

MCSL Employee Stock Option Scheme 2018

(“ESOP 2018”/ “Scheme”)

As last amended vide the Shareholders’ Special resolution dated [September 17, 2024]

Muthoot Capital Services Limited

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1. Name, Objective and Term of the Scheme

1.1 This Employee Stock Option Scheme shall be called '**MCSL Employee Stock Option Scheme 2018**' ("**ESOP 2018**" / "**Scheme**").

1.2 The objective of the Scheme is to attract, retain, motivate and reward the key Employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company views Employee Stock Options ("**Options**") as a long-term incentive tool that would enable the Employees not only to become co-owners, but also to create wealth out of such ownership in future resulting to achievement of sustainable corporate growth of the Company.

1.3 The Company has introduced:

- i. MCSL Employee Stock Option Scheme 2018 - "Scheme - I" ('**ESOP I 2018**'),
- ii. MCSL Employee Stock Option Scheme 2018 - "Scheme - II" ('**ESOP II 2018**')
- iii. MCSL Employee Stock Option Scheme 2018 - "Scheme - III" ('**ESOP III 2018**')
- iv. MCSL Employee Stock Option Scheme 2018 - "Scheme - IV" ('**ESOP IV 2018**')

with effect from June 14, 2018, the date on which the shareholders of the Company have approved the schemes by way of a special resolution, having a common equity pool for all the schemes with different grant parameters and subsequently modified on September 17, 2024 with a view to merge into one Scheme to align it with best industry practice and for ease of administration through Trust route.

1.4 The Scheme shall continue to be in force until (i) its termination by the Board or Committee as per provisions of Applicable Laws, or (ii) the date on which all of the

1.5 Options available for Grant under the Scheme have been issued and exercised, whichever is earlier.

2. Definitions and Interpretation

2.1 Definitions

- i. "**Applicable Law**" means every law relating to employee stock options by whatever name called, including but without limitation to the Companies Act, Securities and Exchange Board of India Act 1992, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("**ICDR Regulations**"), the Securities Contracts (Regulation) Act, 1956, ("**SCRA Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**"), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SBEB Regulations**"), as amended and enacted from time to time read with all circulars and notifications issued thereunder and

all relevant tax, securities, exchange control or corporate laws of India or of any relevant jurisdiction or of any Stock Exchange on which the Shares are listed or quoted.

- ii. **"Associate Company"** shall have the same meaning as defined under section 2(6) of the Companies Act.
- iii. **"Board"** shall have the same meaning as defined under section 2(10) of the Companies Act.
- iv. **"Committee"** means the Nomination and Remuneration Committee constituted by the Board from time to time, comprising of such members of the Board as provided under Regulation 19 of the LODR Regulations, as amended from time to time and having such powers as specified under the SBEB Regulations read with powers specified in this Scheme.
- v. **"Companies Act"** means the Companies Act, 2013 read with rules issued thereunder from time to time and includes any statutory modifications or reenactments thereof.
- vi. **"Company"** means **"Muthoot Capital Services Limited"**, a company registered in India under the provisions of the Companies Act, 1956, having CIN: L67120KL1994PLC007726 and having its registered office at Muthoot Capital Services Limited, 3rd Floor, Muthoot Towers, M.G. Road, Kochi, Kerala – 682035.
- vii. **"Company Policies/ Terms of Employment"** means the Company's policies for Employees and the terms of employment as contained in the employment letter and the company handbook, which includes provisions requiring a desired level of performance, securing confidentiality, non-compete and non-poaching of other Employees and customers.
- viii. **"Director"** shall have the same meaning as defined under section 2(34) of the Companies Act.
- ix. **"Eligibility Criteria"** means the criteria as may be determined from time to time by the Committee for granting the Options to the Employees.
- x. **"Employee"** means
 - a. a permanent employee of the Company who has been working in India or outside India;
 - b. a Director of the Company, whether a whole time director or not;

but does not include

- (i) an employee who is a Promoter or belongs to the Promoter Group;
- (ii) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company;

(iii) an Independent Director

- xi. **"Employee Stock Option"** means an Option granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the Shares underlying the Option at a pre-determined price.
- xii. **"Exercise"** of an Option means submission of duly executed exercise application form in all respects by the Option Grantee to the Company/ Trust to acquire the Shares underlying the Vested Options, in accordance with the procedure laid down by the Company/ Trust for Exercise of Options.
- xiii. **"Exercise Period"** means such time period after Vesting within which the Option Grantee should Exercise the Vested Options in pursuance of the Scheme.
- xiv. **"Exercise Price"** means the price payable by an Employee in order to Exercise the Options granted to him in pursuance of the Scheme.
- xv. **"Grant"** means issue of Options to the Employees under the Scheme.
- xvi. **"Grant Date"** means the date of the meeting of the Committee in which Grant of Options to the Employees is approved or any such date which may be determined by the Committee as the Grant date.

Explanation: For accounting purposes, the Grant Date will be determined in accordance with applicable accounting standards.

- xvii. **"Holding Company"** means any present or future holding company of the Company, as defined in the Companies Act.
- xviii. **"Independent Director"** means a Director within the meaning of Section 149(6) of the Companies Act read with Regulation 16(1)(b) of the LODR Regulations.
- xix. **"Market Price"** means the latest available closing price on the Stock Exchange on which the Shares of the Company are listed, immediately prior to the Relevant Date.

Explanation- If Shares are listed on more than one Stock Exchange, then the closing price of the Shares on the Stock Exchange having higher trading volume shall be considered as the Market Price.

- xx. **"Merchant Banker"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, which is registered under Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- xxi. **"Misconduct"** means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the Company Policies/ Terms of Employment, amounting to violation or breach, as determined by the Committee after giving the Employee an opportunity of being heard:

- a) dishonest statements or acts of an Employee, with respect to the Company;
 - b) any misdemeanour involving moral turpitude, deceit, dishonesty, or fraud committed by the Employee;
 - c) gross negligence, misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company;
 - d) participating or abetting a strike in contravention of any law for the time being in force;
 - e) misconduct as provided under the labour laws after following the principles of natural justice; or
 - f) Any other terms and conditions as notified by the Committee from time to time.
- xxii. "**Options**" means Employee Stock Options within the meaning of the Scheme.
- xxiii. "**Option Grantee**" means an Employee who has been granted an Option and has accepted such Grant as required under the Scheme and shall deem to include nominee/ legal heir of an Option Grantee in case of his/her death to the extent provisions of the Scheme are applicable to such nominee/ legal heir.
- xxiv. "**Permanent Incapacity**" means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Committee based on a certificate of a medical expert identified by the Company.
- xxv. "**Promoter**" shall have the same meaning assigned to it under the ICDR Regulations.
- xxvi. "**Promoter Group**" shall have the same meaning assigned to it under the ICDR Regulations.
- xxvii. "**Relevant Date**" means any of the following dates as the context requires:
- (i) in the case of Grant, the date of the meeting of the Committee on which the Grant is made; or
 - (ii) in the case of Exercise, the date on which the notice of Exercise is given to the Company by the Option Grantee.
- xxviii. "**Retirement**" means retirement as per the rules of the Company.
- xxix. "**Secretarial Auditor**" means a company secretary in practice appointed by a company under Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit pursuant to regulation 24A of the LODR Regulations.

- xxx. **"Shares"** means equity shares of face value of Rs. 10/- each fully paid-up of the Company.
- xxxi. **"Stock Exchange"** means National Stock Exchange Limited or BSE Limited or any recognized other stock exchange in India on which the Company's Shares are listed.
- xxxii. **"Subsidiary Company"** shall have the same meaning as defined under Section 2(87) of the Companies Act and includes any present or future subsidiary company of the Company.
- xxxiii. **"Trust"** means the '**MCSL Employee Welfare Trust**' an irrevocable trust being set-up by the Company for the administration of the employee stock option scheme(s) of the Company including this ESOP 2018.
- xxxiv. **"Trustee"** shall mean the person/ entity appointed as a trustee under the trust deed of the Trust.
- xxxv. **"Unvested Option"** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to Exercise the Option.
- xxxvi. **"Vested Option"** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to Exercise the Option.
- xxxvii. **"Vesting"** means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of the Scheme.
- xxxviii. **"Vesting Condition"** means any condition subject to which the Options granted would vest in the Option Grantee.
- xxxix. **"Vesting Period"** means the period during which the Vesting of the Option granted to the Employee, in pursuance of the Scheme takes place.

2.2 Interpretation

In this Scheme, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender; and
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.
- f) for the purposes of any calculation under this Scheme any fraction will be rounded up or down to the nearest integer;

- g) reference to any statute, rules, regulations, or notification shall include any amendment, modification, substitution or re-enactment thereof.
- h) the terms defined above, including their grammatical variations and cognate expressions, shall, unless repugnant to the context or meaning thereof, for the purposes of this Scheme have the meanings herein specified and terms not defined above shall have the meanings as defined in the Applicable Laws, as the context requires; and
- i) Words/ phrases and expressions used and not defined here but defined in the Applicable Laws and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation, as the context requires.

3. Authority and Ceiling

- 3.1 The shareholders of the Company by way of special resolution dated June 14, 2018 approved the Scheme authorizing the Committee to grant not exceeding **3,35,000 (Three Lakhs Thirty-five Thousand)** Options to the eligible Employees in one or more tranches, from time to time, which in aggregate exercisable into not more than **3,35,000 (Three Lakhs Thirty-five Thousand)** Shares, with each such Option conferring a right upon the Employees to apply for one Share in the Company in accordance with the terms and conditions as may be decided under the Scheme.
- 3.2 The maximum number of Options under Scheme that may be granted to each Employee per Grant and in aggregate shall vary depending upon the designation and the appraisal/ assessment process, however, shall not exceed **2,00,000 (Two Lakhs)** Options at the time of Grant of Option.
- 3.3 The maximum quantum of benefits contemplated under the Scheme are in terms of the maximum number of Options that may be granted to an eligible Employee as specified in sub-clause above.
- 3.4 Prior approval of shareholders of the Company in the general meeting by passing special resolution shall be obtained in case the Grant of Options to any identified Employee, during any one year, is equal to or exceeding 1% (one percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Option.
- 3.5 If an Option expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the Options pool as mentioned in Sub-clause 3.1 and shall become available for future Grants, subject to compliance with all Applicable Laws.
- 3.6 Where Shares are transferred by the Trust consequent upon Exercise of an Option under the Scheme, the maximum number of Shares that can be issued under Scheme as referred to in Clause 3.1 above shall stand reduced to the extent of such Shares transferred.
- 3.7 In case of a Share split or consolidation, if the revised face value of the Share is less or more than the current face value as prevailing on the date of coming into force of this Scheme, the maximum number of Shares being granted under the Scheme as specified above shall stand modified accordingly, so as to ensure that

the cumulative face value (number of Shares X face value per Share) prior to such Share split or consolidation remains unchanged after such Share split or consolidation.

4. Supervision and Administration

4.1 Supervision

- a. The Scheme shall be supervised by the Committee. All the functions relating to superintendence of the Scheme shall stand possessed with the Committee including the rights, powers, or duties of the Board to the extent delegated along with that contemplated under the Applicable Laws. All questions of interpretation of the Scheme shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Scheme.
- b. Neither the Committee nor any of its members shall be liable for any actions taken in good faith for the implementation of the Scheme.
- c. The Committee may rely upon the advice and assistance of any professional it deems appropriate in the implementation of the Scheme.
- d. The Committee shall, in accordance with the Scheme and Applicable Laws, determine the following:
 - i. The Eligibility Criteria for grant of Options to the Employees upon recommendation of the Management of the Company;
 - ii. The quantum of Options to be granted under the Scheme per Employee, subject to the ceiling as specified in Sub-clause 3.1 and 3.2;
 - iii. Terms and conditions in respect of Grant, Vesting and Exercise of Options by the Employees which may be different for different Employees or classes thereof falling in the same tranche of Grant of Options under the Scheme;
 - iv. 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;
 - v. the right of an Employee to Exercise all the Vested Options at one time or at various points of time within the Exercise Period;
 - vi. The procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration by the Committee:
 - a) the number and price of Options shall be adjusted in a manner such that total value of the Options remains the same after the corporate action; and

- b) 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.
 - vii. the procedure and terms for the Grant, Vesting and Exercise of Options in case of Employees who are on long leave;
 - viii. the conditions under which Options shall vest and be exercised in case of suspension of employment for alleged Misconduct;
 - ix. determine the treatment of the Options held by an eligible Employee in case of suspension/ termination of services or in case of any pending inquiries;
 - x. formulate suitable policies and procedures to ensure that there is no violation of Applicable Laws, in relation to the Scheme, by the Company and the Employees;
 - xi. any matter relating to the Trust and aspects of administration of the Scheme by the Trust;
 - xii. the procedure for buy-back of Options granted under the Scheme if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
 - a) permissible sources of financing for buy-back;
 - b) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
 - c) limits upon quantum of Options that the Company may buy-back in a financial year.
 - xiii. the procedure for funding for Exercise of Options, as permitted under the Applicable Laws; and
 - xiv. approve forms, writings and/or agreements for use in pursuance of the Scheme.
- e. The Committee shall also frame suitable policies and systems to ensure that there is no violation of (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 (as amended from time to time) and (c) any other regulation as may be notified by the Securities and Exchange Board of India or any other authority from time to time, by the Company, and any of its Employee.
- f. Subject to the extent allowed under the Applicable Laws, the Committee shall have a right to delegate or authorize any officer of the Company, such power to do specific acts and things as may be deemed necessary in connection with the Scheme.

4.2 Administration

- a. The Scheme shall be administered by the Trust to the extent aspects of such administration are delegated by the Committee as per the requirements of Applicable Laws.
- b. The Trust shall be governed subject to following terms and conditions:
 - i. It shall not deal in derivatives and shall undertake only such transactions as permitted under the deed of Trust read with the provisions of the Applicable Laws;
 - ii. The Trustees appointed or re-appointed from time to time shall be such persons as being not disqualified as prescribed under the Applicable Laws; and
 - iii. The Trustees shall not vote in respect of the Shares held by the Trust.
- c. The Trustees while administering the Scheme shall abide by the provisions contained therein, terms of the Grant, Vesting and Exercise as decided by the Committee and shall ensure compliance of the provisions of relevant Applicable Laws as prevailing from time to time, in connection with dealing with the Shares of the Company including but not limited to maintenance of proper books of account, records and documents as prescribed.

5. Eligibility and Applicability

- 5.1 Only Employees are eligible for being granted Option under the Scheme. The specific Employees to whom the Option would be granted, and their Eligibility Criteria shall be determined by the Committee upon recommendation of the Management of the Company.
- 5.2 The broad Eligibility Criteria may include parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, expected role for the corporate growth, etc.
- 5.3 The Scheme shall be applicable to the Company (including any successor company thereof) and its Employees.

6. Grant and Acceptance of Grant

6.1 Grant of Options

- (a) Grants contemplated under the Scheme shall be made on such day and month as decided by the Committee at its discretion.
- (b) Each Grant of Option under the Scheme shall be made in writing by the Company to the eligible Employees fulfilling the Eligibility Criteria in a letter of Grant as may be approved containing specific details of the Grant, and disclosure requirements, as prescribed under Applicable Laws.

6.2 **Acceptance of the Grant**

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

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

6.4 While acceptance of Grant, no amount is payable by the Employees.

7. **Vesting Schedule and Vesting Conditions**

7.1 The option granted under the Scheme shall vest not earlier than minimum Vesting Period of **1 (One)** year and not later than maximum Vesting Period of **4 (Four)** years from the date of Grant.

Provided that in case where Options are granted by the Company under the Scheme in lieu of options held by a person under a similar scheme in another company ("**Transferor Company**") which has merged or amalgamated with the Company, the period during which the options granted by the Transferor Company were held by him may be adjusted against the minimum Vesting Period required under this Sub-clause in due compliance with the provisions of SBEB Regulations.

Provided further that in the event of death or Permanent Incapacity of an Option Grantee, the minimum Vesting Period of 1 (One) year shall not be applicable and in such instances, all the Unvested Options shall vest with effect from date of the death or Permanent Incapacity.

Provided further that in case of Retirement, all the Unvested Options as on the date of Retirement would continue to Vest in accordance with the original vesting schedules even after the Retirement unless otherwise determined by the Committee in accordance with the Company's Policies and provisions of the then prevailing Applicable Laws.

7.2 Unless otherwise determined by the Committee, the specific Vesting schedule for any Grant shall be as follows:

Dates of Vesting	Vesting of Options
1 st Anniversary from the date of Grant	25% of the Options granted
2 nd Anniversary from the date of Grant	25% of the Options granted
3 rd Anniversary from the date of Grant	25% of the Options granted
4 th Anniversary from the date of Grant	25% of the Options granted

7.3 As a prerequisite for a valid Vesting, an Option Grantee is required to be in employment on the date of Vesting. In addition to this, the Committee may also specify certain performance criteria subject to satisfaction of which the Options would Vest. An Option Grantee who has tendered his/her resignation and is serving

the notice period after resignation, such notice period shall not be considered for Vesting and all the Unvested Options as on date of resignation shall be cancelled forthwith. Further, an Option Grantee must not be subject to any disciplinary proceedings pending against him on such date of Vesting. In case of any disciplinary proceedings against any Option Grantee, the relevant Vesting shall be kept in abeyance until disposal of the proceedings. In case of reinstatement, Vesting shall happen as if there was no abeyance. In case of termination from employment, the provisions of serial number 2 in the table given in Sub-clause 8.2 of the Scheme shall apply.

7.4 The Vesting dates, Vesting schedule and Vesting Condition in respect of the Options granted under the Scheme shall be determined by the Committee and may vary from an Employee to Employee or any class thereof and / or in respect of the number or percentage of Options to be vested and would be outlined in the document given to the Option Grantee at the time of Grant of Options.

7.5 **Vesting of Options in case of Employees on long leave**

The period of leave shall not be considered in determining the Vesting Period in case the Option Grantee is on a sabbatical. In all other events including approved earned leave, maternity leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Committee.

8. Exercise

8.1 **Exercise Price**

(a) The Exercise Price per Option shall be determined by the Committee subject to a maximum discount of up to 30% from the Market Price of Shares as on the date of Grant.

(a) The Exercise Price shall be specified in the letter issued to the Option Grantee at the time of the Grant.

(b) Payment of the Exercise Price shall be made by a crossed cheque, or by any electronic mode or a demand draft drawn in favour of the Trust.

8.2 **Exercise Period**

The Exercise Period in respect of the Vested Option shall be subject to a maximum period of **5 (Five) years** from the date of each Vesting of Options. In case of death or Permanent Incapacity, Committee may at its discretion allow such further period which shall not be more than 12 months from the date of death or Permanent Incapacity.

(a) Exercise period while in employment:

The Exercise Period for Vested Options shall be a maximum of **5 (Five) years** commencing from the relevant date of Vesting of Options, or such other shorter period as may be prescribed by the Committee at time of Grant. All the Vested Options can be exercised by the Option Grantee at one time or at various points of time within the Exercise Period.

(b) Exercise period in case of separation from employment:

S. No.	Events of separation	Vested Options	Unvested Options
1	Resignation/ Termination (Other than due to Misconduct)	All the Vested Options as on date of resignation or termination shall be exercisable by the Option Grantee on or before last working day or Exercise Period, whichever is earlier.	All the Unvested Options as on the date of resignation / termination shall stand cancelled with effect from such date of resignation / termination.
2	Termination due to Misconduct	All the Vested Options at the time of such termination shall stand cancelled with effect from the date of such termination.	All the Unvested Options at the time of such termination shall stand cancelled with effect from the date of such termination.
3	Retirement	All the Vested Options as on date of Retirement shall be exercisable within the Exercise Period.	All Unvested Options as on the date of Retirement would continue to vest in accordance with the original vesting schedules even after the Retirement unless otherwise determined by the Committee in accordance with the Company's Policies, if any, and provisions of the then prevailing Applicable Law. Such aforesaid Vested Options can be exercised within a period of 12 (Twelve) months from the date of such Vesting.
4	Death	All the Vested Options as on date of death shall be exercisable by the legal heir/ nominee of such deceased Option Grantee within 12 (Twelve) months from the date of Death of the Option Grantee or Exercise Period, whichever is later.	All the Unvested Options as on date of death shall vest immediately in the Option Grantee's nominee or legal heir and can be exercised in the manner defined for Vested Options.

S. No.	Events of separation	Vested Options	Unvested Options
5	Permanent Incapacity	All Vested Options may be exercised by the Option Grantee, immediately after, but in no event later than 12 (Twelve) months from the date of such incapacity or Exercise Period, whichever is later.	All the Unvested Options as on date of incurring of such incapacity shall vest immediately with effect from such event to the Option Grantee and can be exercised in the same manner as defined for the Vested Options.
6	Any other reason	The Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of such termination shall stand cancelled unless otherwise required by Applicable Laws.

8.3 **Exercise in case of transfer or deputation**

In the event of transfer or deputation of an Option Grantee from the Company to any of its Subsidiary Company or Holding Company or Associate Company, the Vested Options as on the date of transfer or deputation, shall be capable of being exercised as if the employment of the Option Grantee is being continued and in case of Unvested Options, such Options shall continue to vest as per the original schedule and be exercised accordingly, subject to the compliance of the Applicable Laws. In case of subsequent separation, treatment of Vested/ Unvested Options shall be as per applicable circumstance mentioned in the above-mentioned table.

8.4 The Options shall be deemed to have been exercised when an Employee makes an application to the Trust/ Company, in writing or by any other means as decided by the Committee, for the issue of Shares against the Vested Options, subject to payment of Exercise Price and compliance of other requisite conditions of Exercise.

8.5 **Lapse of Options**

The Options not exercised within the respective Exercise Period shall lapse and be cancelled on expiry of such Exercise Period. The Option Grantee shall have no right or recourse over such lapsed/ cancelled Options.

9. **Lock-in**

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

Provided that the Shares transferred on such Exercise cannot be sold for such further period or intermittently as required under the terms of Code of Conduct for

Prevention of Insider Trading of the Company framed under Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

10. Exit route in case of de-listing

If the Company gets de-listed from all the recognized Stock Exchanges, then the Committee shall have the power to set out terms and conditions for the treatment of Vested Options and Unvested Options in due compliance with the Applicable Laws.

11. Restriction on transfer of Options

- 11.1 The Option shall not be pledged, hypothecated, mortgaged, or otherwise alienated in any other manner.
- 11.2 Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case provisions at sub-clause 8.2(b) would apply.
- 11.3 No person other than the Employee to whom the Option is granted shall be entitled to Exercise the Option except in the event of the death of the Option Grantee holder, in which case provisions at sub-clause 8.2(b) would apply.

12. Rights as a shareholder

- 12.1 The Employee shall not have a right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of Options granted, till Shares underlying such Options are issued by the Company upon Exercise of such Option.
- 12.2 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any Shares covered by the Grant unless the Option Grantee exercises the Option and becomes a registered holder of the Shares of the Company.
- 12.3 In case of any corporate action (for example, bonus issue, right issue, share split, buyback, merger, sale of divisions and other events termed as corporate action) the Option Grantee shall not be eligible for any right or status of any kind as a shareholder of the Company. However, the necessary adjustments to the number of Options or the Exercise Price or both would be made in accordance with sub-clause 4.1(d)(vi) of the Scheme.

13. Deduction/Recovery of Tax

- 13.1 The liability of paying taxes, if any, in respect of Options granted pursuant to this Scheme and the Shares issued pursuant to Exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employees of Company working abroad, if any.
- 13.2 The Company shall have the right to deduct from the Employee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.

- 13.3 The Company/ Trust shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

14. Authority to vary terms

- 14.1 For the purpose of efficient implementation and administration of the Scheme but subject to the Applicable Laws and approval of the shareholders of the Company by way of a special resolution, Committee may revise any of the terms and conditions in respect of existing or any new grant of Options provided that the variation is not prejudicial to the interest of the Employees.

Provided that the Company shall be entitled to vary the terms of the Scheme to meet any regulatory requirement without seeking shareholders' approval by way of a special resolution.

- 14.2 The Committee may also re-price the Options which are not exercised, whether or not they have been vested, if the Scheme is rendered unattractive due to the fall in the price of the Shares.

15. Miscellaneous

- 15.1 Government Regulations

This Scheme shall be subject to all Applicable Laws, and approvals from government authorities. The Grant and the allotment/transfer of Shares under this Scheme shall also be subject to the Company requiring Employees to comply with all Applicable Laws.

- 15.2 Inability to obtain authority

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

- 15.3 Neither the existence of this Scheme nor the fact that an individual has on any occasion been granted an Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Scheme by being granted an Option on any other occasion.

- 15.4 The rights granted to an Option Grantee upon the grant of an Option shall not accord the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

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

15.6 General Risks

Participation in the Scheme shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the equity and the risks associated with the investments is that of the Option Grantee alone.

16. Accounting and Disclosures

The Company shall follow the IND AS 102 on Share based Payments and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other statutory authority from time to time, including the disclosure requirements prescribed therein, in compliance with relevant provisions of SBEB Regulations.

17. Certificate from Secretarial Auditors

The Board shall at each annual general meeting place before the shareholders a certificate from the Secretarial Auditors of the Company that the Scheme has been implemented in accordance with the SBEB Regulations and in accordance with the resolution of the Company in the general meeting.

18. Governing Laws

18.1 The terms and conditions of the Scheme shall be governed by and construed in accordance with the Applicable Laws including the Foreign Exchange Laws mentioned below.

18.2 Foreign Exchange Laws

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

19. Notices

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

- i. Sending communication(s) to the address of the Option Grantee available in the records of the Company; and/ or
- ii. Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; and/ or
- iii. Emailing the communication(s) to the Option Grantee at the official email address provided if any by the Company during the continuance of

employment or at the email address provided by the Option Grantee after cessation of employment.

- 19.2 All notices of communication to be given by an Option Grantee to the Company/ Trust in respect of Scheme shall be sent to the address mentioned below:

Attention : Head – People & Culture
Address : Muthoot Capital Services Limited
Muthoot Capital Services Limited, 3rd Floor,
Muthoot Towers, M.G. Road, Kochi, Kerala – 682035
Email : ciby.b@muthootcap.com

20. Nomination

The Employee has to nominate a person as his/her nominee. The nominee in case of death or legal incapacity of Employee shall be the legal representative recognized by the Company as the inheritor of the Employee in respect of all rights and liabilities for the purposes of this Scheme.

21. Jurisdiction

- 21.1 The Courts in Kochi, Kerala shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this Scheme.

- 21.2 Nothing in this Sub-clause will however limit the right of the Company to bring proceedings against any Employee in connection with this Scheme:

- (i) in any other court of competent jurisdiction; or
- (ii) con-currently in more than one jurisdiction.

22. Listing of the Shares

- 22.1 The Company shall not Grant Options under the Scheme unless it obtains in-principle approval from the Stock Exchanges where it is listed.

- 22.2 The Company shall appoint a Merchant Banker for the implementation of the Scheme upto in-principle approval from the Stock Exchanges where it is listed.

23. Applicability of Claw-back

The benefits accrued and / or availed under the Scheme shall be subject to Claw-back conditions in line with the extant Company policy/ terms of employment of the Company as amended from time to time and relevant regulatory guidelines as per Applicable laws as amended from time to time.

24. Severability

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

25. Confidentiality

- 25.1 An Option Grantee must keep the details of the Scheme and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this confidentiality Clause, the Company has undisputed right to terminate any agreement and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this confidentiality Clause shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this clause, the Committee shall have the authority to deal with such cases as it may deem fit.
- 25.2 On acceptance of the Grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Scheme or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need-to-know basis.

-----**End of Scheme** -----