

**Refex Industries Limited**  
**Refex Employee Stock Option Scheme 2021**

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## **NAME OF THE SCHEME**

This Scheme shall be termed as **Refex Employee Stock Option Scheme 2021** (“Scheme” or “ESOP 2021”). The Scheme has been approved by a special resolution passed on **September 30, 2021** at the Annual General Meeting of the Shareholders for grant of options for the employees of Refex Industries Limited and a separate special resolution has been passed on the same date for the grant of Option to Employees of Subsidiary Company or Associate Company or Holding Company of Refex Industries Limited.

This document sets out the terms and conditions of the Scheme under which the Options are being granted and Shares are being transferred to the Employees of the Company.

### **1 Purpose of the Scheme**

Refex Industries Limited (“Company” or “Refex”), a Company incorporated under the Companies Act, 1956 and having its registered office at Bascon Futura SV IT Park, New #10/2, Old #56L, Venkatanarayana Road, T Nagar, Chennai- 600 0017 has structured this Scheme for its Employees and the Employees of its Subsidiaries or its Associate Companies both in India and outside, or of a Holding Company. The purpose of this Scheme is as under:

- a) To reward employees for past as well as future performance;
- b) To promote success of the Company by rewarding and motivating the employees;
- c) To attract and retain talents;
- d) To link interests of employees with Shareholders;
- e) To foster ownership; and
- f) To reward for loyalty.

Further, the Scheme will be implemented for and on behalf of and at the request of the Subsidiary or Associate companies or Holding Company of Refex. The purpose of the Scheme is to retain and reward the Employees of the Company, Subsidiary or Associate Companies or Holding Company for high levels of individual performance and for unusual efforts to improve the financial performance of the respective Companies, which will ultimately contribute to the success of the Company.

### **2 Definitions**

- 2.1 “**Acceptance Form**” shall mean the form that the Grantee has to submit indicating his acceptance of the offer made to him to participate in the Scheme.
- 2.2 “**Act**” means the Securities and Exchange Board of India Act, 1992.
- 2.3 “**Applicable Laws**” shall mean laws of India to the extent applicable and as amended, modified and substituted from time to time. Accordingly, any actions taken hereunder shall be governed by and construed in accordance with the laws of India, without regard to the application of the conflicts of laws’ provisions thereof.
- 2.4 “**Associate Company**” shall have the same meaning as defined under Section 2(6) of the Companies Act, 2013.

- 2.5 **“Beneficiary” or “Nominee”** means the person or persons, designated by the Participant, or in the absence of any designation by the Participant, a person or persons who is/ are entitled by the will or probate of the Participant to receive the benefits specified in the Scheme, the legal heirs of the Participant, if the Participant dies intestate and includes the Participant's executors or administrator, if no other beneficiary is designated and able to act under the circumstances and such other persons as may be added from time to time to the class of beneficiaries by notice in writing and by the nomination form in the exercise of any powers conferred under the Scheme or any other agreements forming part thereof.
- 2.6 **“Board”** means the Board of Directors of the Company.
- 2.7 **“Cause”** means negligence, fraud, professional misconduct, moral turpitude etc. as per Group's policy.
- 2.8 **“Company”** shall mean Refex Industries Limited, a Company incorporated and registered under the Companies Act, 1956 having its registered office at 2nd Floor, No.313, Refex Towers, Sterling Road, Valluvar Kottam High Road, Nungambakkam, Chennai, Tamil Nadu, 600034 with effect from November 8, 2023<sup>^</sup>.
- 2.9 **“Compensation Committee/Committee”** means committee as created by the Board for administration and superintendence of the Scheme and consists of such members of Board as provided under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- Provided that the Company may also opt to designate its nomination and remuneration committee as the Compensation Committee for the purpose of SEBI Regulations and administration of the Scheme.
- 2.10 **“Control”** shall have the same meaning as defined under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- 2.11 **“Corporate Action”** shall have the same meaning as understood under the SEBI Regulations.
- 2.12 **“Director”** means a Director appointed by the Board of the Company, and shall have the same meaning as defined under Section 2(34) of Companies Act, 2013
- 2.13 **“Eligible Employee”** for the purpose of this Scheme means the identified Employee(s) as per Clause 4 below.
- 2.14 **“Employee”** means (a) an employee as designated by the Company, exclusively working in India or out of India; or (b) 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 (c) an employee as defined in sub-Clause (a) and (b) above 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:

- (i) an employee who is a Promoter or a person belonging to the Promoter Group; or

- (ii) a Director who either himself or through his Relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity Shares of the Company.
- 2.15 **“Exercise”** means making of an application by the Participant to the Company for issue of shares against Vested Options to him/her in pursuance of the Scheme on payment of Exercise Price.
- 2.16 **“Exercise Date”** means the date on which the Participant exercises his right to apply for shares against the Vested Options and in case of partial Exercise, shall mean each date on which the Participant/ Beneficiary exercises his right to apply for part of his Vested Options.
- 2.17 **“Exercise Period”** means subject to clause 11, a period of 10 years from the date of Vesting, unless the Board/ Committee decides otherwise, within which an employee should exercise his right to apply for shares against the Vested Option in pursuance of the Scheme.
- 2.18 **“Exercise Price”** means the price, if any, payable by the employee for exercising the Option granted to him in pursuance of the Scheme.
- 2.19 **“General Meeting”** means a General Meeting (including an Extraordinary General Meeting or resolution through postal ballot<sup>^</sup>) of the Shareholders of the Company held in accordance with the Articles of Association of the Company and the Applicable Laws.
- 2.20 **“Grant”** means the process by which the Company issues options to its Employees under the Scheme.
- 2.21 **“Grant Date”** means the date on which the Compensation Committee approves the Grant.
- 2.22 **“Grant Letter”** means the letter by which Grant of Options is communicated to the Grantee.
- 2.23 **“Grantee”** means an Eligible Employee pursuant to Clause 4 below, at the time of Grant of the Option to be eligible to participate under the Scheme.
- 2.24 **“Group”** means two or more companies which, directly or indirectly, are in a position to:  
(i) exercise twenty-six per cent. or more of voting rights in the other company; or  
(ii) appoint more than fifty per cent. of the members of the Board of Directors in the other company; or  
(iii) control the management or affairs of the other company
- 2.25 **“Independent Director”** shall have the same meaning as defined under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2.26 **“Insider”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- 2.27 **“Market Price”** means the latest available closing price of Shares on a recognized stock exchange on which the Shares of the Company are listed on the date immediately prior to the

relevant date and which has recorded the highest trading volume as on the trading day.

- 2.28 “**Option**” means the option given to an employee, which gives him a right but not an obligation, to purchase or subscribe the shares at a future date, at a pre-determined Exercise Price in accordance with the Scheme.
- 2.29 “**Participant**” means a Grantee who accepts the Grant from the Company to participate in this Scheme pursuant to Clause 8 below.
- 2.30 “**Scheme or ESOP 2021**” shall mean the Refex Employee Stock Option Scheme 2021 under which the Company grants the Options to the Grantees, and shall include any alterations, amendments, additions, deletions, modifications, addendums or variations thereof from time to time.
- 2.31 “**Promoter**” shall have the same meaning assigned to it under the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 2.32 “**Promoter Group**” shall have the same meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 2.33 “**Relative**” shall have the same meaning as defined under Section 2(77) of the Companies Act, 2013.
- 2.34 “**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 Vesting of Performance-Based Options, the date of publishing of latest audited financial statements of the year where the performance condition has been satisfied or a date as to be determined by the Compensation Committee; or
  - iii) In the case of exercise, the date on which the notice of exercise is given to the Company by the employee.
- 2.35 “**SEBI Regulations**” refers to Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 issued by the Securities and Exchange Board of India (“SEBI”) under the Act as amended from time to time.
- 2.36 “**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 of Refex Industries Limited.
- 2.37 “**Shareholder**” means the registered holder of a Share in the share capital of the Company.
- 2.38 “**Subsidiary Company**” shall have the same meaning as defined under Section 2(87) of the Companies Act, 2013.
- 2.39 “**Termination Date**” means the date of termination of employment of the Participant with the Company or any Subsidiary, Associate or Holding Company.

- 2.40 “**Unvested Option**” means an Option, which is not a Vested Option.
- 2.41 “**Vesting**” means the process by which the Participant becomes entitled to receive the benefit of a grant made to him/her under the Scheme.
- 2.42 “**Vested Option**” means an Option, which has vested in pursuance of Clause 9 below with the Participant and has thereby become exercisable.
- 2.43 “**Vesting Date**” means the date on and from which the Option Vests with the Participant and has thereby become exercisable under the Scheme.
- 2.44 “**Vesting Period**” means the period during which the vesting of Option granted to the Participant under the Scheme takes place.

All other words and expressions used and not defined in these regulations but defined in the Act, the Securities Contract (Regulations) Act, 1956 or the Companies Act, 2013 and any statutory modifications or re-enactments thereto, shall have the meanings respectively assigned to them in those legislations.

#### **Construction**

- a) Clause reference is to the clauses of this Scheme.
- b) The headings/ subheadings/ titles/ subtitles are only for the sake of convenience and shall not be interpreted to restrict or otherwise affect the meaning or import of the clauses, which shall be interpreted solely in light of the contents thereof.
- c) Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- d) Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form.
- e) The term 'including' shall mean 'including without limitation', unless otherwise specified.
- f) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.
- g) Unless the context otherwise requires, words denoting the masculine gender shall include the feminine gender and words denoting singularity shall include the plural and vice versa.

### **3 Notification of the Schemes**

- 3.1 The Committee may subject to a special resolution passed at a General Meeting at any time and from time to time, add, amend, alter or revoke the Scheme.

### **4 Eligibility**

- 4.1 The Committee will decide which of the Employees should be granted Options under the Scheme and accordingly, the Company would offer the Options to the identified Employees to the extent permissible by Applicable Laws.
- 4.2 An Employee who is a Promoter or a person belonging to the Promoter Group; or a Director, who either by himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity Shares of the Company shall

not be eligible to participate in the Scheme.

- 4.3 In determining the eligibility of an Employee to receive an Option as well as in determining the number of Options to be granted to any Employee, the Committee shall formulate criterion for Grant of Options based on, but not limited to, one or more of the following:
- a) Number of years of service of the Employee;
  - b) Industry experience of the Employee;
  - c) Grade/ level of the Employee;
  - d) Past-track record/present performance or future potential of the Employee;
  - e) Any other criteria as may be decided by the Board/ Committee.
- 4.4 Based on the eligibility criteria as described in this Clause, the Committee will decide the Employees eligible for Grant of Options under the Scheme and accordingly, the Committee would offer the Options to the identified Employees under the Scheme. Where such Employee is a Director nominated by an institution as its representative on the Board of the Company:
- i. the contract/agreement entered into between the institution nominating its Employee as the Director of the Company and the Director so appointed shall, inter-alia, specify the following:
    - a) whether Options granted by the Company under the Scheme can be accepted by the Employee in his capacity as Director of the Company;
    - b) that Options, if granted to the Director, shall not be renounced in favour of the nominating institution; and
    - c) the conditions subject to which fees, commissions, Options, 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/agreement with the Company, which shall, in turn, file the copy with all the stock exchanges on which the Shares of the Company are listed.
  - iii. the Director so appointed shall furnish a copy of the contract/agreement at the first Board meeting of the Company attended by him after his nomination.

## **5 Administration of this Scheme**

- 5.1 This Scheme shall be administered by the Committee working under the powers delegated by the Board, in accordance with the SEBI Regulations. The Committee is authorized to interpret the Scheme, to establish, amend and rescind any rules and regulations relating to the Scheme, and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Scheme.
- 5.2 The Committee may correct any defect, omission or reconcile any inconsistency in the Scheme in the manner and to the extent the Committee deems necessary or desirable and to resolve any difficulty in relation to implementation of the Scheme and take any action which the Committee is entitled to take. The acts of a majority of the members of the Committee present at any meeting (at which the quorum is present) or acts approved in writing by a majority of the entire Committee shall be the acts of the Committee for the purpose of the Scheme. No member of the Committee may act upon matters under the Scheme specifically relating to such member.
- 5.3 Any decision of the Committee in the interpretation and administration of this Scheme, as described herein, 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, Grantee, Participant/ Nominee and their beneficiaries and successors). The Company/ the Board/ the Committee shall not be liable for any action or determination made in good faith with respect to the Scheme or any Option granted there under.

- 5.4 The Committee shall, *interalia*, formulate the detailed terms and conditions of the Scheme(s) which shall include the provisions as specified by the SEBI in this regard.
- 5.5 The Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company and its employees, as applicable.

## **6 Share Pool**

- 6.1 Subject to Clause 16 below, the maximum number of Shares that may be issued pursuant to Exercise of Options granted to the Participants under this Scheme shall not exceed <sup>₹</sup>1,00,00,000 Equity shares of Rs. 2/- each (20,00,000 equity shares of Rs. 10/- each). The Company reserves the right to increase or reduce such number of Shares as it deems fit.
- 6.2 Notwithstanding the foregoing provisions of Clause 6.1 and Clause 7 below, Shares with respect to which an Option is granted under the Scheme that remain unexercised at the expiration, forfeiture or other termination, such Option may be the subject of the Grant of further Options.
- 6.3 Notwithstanding the foregoing provisions of Clause 6.1, all Options that have lapsed (including those having lapsed by way of forfeiture) shall be added back to the number of Options that are pending to be granted. The Company may Grant such Options within the overall limit determined in accordance with the Scheme.

## **7 Grant of Options**

- 7.1 The Committee may offer the Options to a Grantee in accordance with the terms and conditions of the Scheme for the time being in force. The Committee will decide the number of Options to be granted to each Eligible Employee.
- 7.2 Subject to the overall limit prescribed in Clause 6.1 above, the Options may be granted in one or more tranches.
- 7.3 Each Option will entitle the Participant to one Share of the Company.
- 7.4 The Grant of the Options by the Committee to the Grantee shall be made in writing and communicated to the Grantee by a Grant Letter. Such a Grant shall state the number of Options Granted, the vesting schedule with any vesting conditions, the Exercise Price and the Exercise period as per the Scheme.
- 7.5 An offer made under Clause 7.1 above is personal to the Grantee and cannot be transferred in any manner whatsoever. Further, no person, other than the Grantee, shall be entitled to the benefits arising out of Grant of Options.

**8 Method of Acceptance**

The Option Grantee shall accept and return a signed copy of the Grant Letter issued by the Company.

**9 Vesting of Options**

\*9.1 The vesting period and vesting conditions for the options granted to eligible employees shall be determined by the Nomination & Remuneration Committee in accordance with the Applicable Law and as provided in the Letter of Grant.

Provided that, the Nomination and Remuneration Committee at its sole and absolute discretion may relax the Vesting Condition and/or allow partial vesting of Option if the earlier stipulated Vesting Condition is not met within the Vesting Period or not achievable.

Provided further that, there shall be a minimum period of one year between Grant of options and vesting of options.

Provided also that in the event of death or permanent incapacity of a Grantee, the minimum vesting period of one year shall not be applicable and in such instances, the options shall vest immediately, on the date of death or permanent incapacity.

9.2 Upon vesting, the Vested Options shall be exercisable in accordance with the terms and conditions set forth under the Scheme.

9.3 Subject to the SEBI Regulations, and unless the Committee decides otherwise, no Options shall vest in a Participant, if such Participant carries on or engages in, directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, any business which competes directly or indirectly with the whole or any part of the business carried on by the Company or any activity related to the business carried on by the Company. Decision of the Committee in this regard shall be final and conclusive and cannot be called in question by the Participant. For the sake of clarity, the restriction contained in this Clause shall not apply to any investment held as a portfolio by the Participant or any activity/ business carried out by the Participant pursuant to his duties as an employee or director of the Company and shall not apply to the Nominee of the Participant.

9.4 Neither the Participant nor any person entitled to exercise Participant's rights in the event of death of the Participant shall be entitled to claim or receive any dividend and right to vote, or in any manner enjoy the benefits as a shareholder of the Company in respect of the Options granted/ vested, till such time as the Shares are allotted pursuant to Exercise of such Options.

**10 Exercise Price**

10.1 The Exercise Price of the Options granted shall be as determined by the Committee at a discount compared to the Market Price and shall be stated in the grant letter. The exercise Price shall not be lower than the face value per share. The Company while determining the Exercise Price shall conform to the accounting policies. There shall be no upfront amount

payable at the time of Grant.

## **11 Exercise of Options/ Allotment of Shares**

- 11.1 Subject to the Clause 11.14 below, the Participant alone can Exercise the Vested Options within the Exercise Period. Such Exercise may be of all Vested Options or part of the Vested Options, subject to Clause 11.2 and 11.3 below<sup>^</sup>.
- 11.2 No Vested Option shall be exercisable in its fractional form.
- 11.3 Subject to the SEBI Regulations, and unless the Committee decides otherwise, no Participant shall be entitled to make an Exercise if such Participant carries on or engages in, directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, any business which competes directly or indirectly with the whole or any part of the business carried on by the Company or any activity related to the business carried on by the Company. Decision of the Committee/ Company in this regard shall be final and conclusive and cannot be called in question by the Participant. For the sake of clarity, the restriction contained in this Clause shall not apply to any investment held as a portfolio by the Participant or any activity/ business carried out by the Participant pursuant to his duties as an employee or director of the Company and shall not apply to the Nominee of the Participant.
- 11.4 Exercise of the Vested Options shall take place at the time and place designated by the Committee and by executing such documents as may be required under the Applicable Laws or by the Company/ the Committee to pass a valid title of the relevant Shares to the Participant/ Nominee, free and clear of any liens, encumbrances and transfer restrictions save for those set out therein.
- 11.5 A Vested Option shall be deemed to be exercised only when the Committee or any other person ratified by the Committee receives written and signed notice of Exercise ('Exercise Form') from the Participant/ Beneficiary and a confirmation that the Exercise Price (in accordance with the Scheme) as per Clause 11.6 has been received from the Participant, if applicable.
- 11.6 The Exercise Price shall be paid in full to the Company upon the Exercise of the Vested Options. Payment must be made by one of the following methods:
- i) cheque or demand draft issued in the name of the Company as the Committee may specify; or
  - ii) remittance directly from the Participant's bank to the bank account of the Company (wire transfer) as the Committee may specify; or
  - iii) recovery from the immediately succeeding salary payment of the employee; or
  - iv) any combination of such methods of payment or any other method acceptable to the Board/ Committee at its sole discretion.
- 11.7 The Company/ Committee/ Board shall endeavor to ensure that the process of allotment/ transfer of Shares to the Participant who has exercised his vested Options is completed within reasonable time from the time of receiving the Exercise Form by the Committee.

- 11.8 Upon completion of a valid Exercise of Options as laid out above and upon receiving confirmation/ direction from the Committee, the Company shall allot the Shares to the Participant/ Beneficiary/ Nominee.
- 11.9 At the time of allotment of Shares, pursuant to a valid Exercise, the Participant/ Nominee will be required to sign such papers as may be considered necessary by the Committee to lawfully execute/ enforce various provisions of the Scheme.
- 11.10 Only upon allotment of the Shares, the Participants/ Nominees shall become members of the Company. Subject to Clause 13 below, the Shares to be allotted/ transferred shall rank *pari-passu* in all respects with the outstanding Shares of the Company.
- 11.11 Notwithstanding anything else contained in the Scheme, if the Participant/ Nominee does not Exercise his Vested Options within the time specified in Clause 11.1 above and Clause 11.14 below, the Options shall be forfeited and cancelled by the Company at the end of the aforesaid period and the Acceptance Letter referred to in Clause 8 above shall stand automatically terminated without any liability to the Company.
- 11.12 The Committee shall not purchase or sell shares of the Company through any other method that has been prohibited as per the Applicable Laws.
- 11.13 The committee may, at its sole discretion, arrange for Cashless exercise of the Options subject to compliance with all Applicable Laws in this regard.
- 11.14 The Options Granted shall be capable of being Exercised as detailed below in such proportions as defined in the Grant Letter. The Options cancelled or lapsed without being exercised will be available for further grant under any Employee Stock Option Plan of the Company.

		Vested Options	Unvested Options
A	<b>While in Employment</b>	Can be Exercised within a period of 10 years from the date of vesting <sup>^</sup> .	The Options would continue to vest as per the original vesting schedule.
B	<b>Resignation / Termination other than for Cause</b>	All the Vested Options shall be exercised by the employee not later than 3 months from his/her last working day with the Company or before the expiry of the exercise period, whichever is earlier.#	All Unvested Options on the date of resignation/ termination shall stand cancelled with effect from that date.
C	<b>Termination for Cause*</b>	All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination unless otherwise decided by the Committee in their sole discretion.	All Unvested Options on the date of such termination shall stand cancelled with effect from that date.

D	<b>Retirement / Early Retirement approved by the Company</b>	All Vested Options can be exercised by the Option Grantee within a period of 10 years from the date of vesting <sup>^</sup> .#	All Unvested Options would continue to vest as per the original vesting schedule and shall be exercisable within 10 years from the date of vesting <sup>^</sup> of options.
E	<b>Death</b>	All Vested Options may be Exercised by the Option Grantee's nominee** within one year from the date of death of the participant or the expiry of the Exercise Period, whichever is later unless the Committee decides otherwise.	All unvested Options may be Exercised by the Option Grantee's nominee** within one year from the date of death of the participant or the expiry of the Exercise Period, whichever is later unless the Committee decides otherwise.
F	<b>Permanent Disability***</b>	All Vested Options may be Exercised by the Option Grantee immediately after, but in no event later than one year from the date of separation from employment due to such disability.	All unvested Options may be Exercised by the Option Grantee immediately after, but in no event later than one year from the date of separation from employment due to such disability.
G	<b>Abandonment** **</b>	All the Vested Options, which were not exercised at the time of post facto designated last working day as a result of such abandonment of employment, shall stand cancelled.	All the Unvested options shall stand cancelled.
H	<b>Other Reasons Apart from those mentioned above</b>	The Board /Committee will decide whether the Vested Options as on that date can be Exercised by the employee or not, and such decision shall be final.	The Board /Committee will decide whether the unvested Options as on that date can be exercised by the employee or not, and such decision shall be final.

\* The Board / Committee, in their sole discretion, shall decide whether an act constitutes misconduct or breach of policy or terms of employment.

\*\* The mode of nominating any person as a nominee shall be prescribed by the Board / Committee. In case of the death of any Employee who has not nominated any person(s), the Vested Options and the Unvested Options shall be Exercisable by the legal heir(s) / successor(s) of such Employee as prescribed; provided however that the legal heir(s) / successor(s) shall be required to produce to the Company all such documents / indemnities as may be required by the Company to prove the succession of the assets of the deceased Employee. In case the proof of succession is not submitted to the Company within six months from the date of death of the Employee or such further time as the Board / Committee may permit in its absolute discretion, the Options shall lapse and shall be available for Grant by the Board/Committee to any other Employee(s) as it may deem fit in its absolute discretion.

\*\*\*In the event of death of the Option Grantee after such separation and before the expiry of one year from the date of such separation, the nominee/legal heir of such Option Grantee will be allowed

to Exercise all Vested Options and Unvested Options of the Option Grantee as prescribed, and the provisions of Clause E above shall be applicable, *mutatis mutandis*.

\*\*\*\* The Board / Committee, at its sole discretion shall decide the date of cancellation of Options and such decision shall be binding on all concerned.

# In the event of death of the Option Grantee after such separation and before the expiry of 3 months from the Settlement Event, the nominee/legal heir of such Option Grantee will be allowed to Exercise all Vested Options of the Option Grantee as prescribed, and the provisions of Clause E above shall be applicable, *mutatis mutandis*.

#### 11.15 Long Leave

Notwithstanding anything contained in the Scheme, effect of any “Long Leave” will be given as considered appropriate by the Committee.

### 12 Notices and correspondence

12.1 Any notice required to be given by a Participant/ Nominee to the Company or any correspondence to be made between a Participant/ Nominee and the Company may be given or made to the Company Secretary or any other person appointed by the Committee to receive such notice, at the registered office of the Company or at a place as may be notified by the Committee in writing.

Name^	:	Company Secretary Refex Industries Limited
Address^	:	2nd Floor, No.313, Refex Towers, Sterling Road, Valluvar Kottam High Road, Nungambakkam, Chennai, Tamil Nadu, India, 600034
Email^	:	<a href="mailto:esophelp@refex.co.in">esophelp@refex.co.in</a>

12.2 Any notice, required to be given by the Company to a Participant/ Nominee or any correspondence to be made between the Company and a Participant/ Nominee shall be given or made by the Company at the address of the Participant as available in the records of the Company.

### 13 Lock-in

13.1 The Shares allotted pursuant to the Exercise of the Vested Options under Clause 11 above shall not be subject to any lock-in period.

### 14 Non-transferability of Options

14.1 Save as provided in Clause 15, the Options granted herein, are personal to the Participant. The Options cannot be assigned, alienated, pledged, attached, hypothecated, sold or otherwise transferred or encumbered by the Participant/ Nominee/ Beneficiary otherwise than by will or by the laws of descent, to the extent permitted under the Applicable Law, and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void and unenforceable against the Company.

### 15 Transferability of Shares

- 15.1 Subject to Clause 13, any Participant (Employee/ ex-Employee/ Beneficiary), who wishes to sell the Shares acquired pursuant to Exercise of Grants, can sell the Shares freely over the recognized stock exchange in India where such Shares are listed or through off-market transaction by executing Delivery Instruction Slips.

**16 Reorganization of Capital Structure and other Corporate Actions**

- 16.1 In the event the Company is involved (i) in a scheme for merger, reconstitution, consolidation, dissolution, liquidation or reorganization, exchange of Shares, share swaps, sale of all or substantially all of the assets of the Company (ii) any stock dividend, stock split, reverse stock split, stock combination, rights issue, bonus issues or other changes in the capital structure of the Company or (iii) any other event which in the judgment of the Board/Committee necessitates action of making a fair and reasonable adjustment to the number of Options and/or to the Exercise Price, such adjustment shall be made in a manner that the total value of the Options remains the same after the Corporate Action. In all such Corporate Actions, the Board/Committee shall ensure while taking into consideration the global best practices in this area including the procedures followed by the derivative markets in India and abroad, that the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Participants. The decision of the Board/Committee on whether such action is necessary and the extent of such action by the Board/Committee shall be final and binding. If a change of Control shall occur, the Board/Committee may make such adjustments at its discretion as are necessary or appropriate in light of the change of Control (including, without limitation, the substitution of stock other than stock of the Company as the stock optioned hereunder, and the acceleration of the exercisability of the Options), provided that the Board/Committee determines that such adjustments do not have a substantial adverse economic impact on the Participant as determined at the time of the adjustments.

**17 Withholding Tax or any other Sums**

- 17.1 All Options granted under this Scheme shall be subject to all applicable taxes, withholding tax and/ or any levy and/ or any contribution and/ or any sums due (by whatever name it is called) arising due to participation in the Scheme (in or outside India), if any, and the Company or Committee, accordingly, may withhold such taxes and/ or levy and/ or contribution and/ or payment in full unless Committee decides to withhold in part.
- 17.2 Notwithstanding anything contained in any other Clauses of the Scheme, if any, on the Grant of the Option and/ or the Vesting of Option and/ or the Exercise of the Options and/ or allotment of the Shares and or at any time while this Scheme is in operation shall be subject to any levy and/ or taxes or contribution or payment (by whatever name called), if any, that is levied on or payable by the Company/ Employing entity (in or outside India), such taxes and/ or levy and/ or contribution and/ or payment shall be recovered in full, unless the Committee at its sole discretion decides to recover in part from the Participant.
- 17.3 Notwithstanding anything else contained in this Scheme, no Shares/ sale proceeds therefrom, as the case may be, shall be issued/ allotted/ / disbursed to the Participant/ Nominee, on Exercise of the Options under the Scheme, unless appropriate levies/ taxes/ contributions/ payments as given in this Clause are recovered in full, unless the Committee at its sole discretion decides to recover only a part of the same from the Participant or Beneficiary.

**18 Arbitration**

18.1 In the event of a dispute arising out of or in relation to the provisions of this Scheme (including a dispute relating to the construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such disputes through an amicable settlement. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after a reasonable attempt, which attempt shall continue for not more than 90 days, issues a 90 days' notice thereof to the other party in writing. In case of such failure, either party may refer the dispute to a single arbitrator appointed by both the parties and failing such agreement, to three arbitrators, one to be appointed by each party and the third arbitrator to be jointly appointed by the two arbitrators appointed by the parties. The arbitration proceedings shall be held at Chennai, under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator(s) shall give a reasoned award in writing. The arbitrator(s) shall also decide on the costs of the arbitration proceedings. The parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law at Chennai.

**19 Tenure**

19.1 This Scheme shall continue to be in force until (i) its termination by the Committee, or (ii) the date on which all the Options as defined hereinafter available for issuance under the Scheme have been Exercised and Allotted.

19.2 Any such termination of this Scheme shall not affect Options/ Shares already granted and such Options/ Shares shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Participant/ Beneficiary and the Committee/ the Company.

**20 Governing Law**

20.1 This Scheme and all agreements thereunder shall be governed by and construed in accordance with the Applicable Laws of India.

20.2 The Participant agrees and acknowledges that the Participant has received and read a copy of the Scheme. The Options are subject to the Scheme. Any term of the Scheme that is contrary to the requirement of the SEBI Regulations or any other Applicable Law, including but not limited to the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder shall not apply to the extent it is contrary.

20.3 In the event that any term, condition or provision of the Scheme being held to be a violation of any Applicable Law, statute or regulation the same shall be severable from the rest of the Scheme and shall be of no force and effect and the Scheme shall remain in full force and effect as if such term, condition or provision had not originally been contained in the Scheme.

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



## **21 Regulatory approvals**

- 21.1 The implementation of the Scheme, the Grant of any Option under the Scheme and the issuance or transfer of any Shares under the Scheme shall be subject to the procurement by the Company and/or the Participant/ Beneficiary of all approvals and permits required by any regulatory authorities having jurisdiction over the Scheme, the Options and the Shares issued pursuant thereto. The Participant/ Beneficiary under this Scheme will, if requested by the Committee, provide such assurances and representations to the Company or the Committee, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.
- 21.2 The Board/Company shall make all the relevant disclosures in relation to the Scheme as are required under the SEBI Regulations and other Applicable Laws.
- 21.3 The Company shall follow the requirements including the disclosure requirements of the Accounting Standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 including any Guidance Note on Accounting for employee share-based Payments issued in that regard from time to time.

## **22 Modification of Scheme**

The Board/ Committee may, subject to a special resolution passed at a general meeting at any time and from time to time:

- 22.1 Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Scheme, all or any of the rights and obligations of the Grantee/ Participant/ Beneficiary;
- 22.2 Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Grantee/ Participant/ Beneficiary. Each of such sets of special terms and conditions shall be restricted in its application to those Grantee/ Participant/ Beneficiary;
- 22.3 Formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Grantee/ Participant/ Beneficiary separately and each of such sets of special terms and conditions shall be restricted in its applications to such Grantee/ Participant/ Beneficiary; and
- 22.4 Alter the Exercise Price, if the Option becomes unattractive due to fall in market price of the Shares.

Provided that no variation, alteration, addition or amendment to the Scheme under the Scheme can be made if it is detrimental to the interests of the Grantee/ Participant/ Beneficiary and the approval of the shareholders in General Meeting has been obtained unless the terms are varied to meet any regulatory requirements.

- 22.5 Subject to the Clause 22.4, the Company may by special resolution in a General Meeting vary the terms of the Schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the Employee provided such variation is not prejudicial to the interests of the Employees.

**23 Miscellaneous provisions**

- 23.1 No right to a Grant: Neither the adoption of the Scheme, nor any action of the Board/ Committee shall be deemed to give an Employee any right to be granted an Option to acquire Shares or to any other rights hereunder except as may be evidenced by a Grant Letter, and then only to the extent of and on the terms and conditions expressly set forth therein, or in the Scheme as the case may be.
- 23.2 No employment rights conferred: Nothing contained in the Scheme or in any Grant made hereunder shall (i) confer upon any Employee any right with respect to continuation of employment with the Group, or (ii) interfere in any way with the right of the Group to terminate his employment at any time.
- 23.3 Adherence to Applicable Laws: The Participant shall comply with all Applicable Laws.
- 23.4 Transfer or Deputation: In the event that a Participant who has been granted Options under this Scheme is transferred or deputed to associate company in the Group prior to Vesting or Exercise, the Vesting and/or Exercise as per the terms of Grant shall continue in case of such transferred or deputed Participant even after the transfer or deputation.
- 23.5 In the event that an employee who has been granted Option, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the Company, prior to the Vesting or Exercise, the treatment of Options shall be specified in the scheme of arrangement, provided that such treatment shall not be prejudicial to the interest of the Participant.
- 23.6 This Scheme shall not confer on any person any legal or equitable rights against the Company or the Board/ Committee directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Board/ Committee.
- 23.7 The Company shall bear the costs of establishing and administering this Scheme, 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 Scheme.
- 23.8 The Participant shall comply with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003, to the extent applicable, as well as any code of conduct or such similar policy procedure or system formulated or adopted by the Board/ Committee and communicated to the Participant from time to time. Any violation of the Applicable Laws or code of conduct may result in cancellation of all Vested and Unvested Options as well as subject the Participant to disciplinary action at the discretion of the Company.
- 23.9 The acceptance of the Grant is entirely voluntary and the Company or the Board/ Committee does not guarantee any return on Shares or Options.
- 23.10 This Scheme constitutes the entire document in relation to its subject matter and supersedes all prior agreements and understandings whether oral or written with respect to such subject matter.

**24 Set-off**

24.1 It is the Company's/Board's/Committee's obligation to convey to the Participant/ Nominee/ Beneficiary that the Shares shall be subject to set-off or counterclaim of amounts owed by the Participant/ Nominee/ Beneficiary to the Company, to the extent permitted under Applicable Laws.

**25 Severability**

25.1 If any of the provisions mentioned in this Scheme are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and binding on the parties to the fullest extent permitted by Applicable Laws.

**26 Listing**

26.1 All necessary steps shall be taken for listing of the Shares allotted under this Scheme on the stock exchanges where the Shares of the Company are listed in accordance with the provisions of the SEBI Regulations, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other Applicable Laws.

**27 Confidentiality**

27.1 Notwithstanding anything contained in this Scheme, the Grantee/ Participant/ Nominee/ Beneficiary shall not divulge the details of the Scheme and/ or his holdings to any person except with the prior written permission of the Company/ Board/ Committee unless so required to do under the Applicable Laws or any statutes or regulations applicable to such Grantee/ Participant/ Nominee/ Beneficiary. In case of failure to comply with this Clause by the Grantee/ Participant/ Nominee/ Beneficiary, the Grant or the contract referred to in Clause 8 above, as the case may be, shall, unless the Company/ Board/ Committee decides otherwise, stand automatically terminated without any surviving right/ liability for any party.

*^Scheme amended by Nomination & Remuneration Committee at its meeting held on November 30, 2023.*

*\$ Scheme amended by Nomination & Remuneration Committee at its meeting held on May 24, 2024.*

*\* Scheme amended by Nomination & Remuneration Committee at its meeting held on March 28, 2025*