security contribution of the employer and employee, and any other amounts as set forth in the Award Agreement

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10. Forfeiture of Unvested Restricted Stock Units

Except as otherwise provided in the Award Agreement, upon a Participant's cessation of service other than due to normal retirement or Superannuation or early retirement as specifically approved by the Company the Participant's rights to any unvested Restricted Stock Units will terminate and be cancelled. Vested RSUs lapsed due to non-exercise and/or unvested RSUs that get cancelled due to resignation/ termination of the employees or otherwise, would be available for being re-granted at a future date. The Administrator is authorized to re-grant such lapsed / cancelled RSUs as per the provisions of RSU 2017, within overall ceiling.

11. Determination of Value of Restricted Stock Units Settled by way of Cash

11.1 Value of Restricted Stock Units: In case of Restricted Stock Units that are stipulated to be settled by way of cash payment, the amount payable to the Participant upon Vesting shall be equal to the number of Vested Restricted Stock Units multiplied by the Closing Market Price of a Share as on the date of exercising the Restricted Stock Units after adjusting for its Exercise Price, in accordance with the provisions of the SEBI Regulations

11.2 Withholding of tax: Prior to the payment of any amounts pursuant to an Award (or exercise thereof), the Company will have the right to deduct or withhold, an amount sufficient to satisfy any applicable taxes as required by the Applicable Laws, with respect to such Award (or exercise thereof). Notwithstanding the amount so withheld, the Participant or beneficiary shall also be liable for any and all other taxes due with respect to amounts paid pursuant to the Plan.

12. Amendment and Termination of the Plan

12.1 Amendment: The Administrator may alter or amend the Plan from time to time without obtaining the approval of any Participant; provided however, that, except as provided in Section 6.3, no amendment to the Plan may alter, impair or reduce the number of Restricted Stock Units granted under the Plan prior to the effective date of such amendment without the written consent of the affected Participant.

12.2 Termination: Subject to the Applicable Laws, the Administrator may terminate the Plan at any time. However, such termination will not impair the rights of any Participant for any Award granted prior to such date of termination, unless agreed to by the Participant.

13. Certificate from 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 these regulations and in accordance with the resolution of the company in the general meeting

14. Miscellaneous

14.1 Related Agreements. As a condition to the receipt of benefits hereunder, each Participant may be required to execute related agreements, in a form satisfactory to the Administrator, which may include but are not limited to, a non-competition, confidentiality, non-solicitation, non-interference, adherence to code of conduct or

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non-disclosure agreement with the Company as well as tax indemnification agreements in connection with the awards of the Restricted Stock Units.

- 14.2 **Non-transferability:** Restricted Stock Units granted under the Plan, and any rights and privileges pertaining thereto, may not be transferred, assigned, pledged or hypothecated in any manner, by operation of law or otherwise, other than by will or by the laws of descent and distribution, and will not be subject to execution, attachment or similar process.
- 14.3 **No rights as a shareholder:** Restricted Stock Units entitle the Participant merely to a right to subscribe to the Shares of the Company or the economic value representing the market price of such Shares Vested payable upon Vesting, pursuant to an Award made under this Plan. The Shares transferred to the Participant in relation to the Restricted Stock Units shall not entitle the Participant to any voting rights, distribution with respect to Restricted Stock Units, or any other rights as a shareholder with respect to the Shares notionally earmarked pursuant to this Plan till the Shares Vest in favour of such Participant as per the terms stipulated in the Award Agreement. The grant of a Restricted Stock Unit pursuant to the Plan shall not be deemed the grant of a property interest in any assets of the Company, nor shall be construed as giving the Participant the right to be retained or nominated as a director of the Company.
- 14.4 **Changes in Company Capital and Structure:** Nothing in this Plan or any Award Agreement shall limit or restrict the authority and power of the Administrator, the Company and its members to make changes to the number or kind of share capital including by reason of a recapitalization, merger, exchange of shares, reorganization and the like, or to consider or reject any proposal or transaction that might result in a change in Control, or to take or refrain from any act or exercise of its or their respective rights under the Applicable Laws.
- 14.5 **No Effect on Employment or Service:** Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship with the Company, nor will they interfere in any way with the Participant's right or the Company's right to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.
- 14.6 **No Employment Rights:** No Employee has any claim or right to be granted Restricted Stock Units under the Plan. Neither the Plan nor any action taken hereunder may be construed as giving any Employee any right to be retained as the Employee of the Company.
- 14.7 **Effect of Plan on Other Compensation Programs:** The establishment of this Plan shall not affect any other compensation or incentive plan or program in effect for the Company nor shall this Plan be construed to limit the right of the Company to establish any other forms of incentives or compensation for any Employees of the Company.
- 14.8 **Unfunded Status: Subordination:** The Plan will at all times be entirely unfunded and no provision will at any time be made with respect to segregating assets of the Company for payment of any benefits hereunder. No Participant or other person will have any interest in any particular assets of the Company by reason of the right to Restricted Stock Units under the Plan and any such Participant or other

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person will have only the rights of a general unsecured creditor of the Company with respect to any rights under the Plan.

- 14.9 Successors: This Plan shall be binding upon, and shall inure to the benefit of the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business
- 14.10 Severability. If any of the provisions of this Plan shall become or be held invalid, ineffective or unenforceable, all other provisions hereof shall remain in full force and effect. The invalid, ineffective or unenforceable provision shall be deemed to be automatically amended and replaced without the necessity of further action by the Company hereto by such form, substance, time, matter and jurisdiction as shall be valid, effective and enforceable and as shall accomplish as far as possible the purpose and intent of the invalid, ineffective or unenforceable provision.
- 14.11 Governing Law. The Plan shall be governed by and construed in accordance with the laws of the India, and the courts in Bangalore shall have exclusive jurisdiction regarding any matter arising out of or related to this Plan.
- 14.12 Effective Date and Term of Plan. This Plan became effective on the date of its adoption by the Board on 26th August, 2017, pursuant to the approval of the Company's shareholders obtained at the annual general meeting held on 27th September, 2017. The Plan will continue in effect from the date of such initial adoption, unless terminated under Section 11.2 of the Plan.

Dated:

Tejas Networks Limited

By: _____

Its:

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TEJAS NETWORKS LIMITED

Corporate Identity Number (CIN) L72900KA2000PLC026980
Registered Office: J P Software Park, Plot No 25, Sy. No 13, 14, 17, 18
Konnappa Agrahara Village, Begur Hooli, Bangalore - 560100
Tel No: 080 4179 4600, Fax +91 80 2852 0201
Email: corporate@tejasnetworks.com
Website: www.tejasnetworks.com

RESTRICTED STOCK UNITS PLAN - 2022

[Approved by Board of Directors on April 22, 2022 and amended on October 21, 2022]

1. Purpose

1.1 The purpose of Tejas Networks Limited's Restricted Stock Units Plan - 2022 ('Plan') is to provide increased financial reward opportunity and align the interests of eligible Employees including the directors of Tejas Networks Limited and its subsidiaries (together, referred to as the 'Company'), with those of the Company's shareholders by providing long-term incentive compensation opportunities tied to the performance of the Company and its equity shares, in order to:

- Attract, retain and motivate talented and critical employees and consultants.
- Encourage Employees (as defined hereinafter) to align individual performance with Company objectives;
- Reward performance with ownership in proportion to their contribution, and
- Align Employee's interest with those of the organization.

1.2 This Plan will be based upon the award of certain Restricted Stock Units or "RSUs" (as defined hereinafter), which shall entitle the Participant to receive a specified number of equity shares, that vest on a date determined in accordance with the provisions of this Plan, as per the terms and conditions stipulated herein. The settlement of such Restricted Stock Units granted to the Participants shall be made either by way of cash payment or by issue of Shares.

2. Definitions

2.1 For purposes of the Plan, the following terms are defined below:

"Act" means the Companies Act, 2013, the rules made thereunder and any amendments thereof.

"Administrator" means the Board or if nominated, the Nominations and Remuneration Committee that administers the Plan either through itself or through a trust that is set up for this purpose, in accordance with Section 4 of the Plan.

"Applicable Laws" means the legal requirements applicable to an Award or the Plan, including, without limitation, the Act, the SEBI Regulations, the Insider Trading Regulations and all relevant tax, securities exchange control or corporate laws, rules and regulations of India and the regulations of any stock exchanges on which the Shares underlying such Award are listed, as such laws, rules, regulations and requirements shall be in place from time to time.

"Associate company" shall have the same meaning as defined under section 2(6) of the Companies Act, 2013 (18 of 2013).

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'Award' means, individually or collectively, an award of Restricted Stock Units granted to the Participant under this Plan.

'Award Agreement' means a written or electronic agreement entered into between the Company and a Participant, which will specify, *inter alia* the terms and conditions for the award of the Restricted Stock Units under the Plan, the number of Restricted Stock Units, and other details thereof, applicable to the Award

'Board' means the duly constituted Board of Directors of the Company in accordance with the Articles of Association of the Company for the time being in force and subject to the applicable provisions of the Companies Act 2013, and as may be constituted / reconstituted in such manner from time to time

'Beneficiary' means any beneficiary or beneficiaries nominated, from time to time, by each Employee under the RSU Plan to whom any benefit under the RSU Plan is to be delivered in case of his or her death before he or she receives all of such benefit.

'Closing Date' means the last date on which the Grantee can accept & communicate to the Company the acceptance of the Units Granted to the Grantee.

'Closing 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, as determined in accordance with the SEBI Regulations

'Company' means Tejas Networks Limited and where applicable it shall include its subsidiaries

'Control' means: (i) the ownership of more than 50% or more of the equity shares or other voting securities of the Company; or (ii) the possession of the power to direct the management and policies of the Company; or (iii) the power to appoint a majority of the directors, or representatives to the governing body by virtue of ownership of voting securities or management or contract or in any other manner, whether (a) formal or informal; or (b) directly or indirectly, including through one or more persons.

'Disability' means any disability of whatsoever nature be it by reason of any medically determinable physical, mental or otherwise, which results in the inability of or prevents or handicaps the Participant to perform any specific job, work or task, which such Participant was capable of performing immediately before such disablement.

'Employee', except in relation to issue of sweat equity shares, 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—

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(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.

Exercise Date means the date on which the Employee Exercises his Vested RSU and in case of partial Exercise shall mean each date on which the Employee Exercises part of his Vested RSU.

Exercise Price means, the price payable by the Participant to exercise an Award granted under the Plan as may be decided by the Administrator from time to time, including any revisions that are permitted under the SEBI Regulations.

Exercise Period means the time period after Vesting within which the Participant can exercise his right to apply for the issue of Shares or receive the equivalent monetary value of such Share in lieu of the Shares underlying a Restricted Stock Unit against the Award Vested in him or her pursuant to the Plan

Grant means issue of Option to Employees under this ESOP Plan

Grant Date means the date on which the compensation committee approves the grant Explanation, —For accounting purposes, the grant date will be determined in accordance with applicable accounting standards.

Insider Trading Regulations means the SEBI (Prohibition of Insider Trading) Regulations, 2015 (any successor thereto) and any insider trading regulations applicable to a Participant in any other jurisdiction, as amended from time to time

Long Leave shall mean any other leave availed by the employee and approved in accordance with the Company Policy and does not include leave availed due to disability.

Participant means any Employee of the Company or the Company's affiliated entities, associates and subsidiaries as designated by the Administrator, eligible to participate in this Plan and who is granted Restricted Stock Units under this Plan.

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

Restricted Stock Units means a Restricted Stock Unit granted pursuant to Section 4 of this Agreement, comprising a right but not an obligation granted to a Participant to apply for and be issued Shares or receive the equivalent monetary value of such Share in lieu of the Shares underlying a Restricted Stock Unit at the Exercise Price, during or within the Exercise Period, subject to the requirements of Vesting.

SEBI means Securities Exchange Board of India or such other statutory authority having power to the Plan from time to time.

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"**SEBI Regulations**" means the SEBI (Share Based Employee Benefit) Regulations, 2014 (and any successor thereto) as amended from time to time, as applicable to Awards granted under this Plan.

"**Securities**" means securities as defined in section 2(h) of the Securities Contracts (Regulation) Act, 1956 (42 of 1956); and shall include American Depository Receipts (ADRs), Global Depository Receipts (GDRs), or other depository receipts representing underlying equity shares or securities convertible into equity shares

"**Termination Date**" means the date of termination of employment by the Employee with the Company.

"**Unvested Option**" means an RSU, which is not a Vested RSU.

"**Vesting**" means to become exercisable or to otherwise obtain ownership rights in an Award pursuant to Section [7] of this Plan.

"**Vesting Date**" means the date on and from which the RSU Vests with the Employee and thereby becomes Exercisable

"**Vesting Period**" means the period during which the Vesting of the RSU Granted to the Employee in pursuance of the RSU Plan takes place.

"**Vested RSU**" means an RSU, which has Vested with the Employee and has thereby become Exercisable

2.2 In this Plan:

- a. words denoting the singular shall include the plural and vice versa, and the same shall be interpreted neutral to gender;
- b. other grammatical forms of defined words or expressions have corresponding meanings;
- c. unless the context otherwise requires references to clauses or annexures are to clauses or annexures of this Agreement;
- d. the article, section and other headings of this Agreement are for convenience of reference only and shall not be construed to affect the meaning of any provision contained herein;
- e. reference to any statute or statutory provision includes a reference to that statute or statutory provision as amended, extended or re-enacted or consolidated (from time to time) and all statutory instruments or orders (including delegated legislation whether by way of rules, notifications, bye-laws and guidelines) that are currently in force

3. Shares Subject to the Plan and Quantum

3.1 Shares subject to the Plan. The Shares, which are subject to Restricted Stock Units, shall be authorised but unissued Shares.

3.2 Quantum: Subject to Section 6.3 (adjustments) of the Plan, the maximum number of Shares which shall be subject to Restricted Stock Units under the Plan is as under:

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Nominal Value per Share	The maximum number of Shares subject to RSU under the plan
INR Rs 10/-	50 lakh shares

Where Shares are issued by the Company consequent to an exercise of an Restricted Stock Unit under the Plan, the maximum number of Shares which are subject to Restricted Stock Units from time to time referred in this section shall stand reduced to the extent of such Shares issued by the Company to eligible employees as per the Plan or as may be permitted by the stock exchanges.

3.3 **Share Issuance:** Any Shares to be issued under the Plan may be issued by the Company or by a trust established by the Company. Any such trust shall be subject to compliance with SEBI Regulations and all other Applicable Laws

4. **Administration, Claim and Review Procedure**

4.1 **Administration of the Plan:** The Plan shall be administered by the Administrator.

4.2 **Authority and Discretion of the Administrator.**

Subject to the provisions of the Plan, the Administrator will have exclusive power/authority to:

- a) Select the Participants who should be granted Restricted Stock Units;
- b) Determine the number of Restricted Stock Units to be granted to each Participant;
- c) Determine the terms and conditions, including Exercise Period, date of Vesting, etc of the Restricted Stock Units granted under this Plan;
- d) Set all other terms and conditions for the Award;
- e) Construe and interpret the Plan and Award Agreements executed pursuant to the Plan;
- f) Modify or amend each Award, subject to the provisions of the Plan;
- g) Adopt and revise rules and regulations relating to the Plan;
- h) To frame suitable policies and systems to ensure that there is no violation of securities laws, by any Employee or director;
- i) To prescribe, amend and rescind rules and regulations relating to the Plan;
- j) To allow a Participant to defer the settlement of the Restricted Stock Units that would otherwise be due to such Participant under an Award pursuant to such procedures as the Administrator may determine, and
- k) Make any other determinations that it believes necessary or advisable for the administration of the Plan.

4.3 Determinations by the Administrator with respect to all matters relating to the Plan will be final and binding on all Participants and any other holders of Awards

4.4 **Indemnification:** No member of the Board or officer of the Company shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, the Award Agreements, or the Award, and all members of the Board and/or officer of the Company shall be fully protected and indemnified by the Company with respect to any such action, determination, or interpretation.

5. **Eligibility**

The persons eligible to participate in the Plan are as follows:

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- a) Employees, other than any Employee who is a Promoter or belongs to the Promoter Group; and
- b) Directors or directors of any holding company or Subsidiary, other than (i) any Independent Directors or (ii) Director(s) who either themselves or through a relative or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Shares.
- c) Where such 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 a company and the director so appointed shall, *inter alia*, specify the following -
 - whether the grants by the company under its scheme(s) can be accepted by the said employee in his capacity as director of the company.
 - that grant if made to the director, shall not be renounced in favour of the nominating institution; and
 - 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 said company, which shall, in turn file the copy with all the recognised 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. Awards of Restricted Stock Units

6.1 Awards.

- a) Restricted Stock Units may be granted to Participants as the Administrator may determine from time to time.
- b) The Administrator may require the Participant to pay an Exercise Price to exercise their right to opt for the Restricted Stock Units offered, in the manner set out in the Award Agreement.
- c) Each Award will be evidenced by an Award Agreement, which shall be communicated to the Participant within thirty (30) days from the Grant Date.

6.2 Restricted Stock Units Available: The Restricted Stock Units shall be awarded under the Plan as determined by the Administrator, subject to adjustment in accordance with Section 6.3. If any Restricted Stock Units awarded under the Plan are forfeited or canceled, such Restricted Stock Units may be re-awarded under the Plan

6.3 Adjustments: The Administrator shall make or provide for such adjustments to the Restricted Stock Units awarded as it deems appropriate in its sole discretion in the event of changes to the Company's share capital, by a division or consolidation of such share capital including by way of stock dividend or stock bonus, stock splits, or by reason of a recapitalization, merger, purchase of assets, consolidation, exchange, reorganization and the like.

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6.4 Termination: Outstanding unvested Restricted Stock Units shall automatically terminate without any payment if the performance goals or service Vesting requirements established for those Awards are not attained or satisfied as per the terms contained in the Award Agreement.

7. Vesting of Restricted Stock Units

7.1 The Administrator will, in its discretion, set the Vesting criteria which may be based on the Participant's period of service and/or the attainment of specified performance objectives. After the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any Vesting restrictions for such Restricted Stock Units.

7.2 The minimum Vesting Period of a Restricted Stock Unit Award shall not be less than a period of 12 months.

7.3 In addition, the Vesting of the Award will accelerate in full upon the Participant's death or Disability during the period of Service to the extent required under the SEBI Regulations. In the event of death of the Participant, all the Restricted Stock Units granted to him till such date shall Vest in the legal heirs or nominees of the Participant.

8. Exercise of Restricted Stock Units

a. Procedure for Exercise of Restricted Stock Units

An Option Granted hereunder shall be Exercisable according to the terms hereof at such times and under such conditions as determined by the Compensation Committee and set forth in the Stock Option Agreement. The Option shall be deemed to be exercised when the Company receives.

- written or electronic notice of Exercise (in accordance with the ESOP Plan) from the person entitled to Exercise the Option.
- full payment for the Shares with respect to which the Option is Exercised.

b. Exercise of Options by the Employee in the case of cessation of employment

• Cessation of employment due to reasons of permanent and total disability

In the event of separation of an Employee from the Company due to reasons of permanent and total disability of the Optionee, all the Options Granted to the Employee as on the date of such permanent and total disability shall Vest in him or her on that date and the Optionee may Exercise his or her Vested Options immediately on the date of permanent and total disability.

• Cessation of Employment due to death of the Employee

In the event of death of an Employee while in employment with the Company, all the Options Granted to the Employee till the date of Optionee's death shall Vest in the Beneficiary nominated by the Optionee and the Vested Options may be Exercised by the Beneficiary immediately.

• Cessation of Employment due to retirement or superannuation

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In the event of cessation of employment due to normal retirement, early retirement specifically approved by the Company or superannuation the options granted to an employee would continue to vest in accordance with the respective vesting schedules even after normal retirement, early retirement specifically approved by the Company or superannuation in accordance with the company's policies and the applicable law.

- **Cessation of Employment due to resignation or termination**

In the event of resignation of the Employee (other than by way of retirement as mentioned above) or termination, all Options Granted, which were granted and not yet Vested on the date of submission of resignation, shall expire and stand terminated with effect from that date. However, all Vested Options as on that date, shall be Exercised by the Employee immediately but not later than the last working day of the Employee. Vested Options not Exercised within the aforementioned period, shall lapse upon the expiry of the period specified herein.

- **Cessation of Employment due to abandonment of Service**

In the event of abandonment of service by an Optionee without Company's consent, all Options Granted including those, which are Vested but were not Exercised at the time of abandonment of service, shall stand terminated with immediate effect. The date of abandonment of an Employee shall be decided by the Company at its sole discretion which decision shall be binding on all concerned.

- **Cessation of Employment due to transfer or deputation**

In the event that an employee, who has been granted options is transferred or deputed to an associate company prior to vesting or exercise the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

- **Cessation of Employment due to Scheme of arrangement, amalgamation, merger or demerger**

In the event that an employee who has been granted options, 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.

9. **Form and Timing of Settlement**

Settlement of Vested Restricted Stock Units will be made as soon as practicable after the date(s) set forth in the Award Agreement, subject to applicable tax withholding requirements. To the extent permitted by Applicable Laws and at its sole discretion, the Administrator shall decide if the Vested Restricted Stock Units be paid in cash or through issuance of Shares, in accordance with the provisions contained in the Award Agreement. In respect of settlements of Vested Restricted Stock Units for Shares, the Company shall issue the underlying quantum of Shares corresponding to the number of Restricted Stock Units exercised, after adjusting for any amounts payable by the Participant, including Exercise Price amounts to be withheld with respect to any tax, social security contribution

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of the employer and employee, and any other amounts as set forth in the Award Agreement.

10. Forfeiture of Unvested Restricted Stock Units

Except as otherwise provided in the Award Agreement, upon a Participant's cessation of service other than due to normal retirement or Superannuation or early retirement as specifically approved by the Company the Participant's rights to any unvested Restricted Stock Units will terminate and be cancelled. Vested RSUs lapsed due to non-exercise and/or unvested RSUs that get cancelled due to resignation/ termination of the employees or otherwise, would be available for being re-granted at a future date. The Administrator is authorized to re-grant such lapsed / cancelled RSUs as per the provisions of RSU 2022, within overall ceiling

11. Determination of Value of Restricted Stock Units Settled by way of Cash

11.1 Value of Restricted Stock Units: In case of Restricted Stock Units that are stipulated to be settled by way of cash payment, the amount payable to the Participant upon Vesting shall be equal to the number of Vested Restricted Stock Units multiplied by the Closing Market Price of a Share as on the date of exercising the Restricted Stock Units after adjusting for its Exercise Price, in accordance with the provisions of the SEBI Regulations

11.2 Withholding of tax: Prior to the payment of any amounts pursuant to an Award (or exercise thereof), the Company will have the right to deduct or withhold, an amount sufficient to satisfy any applicable taxes as required by the Applicable Laws, with respect to such Award (or exercise thereof). Notwithstanding the amount so withheld, the Participant or beneficiary shall also be liable for any and all other taxes due with respect to amounts paid pursuant to the Plan.

12. Amendment and Termination of the Plan

12.1 Amendment: The Administrator may alter or amend the Plan from time to time without obtaining the approval of any Participant, provided however, that, except as provided in Section 6.3, no amendment to the Plan may alter, impair or reduce the number of Restricted Stock Units granted under the Plan prior to the effective date of such amendment without the written consent of the affected Participant.

12.2 Termination: Subject to the Applicable Laws, the Administrator may terminate the Plan at any time. However, such termination will not impair the rights of any Participant for any Award granted prior to such date of termination, unless agreed to by the Participant.

13. Certificate from 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 these regulations and in accordance with the resolution of the company in the general meeting

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14. Miscellaneous

- 14.1 In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report. Not Applicable
- 14.2 Terms & conditions for buyback, if any, of specified securities covered under these regulations: Not Applicable
- 14.3 period of lock-in: Not Applicable
- 14.4 maximum quantum of benefits to be provided per employee under a scheme(s): Unless approved by the Members, the number of RSUs that may be granted to any specific Eligible Employee under the Plan, in any financial year and in aggregate under the RSU 2022 shall not exceed such number of RSUs representing 1% of the issued share capital of the Company. The Board or the Nomination and Remuneration Committee (referred as Administrator in the scheme) has been empowered to determine the quantum of options to be granted per employee and in aggregate.
- 14.5 Related Agreements: As a condition to the receipt of benefits hereunder, each Participant may be required to execute related agreements, in a form satisfactory to the Administrator, which may include but are not limited to, a non-competition, confidentiality, non-solicitation non-interference, adherence to code of conduct or non-disclosure agreement with the Company as well as tax indemnification agreements in connection with the awards of the Restricted Stock Units.
- 14.6 Non-transferability: Restricted Stock Units granted under the Plan, and any rights and privileges pertaining thereto, may not be transferred, assigned, pledged or hypothecated in any manner, by operation of law or otherwise, other than by will or by the laws of descent and distribution, and will not be subject to execution, attachment or similar process
- 14.7 No rights as a shareholder: Restricted Stock Units entitle the Participant merely to a right to subscribe to the Shares of the Company or the economic value representing the market price of such Shares Vested payable upon Vesting pursuant to an Award made under this Plan. The Shares transferred to the Participant in relation to the Restricted Stock Units shall not entitle the Participant to any voting rights, distribution with respect to Restricted Stock Units, or any other rights as a shareholder with respect to the Shares notionally earmarked pursuant to this Plan, till the Shares Vest in favour of such Participant as per the terms stipulated in the Award Agreement. The grant of a Restricted Stock Unit pursuant to the Plan shall not be deemed the grant of a property interest in any assets of the Company, nor shall be construed as giving the Participant the right to be retained or nominated as a director of the Company

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- 14.8 Changes in Company Capital and Structure: Nothing in this Plan or any Award Agreement shall limit or restrict the authority and power of the Administrator, the Company and its members to make changes to the number or kind of share capital including by reason of a recapitalization, merger, exchange of shares, reorganization and the like, or to consider or reject any proposal or transaction that might result in a change in Control, or to take or refrain from any act or exercise of its or their respective rights under the Applicable Laws
- 14.9 No Effect on Employment or Service: Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship with the Company, nor will they interfere in any way with the Participant's right or the Company's right to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws
- 14.10 No Employment Rights: No Employee has any claim or right to be granted Restricted Stock Units under the Plan. Neither the Plan nor any action taken hereunder may be construed as giving any Employee any right to be retained as the Employee of the Company
- 14.11 Effect of Plan on Other Compensation Programs: The establishment of this Plan shall not affect any other compensation or incentive plan or program in effect for the Company nor shall this Plan be construed to limit the right of the Company to establish any other forms of incentives or compensation for any Employees of the Company.
- 14.12 Unfunded Status; Subordination: The Plan will at all times be entirely unfunded and no provision will at any time be made with respect to segregating assets of the Company for payment of any benefits hereunder. No Participant or other person will have any interest in any particular assets of the Company by reason of the right to Restricted Stock Units under the Plan and any such Participant or other person will have only the rights of a general unsecured creditor of the Company with respect to any rights under the Plan.
- 14.13 Successors: This Plan shall be binding upon, and shall inure to the benefit of the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business.
- 14.14 Severability: If any of the provisions of this Plan shall become or be held invalid, ineffective or unenforceable, all other provisions hereof shall remain in full force and effect. The invalid, ineffective or unenforceable provision shall be deemed to be automatically amended and replaced without the necessity of further action by the Company hereto by such form, substance, time, matter and jurisdiction as shall be valid, effective and enforceable and as shall accomplish as far as possible the purpose and intent of the invalid, ineffective or unenforceable provision
- 14.15 Governing Law: The Plan shall be governed by and construed in accordance with the laws of the India, and the courts in Bangalore shall have exclusive jurisdiction regarding any matter arising out of or related to this Plan.

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14.16 Effective Date and Term of Plan. This Plan became effective on the date of its adoption by the Board on April 22, 2022, pursuant to the approval of the Company's shareholders obtained at the annual general meeting held on July 26, 2022. The Plan will continue in effect from the date of such initial adoption, unless terminated under Section 11.2 of the Plan

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Dated: _____

Tejas Networks Limited



By: _____

Its: _____

TEJAS NETWORKS LIMITED
ESOP PLAN – 2024



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TEJAS NETWORKS LIMITED

EMPLOYEE STOCK OPTION PLAN - 2024

This Plan has been formulated and adopted by the Nomination and Remuneration Committee and approved by the board of directors pursuant to the approval of shareholders of Tejas Networks Limited ("Company") as part of the scheme of amalgamation between the Company and Saankhya Labs Private Limited at its meeting held on February 9, 2024

1. NAME AND OBJECTIVE OF THE PLAN

This Plan shall be called the "Tejas Networks Limited Employee Stock Option Plan - 2024" ("Plan") which expression shall include any alterations, amendments or modifications to it, from time to time. The purpose of adoption of this Plan is as follows:-

- 1.1 *Vide* resolution of the shareholders of the Company dated February 9, 2024 and consent of the shareholders of Saankhya Labs Private Limited ("SLPL") and Saankhya Strategic Electronics Private Limited ("SSEPL") had agreed to amalgamate with the Company and accordingly as per the provisions of Section 230 to 232 of the Companies Act, 2013, a scheme of amalgamation, *inter alia*, of SLPL and the Company was approved by the shareholders ("Scheme of Amalgamation") and filed with the National Company Law Tribunal ("NCLT") for approval
- 1.2 SLPL, *vide* shareholders' resolutions dated January 28, 2008 and January 24 2012 had respectively adopted and implemented the Employee Stock Option Scheme 2008 ("2008 Plan"), and Employee Stock Option Scheme 2012 ("2012 Plan") (2008 Plan and 2012 Plan hereinafter collectively referred to as "Saankhya Plans" (and amended subsequently from time to time) whereby stock options were granted to the employees of SLPL under the respective Saankhya Plans. The Saankhya Plans provide that subject to fulfilment of the vesting conditions laid down under the respective Plans, the employees would be entitled to receive shares of SLPL, on exercise of their options, and payment of the pre-determined exercise price (as provided under the respective Saankhya Plan). In furtherance of the above objects, SLPL had settled a trust *vide* deed dated 8 March 2012 ("SLPL ESOP Trust").
- 1.3 The Scheme of Amalgamation has subsequently been approved by the NCLT *vide* order dated August 20, 2024 pursuant to which SLPL and SSEPL has amalgamated into the Company and consequently ceased to exist. As part of the amalgamation, all employees of SLPL and SSEPL have also moved to the Company
- 1.4 Clause 5.3 of the Scheme of Amalgamation specifically lays down the manner in which stock options granted to the employees of SLPL and SSEPL under the Saankhya Plans are to be dealt with. It provides that upon coming into effect of the Scheme of Amalgamation, all the stock options granted under the Saankhya Plans shall get cancelled and the Company shall adopt and implement a new stock option plan under which options shall be granted to the employees of SLPL and SSEPL. For every 100 options granted to the employees under the Saankhya Plans, 112 options shall be granted to them under a plan to be floated by the Company. Further, Clause 5.3.3 of the Scheme of Amalgamation also provides that for determining the minimum vesting period for the stock options to vest, the period for which options were held upon grant made under the Saankhya Plans, shall also be considered
- 1.5 In pursuance to the above, the Company has adopted the Plan (defined hereinbelow). Further, the SLPL ESOP Trust (or any subsequent name of the trust) ("Trust") already holds shares of



SLPL (for the purposes of transferring it onwards to the employees on satisfaction of vesting conditions and exercising their options). As part of the Scheme of Amalgamation, the Trust shall receive 112 shares of the Company in exchange for every 100 shares held by it in SLPL. These shares shall be utilised by the Trust for implementing the Plan as adopted by the Company.

- 1.6 Clause 5.3.5 of the Scheme of Amalgamation provides that the Original Deed may be restated and modified as deemed necessary to give effect to the provisions of the Scheme of Amalgamation, and *inter alia*, to include employees of SLPL that have now transferred to the Company as beneficiaries of the Trust consequently being eligible to receive shares of the Company in accordance with the terms and conditions of the Plan.
- 1.7 Pursuant to the above, the Original Deed shall also be adequately amended to implement this Plan
- 1.8 The Plan, through the granting of Options, is intended to help the Company and its affiliates create a sense of ownership and participation amongst the Employees and retain and motivate them to perform better for the success of the Company and its affiliates, and provide wealth creation opportunity in line with value creation for the Company and its Shareholders.
- 1.9 The objectives of the Plan are:
- 1.9.1 create a sense of ownership and participation amongst the Employees;
 - 1.9.2 motivate the Employees with incentives and reward opportunities;
 - 1.9.3 drive an entrepreneurship mindset of value creation for the organization;
 - 1.9.4 provide the means to enable the Company and its affiliates to attract and retain appropriate talent in its respective employment; and
 - 1.9.5 to achieve sustained growth of the Company and create shareholder value by aligning the interests of the Employees with the long term interests of the Company.

2. DEFINITIONS AND INTERPRETATION

In this Plan, (i) capitalised terms defined by inclusions in quotations and/or parenthesis have the meanings so ascribed; (ii) the following terms shall have the meanings specified hereinbelow; and (iii) terms not defined shall have the meanings as defined in the Act or in any applicable statute or re-enactments hereof, including but not limited to the Securities Contracts (Regulation) Act, 1956 or the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as the case may be:

- 2.1 **Act** means the Companies Act, 2013, the rules, regulations, circulars or guidelines issued thereunder, as amended from time to time and shall include any statutory replacement or re-enactments thereof, if the context so requires and as may be applicable;
- 2.2 **Applicable Law** shall mean laws of India including rules, regulations and guidelines to the extent applicable to the Company and this Plan, as amended and modified from time to time but shall without limitation include the Act, Indian Contract Act, 1872 (as statutorily amended and modified from time to time), Securities Contracts (Regulations) Act, 1956 (as statutorily amended and modified from time to time), the Securities and Exchange Board of India Act, 1992 and applicable regulations including, but not limited to SBEB & SE Regulations, any stock



exchange specific regulations including the listing agreement with the stock exchanges where the Shares are listed. Accordingly, any action taken under the Plan shall be governed by and construed in accordance with the laws of India;

- 2.3 **Board of Directors / Board** means the Company's Board of Directors, constituted in accordance with the charter documents of the Company and as may be constituted/ re-constituted in accordance with the Applicable Law from time to time;
- 2.4 **Cause** will have the same meaning ascribed to such term in any written agreement between the Option Holder and the Employing Entity defining such term and in the absence of such agreement, such term means, with respect to an Option Holder, the occurrence of any of the following events: (i) being convicted of an offence involving moral turpitude or that disentitles the Option Holder from being associated with the Employing Entity as an Employee or otherwise in accordance with the Company and / or Employing Entity's policies and/ or Applicable Law; or (ii) commission of fraud, misappropriation or embezzlement of funds of the Employing Entity by the Option Holder; (iii) willful dishonesty, gross misconduct by the Option Holder; (iv) abandonment of services by the Option Holder; (v) termination of employment of the Option Holder by the Employing Entity for reasons relating to performance of such Option Holder or otherwise as determined by the Board and/or Employing Entity, and/ or (vi) any other action(s) of the Option Holder that, in view of the Board and/or the Employing Entity (as the case may be) is disruptive or detrimental to the functioning and/ or reputation of the Group;
- 2.5 **Closing Date** shall have the same meaning assigned to it as in Clause 4.2;
- 2.6 **Company** means Tejas Networks Limited, a public listed company incorporated in India under the provisions of the Indian Companies Act 1956, CIN: L72900KA2000PLC026980, and having its registered office at Plot No. 25, J.P. Software Park, Electronics City – Phase -I, Hosur Road, Bangalore 560100, the shares of which are listed on BSE Limited and National Stock Exchange of India Limited;
- 2.7 **Corporate Action** means one of the following events:
- 2.7.1 rights / bonus issue;
 - 2.7.2 reorganisation of the Shares;
 - 2.7.3 restructuring of the share capital of the Company;
 - 2.7.4 Other reorganization of the Company in which the Shares are converted into or exchanged for:
 - (a) a different class of securities of the Company, or
 - (b) any securities of any other issuer, or
 - (c) cash, or
 - (d) other property;
 - 2.7.5 Sale, lease or exchange of all or substantially whole of the assets / undertaking of the Company to any other company or entity;
 - 2.7.6 Bankruptcy proceedings against the Company;



- 2.7.7 Adoption by the Shareholders of a scheme of liquidation, dissolution or winding up;
- 2.7.8 Adoption by the Shareholders of a scheme of merger or demerger of the Company; and
- 2.7.9 Any other corporate action as designated by the Board;
- 2.8 **Director** means a member of the Board;
- 2.9 **Effective Date** shall have the same meaning assigned to it as in Clause 4.1;
- 2.10 **Eligible Employee** means an Employee as selected by the Nomination and Remuneration Committee, for the purpose of Granting Options under this Plan as per Clause 5.4 of this Plan;
- 2.11 **Employee** means:
- 2.11.1 an employee as designated by the Company, who is exclusively working in India or outside India; or
- 2.11.2 a Director, whether a whole time director or not but excluding an independent director; or
- 2.11.3 an employee as defined in Clause 2.11.1 and Clause 2.11.2 of a Group Company, in India or outside India;
- but does not include:
- (a) an employee who is a promoter or a person belonging to the promoter group of the Company,
- (b) a Director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than 10% (ten percent) of the outstanding Shares.
- It is hereby clarified that individuals that qualified as an Employee of SLPL and SSEPL and have since then become Employees of the Company, shall also be covered within this clause;
- 2.12 **Employing Entity** in reference to an Option Holder shall mean the entity of the Group which has employed such Option Holder;
- 2.13 **Exercise** means submission of Exercise Letter by the Option Holder / Nominee to the Nomination and Remuneration Committee and/or the Trust for transfer of Shares in respect of the Vested Options accompanied by the payment of Exercise Price to the Trust within the Exercise Period;
- 2.14 **Exercise Date** means the date as may be fixed by the Nomination and Remuneration Committee on which the Option Holder / Nominee can elect to Exercise the Vested Options;
- 2.15 **Exercise Letter** shall mean the letter as prescribed by the Nomination and Remuneration Committee for the purpose of Exercising the Vested Options, along with a cheque / demand draft or any other mode of payment of the Exercise Price for every Vested Option that is being Exercised;



- 2.16 **Exercise Period** means a period from the Vesting Date within which the Option Holder may elect to Exercise the Vested Options. Such period shall be as provided under **Clause 11.1**, or as otherwise determined by the Nomination and Remuneration Committee and intimated to the Option Holder under the Letter of Grant;
- 2.17 **Exercise Price** means the price payable by the Option Holder for the Exercise of each Option Granted under the Plan for the transfer of one Share which may be INR 10 (Indian Rupees Ten), or such other price as determined by the Nomination and Remuneration Committee and intimated in the Letter of Grant;
- 2.18 **Grant** means the process by which the Company issues Options under this Plan. The terms Granted and Granting shall be construed accordingly;
- 2.19 **Grant Date** means the date as specified in the Letter of Grant by the Nomination and Remuneration Committee on which a Grant is made to an Eligible Employee under the Plan;
- 2.20 **Group** shall have the same meaning ascribed to it in the SBEB & SE Regulations;
- 2.21 **Group Company**, in reference to the Company, shall mean the group companies as defined under Regulation 2(r) of the SBEB & SE Regulations, and shall also include its holding company as defined under the Act, subsidiaries as defined under the Act and associate companies as defined under Regulation 2(c) of the SBEB & SE Regulations;
- 2.22 **INR or Rupee or Rs** shall mean Indian Rupee, the currency of the Republic of India for the time being in force;
- 2.23 **Letter of Grant** shall mean a letter issued by the Nomination and Remuneration Committee, which contains the terms and conditions specific to the Options Granted to the Eligible Employee. The Letter of Grant shall be subject to the provisions of the Plan;
- 2.24 **Long Leave** means any leave granted to the Employee, and designated as such, to be absent from work for a period as the Employing Entity may determine in its sole and absolute discretion;
- 2.25 **Nomination and Remuneration Committee** means the 'Nomination and Remuneration Committee' set up by the Company under the Section 178 of the Act;
- 2.26 **Nominee** means an individual appointed by the Option Holder by submitting a letter in the form specified by the Nomination and Remuneration Committee in this regard, which may be revoked or changed by the Option Holder any time prior to the Exercise of Options;
- 2.27 **Option** means the right, without any obligation, granted to the Option Holder to be transferred Shares upon such terms and conditions as may be specified in the Plan and/or in the Letter of Grant. One Option shall entitle the Option Holder to one Share;
- 2.28 **Option Holder** means an Eligible Employee who has been Granted Options and has been issued a Letter of Grant and agrees to abide by the terms and conditions of this Plan as well as the Letter of Grant by submitting acceptance in any form including but not limited to by way of signature, email or via online portal;
- 2.29 **Permanent Disability** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Option Holder from performing any specific job, work or task which the said Option Holder was capable of performing



- immediately before such disablement, as determined by the Board based on a medical certificate from an expert identified by the Board or by the board of directors of the Employing Entity;
- 2.30 **Person** means any natural person, firm, company, governmental authority, joint venture, partnership, association or other entity (whether or not having separate legal personality);
- 2.31 **Plan** means the Tejas Networks Limited Employee Stock Option Plan - 2024, as set out herein and shall include any modification and variations thereof;
- 2.32 **Promoter** in reference to the Company, shall have the same meaning assigned to it under the SBFI & SE Regulations;
- 2.33 **Promoter Group** in reference to the Company, shall have the same meaning assigned to it under the SBFI & SE Regulations;
- 2.34 **SEBI** means the Securities and Exchange Board of India constituted under Securities and Exchange Board of India Act, 1992 and shall include any statutory amendments and modifications thereto;
- 2.35 **SBFI & SE Regulations** means the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and shall include any statutory amendments and modifications thereto;
- 2.36 **Share** means the equity share of the Company listed on the BSE Limited and National Stock Exchange of India Limited;
- 2.37 **Shareholder** means a person who is registered as a holder of Share/s in the register of shareholders maintained by the Company;
- 2.38 **Trust** shall mean the SUPL ESOP Trust, as amended from time to time and by whatever name called, bearing PAN AAI 155348G, being an employee welfare trust(s) created and established under the Indian Trusts Act, 1882;
- 2.39 **Trustee(s)** means the trustees of the Trust for the time being and persons nominated/ appointed in accordance with the terms of the deed of the Trust and Applicable Law;
- 2.40 **Unvested Option** means an Option Granted, in respect of which the relevant Vesting conditions have not been satisfied and as such, the Option Holder has not become eligible to Exercise the Option and does not include Options which have been forfeited or have lapsed or been cancelled;
- 2.41 **Vesting** means the process of fulfilment of the criteria and conditions, enumerated in the Plan and / or Letter of Grant or any other communication by the Company, by an Option Holder in order to be eligible to Exercise his Options;
- 2.42 **Vesting Date** in relation to an Option, means the date on which the Option has Vested;
- 2.43 **Vested Option** means an Option Granted, in respect of which the relevant Vesting conditions have been satisfied and the Option Holder has become eligible to Exercise the Option and apply for Shares; and
- 2.44 **Vesting Period** means the period from the Grant Date till the Vesting Date.



3. INTERPRETATION

- 3.1 In this Plan, unless the contrary intention appears:
- 3.1.1 the Clause headings are for ease of reference only and shall not be relevant to interpretation;
 - 3.1.2 the singular includes the plural and vice versa;
 - 3.1.3 any word or expression importing the masculine, feminine or neuter genders only, shall be taken to include all three genders;
 - 3.1.4 a reference to a Clause or a Sub-Clause, unless otherwise specified, is a reference to a Clause or Sub-Clause, as the case may be, of this Plan; and
 - 3.1.5 References in this Plan to statutory provisions shall be construed as references to those provisions as modified or re-enacted from time to time (whether before or after the date of this Plan) and to any subordinate legislation made under such provisions and shall include references to any repealed statutory provision which has been so re-enacted (whether with or without modification).

4. APPLICABILITY AND TERM

- 4.1 The Plan applies only to Eligible Employees. This Plan shall become effective from the date of approval of the Plan by the Nomination and Remuneration Committee ("Effective Date").
- 4.2 The Plan shall continue to be in force until the Options available for issuance under the Plan have been Granted and Exercised, or have lapsed, Exercised or otherwise cancelled, and the Nomination and Remuneration Committee does not intend to re-issue the lapsed Options ("Closing Date").
- 4.3 Subject to Applicable Law, the Nomination and Remuneration Committee may at any time, by way of resolution, amend or alter the Plan in any way, including to the extent necessary to cause the Plan to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (i) in India or (ii) outside of India in relation to Options proposed to be issued or issued under this Plan. Unless otherwise determined by the Nomination and Remuneration Committee, termination of this Plan shall not affect the Grant, Vesting or Exercise of the Options already issued under this Plan.

5. SCOPE AND ELIGIBILITY

- 5.1 The maximum aggregate number of Options that may be Granted and thereby the transfer of Shares by the Trust under the Plan shall not exceed **1,126,854 Shares** ("Plan Pool"). On Exercise of Options by the Option Holder on satisfaction of all the terms and conditions of the Plan, the Shares may be transferred to the Option Holder by the Trust.
- 5.2 In case of any Corporate Action the Nomination and Remuneration Committee may, in its sole and absolute discretion, adjust the Plan Pool and Granted Options so as to ensure that the value of Options proposed to be offered under the Plan post such Corporate Action, remains the same as prior to the Corporate Action.
- 5.3 The Nomination and Remuneration Committee shall determine the Grant in its absolute discretion, taking into consideration such factors but not limited to an Employee's



performance appraisal, seniority, period of service, role of the Employee, the present and potential contribution to the growth of the Company. Thereafter, from time to time, the Nomination and Remuneration Committee may grant Options to one or more Employee(s).

5.4 If the Options expires or becomes not exercisable without having been Exercised in full, or is cancelled for any reason whatsoever, the Shares which were subject to such Options, shall revert to the Plan Pool and become available for future Grant under the Plan unless the Plan stands terminated pursuant to Clause 4 of the Plan

5.5 Where the Shares are transferred by the Trust to the Option Holder, upon Exercise under the Plan, the Plan Pool will stand reduced to the extent of such Shares.

6. IMPLEMENTATION

6.1 The Plan shall be implemented as per the provisions hereunder and Applicable Law.

6.2 All the actions required to be effected pursuant to the Plan will be undertaken by the Nomination and Remuneration Committee.

6.3 The Trust shall, *inter alia*, hold the Shares, for the benefit of the Option Holders, in accordance with the terms and conditions of this Plan.

6.4 The Trust shall utilize the Shares that it holds pursuant to the Scheme of Amalgamation and, in one or more tranches for the purpose of transferring them to the Option Holder or selling them and transferring the requisite amount to the Option Holder upon Exercise/ cashless exercise of the options in accordance with Clause 11 of this Plan and deed of Trust. in the manner specified by and on the directions of the Nomination and Remuneration Committee.

7. ADMINISTRATION

7.1 The Plan shall be administered by Nomination and Remuneration Committee, and to the extent of transfer of Shares to the Option Holders on Exercise of Options and related administrative matters, shall also include delegation of administration to the trustees of the Trust.

7.2 The Nomination and Remuneration Committee shall in accordance with this Plan and Applicable Law determine matters in relation to the administration and implementation of the Plan, including but not limited to the following:

7.2.1 the mode and manner of the Implementation of this Plan;

7.2.2 the Employees to whom a Grant may be made and the Grant Date;

7.2.3 the Exercise Price of the Options,

7.2.4 the performance parameters for Grant and/or Vesting of Options to an Eligible Employee, and modify the same as and when required;

7.2.5 the Vesting and/or lock-in-period of the Grant made to any Option Holder and/or any conditions subject to which such Vesting may take place, and modify the same as and when required;

7.2.6 assess the performance of an Eligible Employee for Granting of the Options;



- 7.2.7 determine the criteria for Vesting of Options and modify as may be required;
 - 7.2.8 determine the number of Options to be Granted, to each Eligible Employee and in the aggregate, and the times at which such Grants shall be made, and modify the same as and when required;
 - 7.2.9 the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Corporate Action in accordance with the SBCE & SE Regulations,
 - 7.2.10 the method which the Company shall use to value its Options;
 - 7.2.11 provide for the right of an Option Holder to Exercise all the Options Vested in him at one time or at various points of time within the Exercise Period;
 - 7.2.12 the procedure for cashless Exercise of Options, to be offered by the Nomination and Remuneration Committee at their discretion, if any;
 - 7.2.13 provide for the Grant, Vesting and Exercise of Options in case of Option Holders who are on Long Leave or have been seconded to any other company by the Company or the Group Company; and
 - 7.2.14 provide for adjustment to outstanding Options and terms and conditions in case of change of control of the Company;
 - 7.2.15 such other matters in respect of which the Nomination and Remuneration Committee is permitted to formulate terms and conditions under Applicable Law.
- 7.3 In the event of any clarifications being required on the Interpretation or application of the Plan, the same shall be referred to and determined by the Nomination and Remuneration Committee. The decision of the Nomination and Remuneration Committee shall be final and binding on upon all persons having an interest in the Plan or such Option(s), including the Employees and Option Holders
- 7.4 The Nomination and Remuneration Committee may correct any defect, omission or reconcile any inconsistency in this Plan in the manner and to the extent the Nomination and Remuneration Committee deems necessary or desirable and to resolve any difficulty in relation to implementation of this Plan and take any action which it is entitled to take in relation thereto.
- 7.5 With regard to the matters not specifically provided for in this Plan or any other documents that may be issued in connection with the Options, the Nomination and Remuneration Committee shall have an absolute discretion to decide such matters, in the manner deemed fit by them in the best interests of both the Employees and the Group, as may be permissible under the Applicable Law. The decision of the Nomination and Remuneration Committee shall be final and binding on all persons having an interest in the Plan or such Option(s).
- 7.6 Any decision of the Nomination and Remuneration Committee in the interpretation and administration of this Plan, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Employee and Option Holder/ Nominee). The Company (including the Nomination and Remuneration Committee) shall not be liable for any action or determination made in good faith with respect to this Plan or any Option granted thereunder.



- 7.7 Where applicable, the Nomination and Remuneration Committee shall frame suitable policies and procedures 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) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company, the Trust and its Employees, as applicable.

8. GENERAL RISKS

Participation in this Plan shall not be construed as any guarantee of return on Shares transferred to the Option Holder upon Exercise of Option(s).

9. GRANT OF OPTIONS

- 9.1 Subject to Clause 5 and Clause 5.3 above, the Nomination and Remuneration Committee may make Grants to one or more Eligible Employee(s), which shall include recurring Grants to the same Eligible Employee in accordance with the terms and conditions of the Plan.
- 9.2 The Grant of Options by the Nomination and Remuneration Committee to an Eligible Employee shall be made in writing or through any other electronic medium identified by the Company and communicated to the Eligible Employee by a Letter of Grant. The Letter of Grant which shall contain such details and terms and conditions as may be required by the Nomination and Remuneration Committee including the Grant Date, number of Options Granted, Vesting Period, Vesting schedule, Vesting criteria, Exercise process and method, Exercise Price/Period and the other terms and conditions thereto.
- 9.3 Subject to the terms contained herein, acceptance of a Grant made to an Eligible Employee, shall conclude a contract between the Employee and the Company.
- 9.4 The Grant of Options under this Plan does not guarantee any entitlement to any future Grant of Options under the Plan.
- 9.5 The Grant of Options is of an occasional and extra-ordinary nature and constitutes a gratuitous and discretionary act by the Company. Consequently, no benefit derived from the Options granted under the Plan, forms or shall form a part of any Employee's normal, habitual or expected remuneration.
- 9.6 An offer made under this Clause is personal to the Eligible Employee and cannot be transferred in any manner whatsoever.
- 9.7 The Nomination and Remuneration Committee shall make necessary disclosures as per Regulation 16(2) of the SEBI & SE Regulations to the Eligible Employees to whom Grant is being made
- 9.8 In the event an Eligible Employee is a nominee of an institution nominated by such institution as its representative on the Board, then such Eligible Employee shall comply with the disclosure requirement as provided under the Explanation to Regulation 4 of SEBI & SE Regulations

10. VESTING

- 10.1 Subject to Clauses 10.3 and 16 of the Plan, the Options Granted to an Option Holder shall Vest in accordance with the Vesting schedule / criteria which could be either time-based or



performance-based or a combination of both, as determined by the Nomination and Remuneration Committee in its sole and absolute discretion. Whilst determining the Vesting criteria / schedule, the Nomination and Remuneration may consider the expertise, achievement or expected achievement of key performance indicators by the prospective Option Holder, terms of employment of the prospective Option Holder amongst any other factors that it deems fit. The Vesting criteria shall be communicated to the Option Holder under the Letter of Grant.

Provided that the Options will be subject to a minimum 1 (one) year Vesting Period or other such time period or criteria as may be prescribed under the Applicable Law, including but not limited to the SBEB & SE Regulations.

Provided further that for the purposes of the above proviso, the Vesting Period of the options Granted to the Option Holders under the Saankhya Plans shall also be considered.

10.2 Notwithstanding anything to the contrary in this Plan, the Nomination and Remuneration Committee shall be entitled, in its absolute discretion, to vary or alter the terms of the Vesting, including the Vesting Period of any Option to be Granted or any Option Holder (subject however to the second proviso of Clause 10.1), as it may deem fit, **provided** however, that such variation shall not be to the disadvantage of the Option Holder.

10.3 Subject to Clause 16 of the Plan,

10.3.1 the Unvested Options shall Vest with the Option Holder as per the Vesting criteria mentioned in the Letter of Grant given to the Eligible Employee; and

10.3.2 the Vested Options shall entitle the Option Holder to Exercise the Vested Options and acquire the Shares at the Exercise Price within the Exercise Period.

10.4 Notwithstanding anything stipulated in this Plan, Options in respect of which the Vesting criteria as laid down in the Plan or the Letter of Grant, as the case may be, have not been satisfied shall automatically lapse and the contract referred to in Clause 9.3 shall automatically be terminated without any obligations whatsoever on the Company (including the Board or Nomination and Remuneration Committee) and no rights in that regard will accrue to the Option Holder after such date. Such lapsed Options shall revert to the Plan pool and may be granted at the discretion of the Nomination and Remuneration Committee to any other Eligible Employee.

11. EXERCISE OF OPTIONS

11.1 Unless otherwise determined by the Nomination and Remuneration Committee, the Exercise Period,

11.1.1 for Options that Vest after the Effective Date, will be 2 (two) years from the Vesting Date; and

11.1.2 for Options that have been Granted in lieu of the vested options under the 'Saankhya Employee Stock Option Scheme 2008' and the 'Saankhya Employee Stock Option Scheme 2012', shall be 2 (two) years from the Effective Date.

11.2 The Option Holder may Exercise the Vested Options on any Exercise Date within the Exercise Period. In the event the Option Holder fails to Exercise his Vested Options within the Exercise Period, then such Vested Options shall lapse and revert to the Plan Pool and the contract



referred to in **Clause 9.3** of this Plan shall stand automatically terminated. The Company and/or the Nomination and Remuneration Committee will not have any obligation towards such Option Holder with respect to such lapsed Options. No further communication shall be made to the Option Holder in this regard.

- 11.3 To Exercise the Options, the Option Holder must: (i) submit an Exercise Letter to the Nomination and Remuneration Committee or the Trustee(s), as communicated by Nomination and Remuneration Committee in the Letter of Grant, (ii) pay the Exercise Price to the Trustee(s) of the Trust / Company, and (iii) pay the applicable taxes (wherever arising) and any other sums due referred to in **Clause 19** to the Company as per this Plan in respect of Exercise of Options, which shall be paid either by or through:
- 11.3.1 cheque drawn on the Company or the Trustee, as the case may be;
 - 11.3.2 online to the Company's or Trust's bank account, as the case may be;
 - 11.3.3 the Option Holder's authority to the Company or Employing Entity to deduct the tax amount from his salary due and payable, if so permitted by the Company or Employing Entity;
 - 11.3.4 through a cashless exercise procedure pursuant to which the Option holder shall authorize the sale of Shares by the Trust or the Company, in the following manner:
 - (a) **Sell to cover:** The Option Holder authorises the Trust or Company, as the case may be, to sell such number of Shares underlying the Exercised Options, that are sufficient to cover the aggregate Exercise Price payable towards Exercised Options plus all applicable taxes; or
 - (b) **Sell All:** The Option Holder authorises the Trust or the Company, as the case may be, to sell all the Shares underlying the Exercised Options, and receive the resulting proceeds less the aggregate Exercise Price payable towards Exercised Options plus all applicable taxes;
 - 11.3.5 such other mode as may be approved by the Nomination and Remuneration Committee from time to time to the extent permitted by Applicable Law, or
 - 11.3.6 a combination of any of the abovementioned methods.
- 11.4 Exercise of the Vested Options shall take place at the time and place designated by the Nomination and Remuneration Committee and by executing such documents as may be required under the Applicable Law or by the Nomination and Remuneration Committee to pass a valid title of the relevant Shares to the Option Holder/ Nominee, free and clear of any liens, encumbrances and transfer restrictions save for those set out in accordance with this Plan.
- 11.5 If the Exercise of Options within the Exercise Period, is prevented by any law or regulation in force, the Nomination and Remuneration Committee shall defer or not permit the Exercise of Options till such time as it is prohibited by the Applicable Law or regulations and in such an event the Company shall not be liable to pay any compensation or similar payment to the Option Holder for any loss suffered due to such refusal.



- 11.6 Notwithstanding the foregoing provisions of this **Clause 11** and subject to Applicable Law, in case of cessation of employment, any Exercise of the Options by such Option Holder shall be in accordance with the provisions of **Clause 16** of this Plan.
- 11.7 Nomination and Remuneration Committee shall cause, within a reasonable period of time from the receipt of Exercise Letter and Exercise Price, the Company to transfer, as the case may be, such number of Shares underlying the Vested Options as are Exercised, to the Option Holder, Nominee or former Employee, as the case may be. The transfer of Shares shall be subject to **Clause 16** of the Plan hereunder.
- 11.8 Notwithstanding anything contained in the foregoing provisions relating to the Exercise of Options, the Nomination and Remuneration Committee, at their sole discretion, is entitled to specify such procedures and mechanisms for the purpose of implementing the cashless Exercise of Options, as may be necessary and the same shall be binding on all the Option Holders. The procedure may inter alia require the Option Holders to authorize any person nominated by the Company to deal with the Shares on the Option Holders' behalf till the realization and remittance of sales proceeds and/or credit of Shares to the account of the Option Holders.

12. RIGHTS AS A SHAREHOLDER

- 12.1 No Option Holder shall have a right to receive any dividend, vote at any general meeting of the Company or in any manner enjoy the benefits of a Shareholder in respect of the Shares underlying the Options Granted, whether Vested or Unvested, till the time Shares are not transferred to the Option Holder.
- 12.2 Nothing herein is intended to or shall give the Option Holder any right or status of any kind as a Shareholder (for example: bonus shares, rights shares, dividend, voting, etc.) in respect of any Shares covered by the Grant unless the Option Holder exercises the Options and becomes a registered holder of the Shares of the Company.

13. AUTHORITY TO VARY/MODIFY TERMS

- 13.1 Subject to Applicable Law, specifically the SEBI & SE Regulations, the Nomination and Remuneration Committee shall, at its absolute discretion, have the right to vary / modify / amend the Plan, in such manner and at such time or times as it may deem fit, subject however that any such modification / amendment shall not be detrimental to the interests of the Option Holders unless the terms are varied to meet any regulatory requirements.
- 13.2 The Nomination and Remuneration Committee shall be entitled to vary the terms of the Plan and/or terms of the Options already Granted under the Plan, to meet any regulatory requirement whether in India or abroad without seeking shareholders' approval by way of a special resolution.
- 13.3 No member of the Nomination and Remuneration Committee shall be primarily liable for any decision or action taken in good faith with respect to this Plan.

14. TRANSFERABILITY OF OPTIONS AND SHARES

14.1 Options

The Options cannot be assigned, alienated, pledged, attached, hypothecated, sold or otherwise transferred or encumbered by the Option Holder except under the circumstances



provided under **Clause 19.7** herein. Any purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance not permitted herein shall be void and unenforceable against the Company.

14.2 Shares

The Shares arising out of the Exercise of Vested Options shall not be subject to any lock-in period from the date of transfer of such Shares under the Plan.

Provided that the Shares transferred on such Exercise cannot be sold for such further period or intermittently as required under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015 ("PIT Regulations") or terms of the 'Code of Conduct for Prevention of Insider Trading' of the Company framed under the PIT Regulations.

15. CORPORATE ACTION AND CHANGE IN CONTROL OF THE COMPANY

15.1 Subject to Applicable Law, in the event of change in control of the Company or of the Employing Entity or Corporate Action, a Grant made under the Plan shall be subject to adjustment by the Nomination and Remuneration Committee at its discretion including but not limited to the number of Options, Vesting criteria, Exercise Price or cancellation of Options (whether Vested or Unvested) in lieu of such consideration as may be determined by the Nomination and Remuneration Committee in its sole discretion, taking into account all such stakeholders to this Plan and Grant.

15.2 The decision of the Nomination and Remuneration Committee, in this regard, shall be final and binding.

16. TERMINATION OF EMPLOYMENT

16.1 In the event of termination of employment of the Option Holder due to his death or Permanent Disability, all the outstanding Options shall Vest with the Option Holder / Nominee as on the date of occurrence of death or Permanent Disability, as the case may be. The Option Holder or his Nominee, as the case may be, may Exercise the Vested Options, including the Options (if any) that may Vest in accordance with the preceding sentence, in accordance with **Clause 11** of the Plan within 1 (one) year from the date of termination of employment or such other period as may be intimated by the Nomination and Remuneration Committee to the Option Holder / Nominee. Any Options which are not Exercised within the period as mentioned herein, shall lapse, stand cancelled and revert to the Plan Pool. The contract referred to in **Clause 9.3** of this Plan shall stand automatically terminated without any obligations whatsoever on the Company (including the Board or the Nomination and Remuneration Committee) and no rights in that regard will accrue to the Option Holder / Nominee after such date.

16.2 In the event of termination of employment of the Option Holder due to Cause, all Options whether Vested or Unvested, shall lapse, stand cancelled and revert to the Plan Pool on the date of termination of employment of the Option Holder. The contract referred to in **Clause 9.3** of this Plan shall stand automatically terminated without any obligations whatsoever on the Company (including the Board or the Nomination and Remuneration Committee) and no rights in that regard will accrue to the Option Holder after such date.

16.3 In the event of termination of employment of the Option Holder due to resignation or without Cause, all Unvested Options, as on the date of notice of termination of employment / resignation, shall lapse, stand cancelled and shall revert to the Plan Pool on the date of



termination of employment of the Option Holder. The contract referred to in **Clause 9.3** of this Plan shall stand automatically terminated without any obligations whatsoever on the Company (including the Board or the Nomination and Remuneration Committee) and no rights in that regard will accrue to the Option Holder after such date. The Vested Options held by such Option Holder, may be Exercised on or before the Exercise Date immediately following the last date of employment or such other period as may be intimated by the Nomination and Remuneration Committee to the Option Holder. If the Vested Options are not Exercised within such Exercise Period (as referred above), then such Vested Options shall lapse, stand cancelled and revert to the Plan Pool. The contract referred to in **Clause 9.3** of this Plan shall stand automatically terminated without any obligations whatsoever on the Company (including the Board or the Nomination and Remuneration Committee) and no rights in that regard will accrue to the Option Holder / Nominee after such date.

- 16.4 In the case of termination of employment of the Option Holder due to retirement as per the policies of the Employing Entity, all Options Granted to such Option Holder, both Vested and Unvested, shall continue to be held by the Option Holder / Nominee in accordance with the provisions of this Plan. It is hereby clarified that the Unvested Options shall continue to Vest as per the Vesting Criteria laid down in the Plan or the Letter of Grant. All the Options, Vested either before or after the retirement of the Option Holder, may be Exercised by the Option Holder / Nominee within the Exercise Period as originally communicated in the Letter of Grant and in accordance with the provisions of this Plan. In the event, the Option Holder passes away following termination of employment due to retirement then all the Unvested Options as on the date of demise of such Option Holder shall lapse, stand cancelled and revert to the Plan Pool. As for the Vested Options held by the deceased Option Holder up to the date of his demise, the Nominee may Exercise them within a period of 1 (one) year from the date of death. The contract referred to in **Clause 9.3** of this Plan shall stand automatically terminated without any obligations whatsoever on the Company (including the Board or the Nomination and Remuneration Committee) and no rights in that regard will accrue to the Option Holder / Nominee after such date.
- 16.5 In the event that an Option Holder, is transferred or deputed to any Group Company, prior to Vesting or Exercise of their existing Granted Options, then, subject to Applicable Law, the Vesting and/or Exercise as per the terms of Grant shall continue in case of such transferred or deputed Option Holder even after the transfer or deputation, including the applicability of the provisions of this **Clause 16** in the event of termination of employment post transfer / deputation.
- 16.6 In the event of termination of employment of the Option Holder due to reasons other than those mentioned in **Clauses 16.1 to 16.5** above, the Nomination and Remuneration Committee, shall at its sole and absolute discretion determine the treatment of outstanding Options held by such Option Holder (whether Vested or Unvested) and the Exercise Period for exercise of such Options.

17. SURRENDER OF OPTIONS

- 17.1 An Option Holder may at any time, by way of written request to the Nomination and Remuneration Committee, surrender any or all of his Vested or Unvested Options to the Company. The Nomination and Remuneration Committee on receipt of such request shall consider it and may cancel such surrendered Options vis-à-vis the Option Holder. Options so surrendered by the Option Holder and cancelled by the Nomination and Remuneration Committee will revert to the Plan Pool.



- 17.2 The Company would not be liable or obligated to pay any compensation to the Option Holder on account of his surrender of the Options and the contract referred to in Clause 9.3 of this Plan shall stand automatically terminated without any obligations whatsoever on the Company (including the Board or the Nomination and Remuneration Committee) and no rights in that regard will accrue to the Option Holder after such date.

18. MISCELLANEOUS

18.1 No right to a Grant

Neither the adoption of the Plan nor any action of the Nomination and Remuneration Committee shall be deemed to give an Employee any right to be Granted any Options to acquire Shares or to any other rights hereunder except as may be evidenced by the Letter of Grant provided by the Company and accepted by the Eligible Employee in any form including but not limited to by way of signature, email or via online portal.

18.2 No employment rights conferred

Nothing contained in the Plan or in any Grant made hereunder shall:

- 18.2.1 confer upon any Option Holder any right with respect to continuation of employment or engagement with the Company / Employing Entity; or
- 18.2.2 interfere in any way with the right of the Company / Employing Entity to terminate employment or services of any Option Holder at any time

18.3 Tax withholding / recovery

- 18.3.1 All taxes arising from the Exercise of any Option Granted to any Option Holder under the Plan, including income taxes and tax required to be withheld under Applicable Law, with respect to such Options shall be borne by that Option Holder.
- 18.3.2 Notwithstanding anything in the Plan to the contrary, prior to the delivery of any Shares or cash (in case of a cashless exercise of Options as per Clause 11 of the Plan) pursuant to an Exercise, the Company (or the Employing Entity) will have the right to deduct, withhold or recover all taxes payable either by itself or by the Option Holder, in connection with all Grants / Options / Shares under this Plan.
- 18.3.3 The Company shall have the right to deduct / withhold / recover such taxes by way of (i) deduction at source in connection with all Grants / Options / Shares under this Plan, i.e. from payroll / salary; or (ii) requiring the Option Holder to remit to the Company (or the Employing Entity), an amount sufficient to satisfy such taxes; or (iii) through a cashless exercise procedure as provided in Clause 11 of this Plan .
- 18.3.4 The Option Holder will also, as a condition of the Plan, authorize the Company or their Nominee to sell such number of Shares, as would be necessary, to discharge the obligation in the respect of such taxes and appropriate the proceeds thereof on behalf of the Option Holder, and agrees that he shall not have any right to Exercise the Options if the tax obligations as detailed in this Clause 18.3 are not completed to the sole satisfaction of the Company.



18.10 Notice and correspondence

Any notice required to be given by, or any correspondence from, an Option Holder, the Nominee or a former Employee to the Company may be given at the following address:

Attention: The Company Secretary, Tejas Networks Limited
Address: Plot No. 25, J.P. Software Park, Electronics City – Phase I, Hosur Road, Bangalore 560100

Any notice required to be given to the Eligible Employee / Option Holder, a Nominee or a former Employee, as the case may be, by the Company may be given at the address of the Eligible Employee / Option Holder / Nominee / former Employee, as maintained by the Company in its records. If there is any change of address for service, it shall be the sole responsibility of the addressee (Company or Eligible Employee / Option Holder / Nominee / former Employee, as the case may be) to update the other party (Company or Eligible Employee / Option Holder / Nominee / former Employee, as the case may be) about the change in address for service. However, if there is no change or update of address, service on either address shall remain effective and it shall be sufficient discharge of obligation of service, intimation, notice or correspondence.

18.11 Disputes

All disputes arising out of or in connection with the Plan or the Grant shall be referred to the Nomination and Remuneration Committee for mutual resolution by the parties, and shall be determined by the Nomination and Remuneration Committee in their sole and absolute discretion.

18.12 Governing law and jurisdiction

The terms and conditions of the Plan shall be governed by and construed in accordance with the Applicable Law of India.

The competent Courts of India, where the Company's registered office is situated, shall have jurisdiction in respect of all matters, disputes, or differences arising in relation to or out of this Plan. The Company shall have the right to bring proceedings against any Option Holder in (i) any other Court of competent jurisdiction; and (ii) concurrently in more than one jurisdiction.

The Grant of Options and transfer of Shares under this Plan shall entitle the Company to require the Eligible Employee / Option Holder to comply with such requirements of Applicable Law as may be necessary in the opinion of the Nomination and Remuneration Committee. In case of any conflict between the provisions of this Plan and any provisions, rules, regulations or guidelines issued under Applicable Law, the provisions of the Applicable Law shall override the provisions of this Plan to the extent of such conflict.

The Eligible Employee / Option Holder agrees and acknowledges that the Eligible Employee / Option Holder has received and read a copy of this Plan. In the event that any Applicable Law render this Plan as illegal or void, this Plan shall automatically be treated as withdrawn and cancelled and the Company (including Board and Nomination and Remuneration Committee) shall have no obligation or liability whatsoever towards any Eligible Employee / Option Holder including in relation to any Vested Options or Unvested Options.



18.4 *No restriction on Corporate Action*

The existence of the Plan and the Grants made hereunder shall not in any way affect the right or the power of the Board or the Shareholders to make or authorise any Corporate Action or change in control, whether or not such action would have an adverse effect on the Plan, or any Grant made under the Plan. No Employee or other person shall have any claim against the Company or Group Company, or the new company / new entity that is formed or takes over a part of whole of the business of the Company because of such action.

18.5 *Dissolution or liquidation*

In the event of a dissolution or liquidation of the Company, the Nomination and Remuneration Committee shall inform each Option Holder, as soon as practicable / permissible under Applicable Law, of the same and communicate regarding the treatment of Options held by the Option Holder.

18.6 *Confidentiality*

The Option Holder shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the Plan, Grant, Letter of Grant or any connected matter except where such disclosure is made to a third party professional (viz., lawyer, chartered accountant etc.) for seeking legal or financial advice, or as required under Applicable Law. Any violation may result in cancellation of Options, Vested or Unvested by the Nomination and Remuneration Committee in their sole and absolute discretion.

18.7 *Nominee*

A Nominee alone shall be entitled to exercise the rights of the concerned Eligible Employee / Option Holder in the event of death / Permanent Disability of the Option Holder, subject to the terms and conditions of the Plan. It is hereby clarified that any Shares received by the Nominee in the event of Permanent Disablement of the Eligible Employee / Option Holder, shall be held in trust for the Eligible Employee / Option Holder.

18.8 *Insider trading*

The Option Holder shall ensure that there is no violation of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, Securities and Exchange Board of India (Prevention of Fraudulent and Unfair Trade Practices) Regulations, 2003 and any other such rules and regulations as may be notified by SEBI and/or the stock exchange on which the Shares are listed. The Option Holder shall keep the Company or the Board or such other Committees of the Board, fully indemnified in respect of any liability arising for violation of the above provisions.

18.9 *New Employee Stock Option Plans*

Nothing contained in the Plan shall be construed to prevent the Company from implementing another employee incentives plan, directly or through any trust settled by Company, which is deemed by the Company to be appropriate or in its best interest, provided such other action would not have any adverse impact on the Plan or any Grant made under the Plan. No Option Holder or other Person shall have any claim against the Company and/or Trust as a result of such action.



In order to comply with regulation of any other country or to avail any tax or other benefits, Nomination and Remuneration Committee may at its sole discretion and in compliance with Applicable Law, may formulate an addendum to this Plan for Employees employed in that country and made applicable to such Employees from the date determined by the Nomination and Remuneration Committee.

18.13 *Regulatory approvals*

The implementation of this Plan, the Grant of any Option as per terms of this Plan and the transfer of any Shares as per this Plan shall be subject to the procurement by the Company and the Option Holder/ Nominee of all approvals and permits required by any regulatory authorities having jurisdiction over this Plan, the Options and the Shares transferred pursuant thereto. The Option Holder/ Nominee under this Plan will, if requested by the Nomination and Remuneration Committee, provide such assurances and representations, as the Nomination and Remuneration Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.

18.14 *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 transfer of any Shares hereunder shall relieve and wholly discharge the Company from any and all liability in respect of the failure to transfer such Shares.

18.15 *No Discrimination*

Nothing in this Plan may be deemed to be discriminating amongst the Employees or the Eligible Employees on the grounds of gender, age, nationality, race, ethnicity, language or otherwise. The Plan in terms of coverage of the Eligible Employees is in consonance with prevailing management practices and remuneration principles and is not discriminating against any section of Employees.

18.16 *Accounting and Disclosure Policies*

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein or such other policies as may be prescribed under SBEB & SE Regulations.

18.17 *Costs*

The Company shall bear the costs of establishing and administering this Plan, including any costs of the Company's auditors or any independent financial adviser in relation to the preparation of any confirmation by them or provision of any other service in relation to this Plan.

18.18 *Severability*

In the event any one or more of the provisions contained in this Plan 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 Plan, but the Plan shall be construed as if such invalid, illegal, or unenforceable provision had never been set forth



herein, and the Plan shall be carried out as nearly as possible according to its original intent and terms.

18.19 This Plan will operate *inter-alia* under the Act and SEBI & SE Regulations, and provisions not specifically provided herein but set out in the aforesaid laws.

RECOMMENDED BY THE NOMINATION AND REMUNERATION COMMITTEE AS OF OCTOBER 5, 2024

ADOPTED BY THE BOARD OF DIRECTORS AS OF OCTOBER 9, 2024

APPROVED BY THE SHAREHOLDERS AS OF FEBRUARY 9, 2024

For Tejas Networks Limited



N. R. Ravikrishnan
General Counsel,
Chief Compliance Officer
& Company Secretary

