



EMPLOYEE STOCK OPTION SCHEME – 2022

/ CERTIFIED TRUE COPY /
For Ramco Systems Limited



Vijaya Raghavan N E
Company Secretary



1. Introduction:

- 1.1** This Scheme shall be called as the “Employee Stock Option Scheme – 2022” (*hereinafter referred as “Scheme”*).
- 1.2** The Scheme was approved by the Board of Directors and the Shareholders of the Company on 19th May 2022, and 10th August 2022, respectively.
- 1.3** The Scheme shall be effective from 10th August 2022, being the date of Shareholders approval.

2. Term of the Scheme:

- 2.1** The Scheme shall continue in effect unless terminated by the Board of Directors.
- 2.2** Any such termination of the Scheme shall not affect Options already granted and the powers of the Committee in relation to such Options shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Option Grantee / nominee / legal heir and the Company.

3. Purpose of the Scheme:

- 3.1** The purpose of the Scheme includes the followings:
- 3.1.1** To motivate the Employee to contribute to the growth and profitability of the Company.
- 3.1.2** To retain the Employee and reduce the attrition rate of the Company.
- 3.1.3** To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employee with the long-term interests of the Company.
- 3.1.4** To create a sense of ownership and participation amongst the Employee to share the value they create for the Company in the years to come, and
- 3.1.5** To provide deferred rewards to Employee.

4. Definitions:

- 4.1** In this Scheme, except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against.



- 4.1.1 “Applicable Law”** means every law relating to Employee Stock Option Schemes in force, including, without limitation to, Companies Act, 2013, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, and all relevant revenue, tax, securities or exchange control regulations or corporate laws of India to the extent applicable.
- 4.1.2 “Associate Company”** shall have the same meaning as defined in section 2(6) of the Companies Act, 2013, as amended from time to time.
- 4.1.3 “Board of Directors”** means the board of directors of the Company.
- 4.1.4 “Body Corporate”** shall have the same meaning as defined in section 2(11) of the Companies Act, 2013, as amended from time to time.
- 4.1.5 “Cash Mechanism”** means a route under which the Option Grantee will receive the Shares equivalent to the number of the Options exercised after the Option Grantee has made the payment of the Exercise Price, applicable tax and other charges, if any, in accordance with the terms and conditions of the Scheme and as mentioned in Grant Letter.
- 4.1.6 “Committee”** means Nomination and Remuneration Committee of the Company, designated as Compensation Committee for the purpose of monitoring, administering, superintending, and implementing the Scheme in compliance with SEBI (SBEB & SE) Regulations.
- 4.1.7 “Company”** means Ramco Systems Limited.
Explanation: The word other Company also means Ramco Systems Limited.
- 4.1.8 “Corporate Action”** means a change in the capital structure of the Company as a result of bonus issue, rights issue, split of shares and consolidation of shares.
- 4.1.9 “Directors”** shall have the same meaning as defined under section 2(34) of the Companies Act, 2013.
- 4.1.10 “Employee”** means
- (a) An Employee as designated by the Company, who is exclusively working in India or outside 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-articles (a) or (b), of a Group Company including Subsidiary or its Associate Company, in India or outside India, of the Company;

but does not include:

- (a) An Employee who is a Promoter or a person belonging to the Promoter Group; or
- (b) A Director who either himself or through his Relative or through any Body Corporate directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

4.1.11 “Eligibility Criteria” means the criteria, as may be determined from time to time by the Committee, for the Grant of Options.

4.1.12 “Exercise” means making an application, in such manner and in such format as may be prescribed by the Committee, from time to time, by the Option Grantee, to the Committee for allotment of Shares, against Vested Options.

4.1.13 “Exercise Period” means the time period after Vesting within which an Option Grantee can Exercise the Vested Options.

4.1.14 “Exercise Price” means the price payable by the Option Grantee for exercising the Options vested in him in pursuance to the Scheme.

4.1.15 “Grant” means the issue of Options to the Option Grantee under the Scheme.

4.1.16 “Grant Date” means the date on which the Committee approves the Grant.

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

4.1.17 “Grant Letter” means the written or electronic agreement between the Company and an Option Grantee setting forth the terms and conditions applicable to a Grant to the Option Grantee under the Scheme.



4.1.18 “Option Grantee” shall mean an Employee having a right but not an obligation to Exercise an Option in pursuance of Scheme.

4.1.19 “Group” means two or more companies which, directly or indirectly, are in a position to:

- (i) exercise twenty-six per cent or more of the voting rights in the other company; or
- (ii) appoint more than fifty per cent of the members of the Board of Directors in the other company; or
- (iii) control the management or affairs of the other Company;

4.1.20 “Independent Director” shall have the same meaning assigned to it under the SEBI (LODR) Regulations.

4.1.21 “Insider” shall have the same meaning assigned to it under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

4.1.22 “Market price” means the latest available closing price on a Recognized Stock Exchange on which the Shares of the Company are listed on the date immediately prior to the Relevant Date.

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

4.1.23 “Merchant Banker” means a Merchant Banker as defined under regulation 2(1)(cb) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, which is registered under section 12 of the Act;

4.1.24 “Long Leave” means an approved leave taken by the Option Grantee for a period of more than three months out of twelve months starting from the date of Grant / Vesting, as the case may be.

Provided that the period of Long Leave shall not include the period in which the Grantee is on a sabbatical or maternity leave. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Long Leave unless otherwise determined by the Committee.



- 4.1.25 “Options / Employee Stock Options”** means a right but not an obligation granted to an Option Grantee to purchase or subscribe at a future date, the Shares offered by the Company, directly or indirectly, at a pre- determined price, in accordance with this Scheme.
- 4.1.26 “Permanent Incapacity”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Option Grantee from performing any specific job, work or task which the said Option Grantee 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.
- 4.1.27 “Promoter”** shall have the same meaning as defined in regulation 2 of SEBI (SBEB & SE) Regulations, as amended from time to time.
- 4.1.28 “Promoter Group”** shall have the same meaning as defined in regulation 2 of SEBI (SBEB & SE) Regulations, as amended from time to time.
- 4.1.29 “Recognised Stock Exchange”** means a stock exchange which has been granted recognition under section 4 of the Securities Contracts (Regulation) Act, 1956.
- 4.1.30 “Relative”** shall have the same meaning as defined in section 2(77) of the Companies Act, 2013, as amended from time to time.
- 4.1.31 “Relevant Date”** means the date of the meeting of the Committee on which the Grant is made.
- 4.1.32 “Scheme”** shall mean Employee Stock Option Scheme – 2022 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof from time to time.
- 4.1.33 “SEBI (SBEB & SE) Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof.
- 4.1.34 “SEBI (LODR) Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,



2015 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof.

- 4.1.35 “Shares”** means Equity Shares of the Company.
- 4.1.36 “Subsidiary”** shall have the same meaning as defined in section 2(87) of the Companies Act, 2013, as amended from time to time.
- 4.1.37 “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 SEBI (LODR) Regulations;
- 4.1.38 “Unvested Option”** means an Option, which is not vested.
- 4.1.39 “Vested Option”** means an Option, which has vested in pursuance to the Scheme and has thereby become exercisable.
- 4.1.40 “Vesting”** means the process by which the Option Grantee becomes entitled to receive the benefit of a Grant made to him under the Scheme.
- 4.1.41 “Vesting Date”** means the date on and from which the Option vests with the Option Grantee and there by becomes exercisable.
- 4.1.42 “Vesting Period”** means the period during which the Vesting takes place.
- 4.1.43 “Whole Time Director”** shall have the same meaning as defined in section 2(94) of the Companies Act, 2013, as amended from time to time.

Interpretation:

In this document, unless the contrary intention appears:

- a) The singular includes the plural and vice versa.***
- b) The word “person” includes an individual, a firm, a Body Corporate or unincorporated body or authority.***
- c) Any word or expression importing the masculine, feminine or neutral genders only, shall be taken to include all three genders.***
- d) Any word which is not defined under the Scheme shall be interpreted in line with SEBI (SBEB & SE) Regulations, SEBI (LODR) Regulations, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act***



1956 or the Companies Act, 2013.

- e) Articles headings are for information only and shall not affect the construction of this document.*
- f) A reference to an article is a reference to an article of this document.*
- g) Reference to any act, rules, statute or notification shall include any statutory modification, substitution or re-enactment thereof.*

5. Implementation & Administration:

- 5.1** The Scheme shall be implemented through direct route for extending the benefits to the eligible Employees by the way of fresh allotment and will follow Cash Mechanism.

Provided that if prevailing circumstances so warrant, the Company may change the mode of implementation of the Scheme subject to the condition that a fresh approval of the Shareholders by a special resolution is obtained prior to implementing such a change and that such a change is not prejudicial to the interests of the Option Grantee.

- 5.2** The Company will allot Shares to the Option Grantee upon successful Exercise of Options in accordance with terms and conditions of the Scheme.
- 5.3** Subject to Applicable Laws and the framework laid down by the Board of Directors, the Scheme shall be administered by the Committee which may delegate some or all of its administrative power to any other Sub – Committee or Persons for proper administration of the Scheme.
- 5.4** The Committee is authorized to interpret the Scheme, to establish, amend and rescind any rule(s) and regulation(s) relating to the Scheme and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Scheme.
- 5.5** Any decision of the Committee in the interpretation and administration of the Scheme, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all the parties concerned (including but not limited to, Option Grantee and/or Employee and their nominee / legal heirs).
- 5.6** The Committee shall subject to Applicable Laws, inter alia, have powers to do the following but not limited to:



- 5.6.1** To adopt rules and regulations for implementing the Scheme from time to time
- 5.6.2** To delegate its administrative powers in whole or in part as it may decide from time to time to any Person or sub-committee.
- 5.6.3** To decide upon re-granting of Options which were lapsed, forfeited or surrendered under any provisions of the Scheme.
- 5.6.4** To increase or decrease the pool of Options to be granted under Scheme.
- 5.6.5** To increase or decrease the pool of Shares to be issued under Scheme.
- 5.6.6** To identify the Employees eligible to participate in the Scheme.
- 5.6.7** To finalize the Eligibility Criteria for Grant of Options.
- 5.6.8** To determine the Employees eligible for Grant of Options.
- 5.6.9** To determine the number of Options to be granted to each Option Grantee and in aggregate subject to the pool of Options of the Scheme.
- 5.6.10** To decide upon granting of Options to new joiners.
- 5.6.11** To determine the Grant Date.
- 5.6.12** To Grant Options to one or more eligible Employees.
- 5.6.13** To determine the number of Shares of the Company to be covered by each Option granted under the Scheme.
- 5.6.14** To decide the Exercise Period within which Employee can Exercise the Option.
- 5.6.15** To determine the Grant, Vesting and Exercise of Options for Employee on Long Leave.
- 5.6.16** To determine and calculate the Exercise Price after giving due discount, if deems fit.
- 5.6.17** To extend the period of acceptance of grant.
- 5.6.18** To decide the Vesting Period subject to minimum and maximum period of Vesting as stated in Scheme.
- 5.6.19** To determine the vesting schedule for each Option Grantee.
- 5.6.20** To finalize the criteria for vesting of Options.
- 5.6.21** To determine the Employees eligible for vesting of Options.
- 5.6.22** To decide upon the mode and manner of Exercise.
- 5.6.23** To determine the method for exercising the Vested Options.
- 5.6.24** To determine the right of an Employee to Exercise all Vested Options at one time or at various points in time within the Exercise Period.
- 5.6.25** To allot Shares to Option Grantee upon Exercise.
- 5.6.26** To decide upon treatment of Vested and Unvested Options in cases of cessation of employment as specified in the Scheme.
- 5.6.27** To decide upon the treatment of Vested and Unvested Options in the event of Corporate Actions taking into consideration the following:



- a. the number and price of Options shall be adjusted in a manner such that the total value to the Grantee of the Options remains the same after the Corporate Action;
- b. the Vesting Period and the life of Options shall be left unaltered as far as possible to protect the rights of the Grantee who has been granted such Options.

- 5.6.28** To cancel all or any granted Options in accordance with the Scheme.
- 5.6.29** To modify the vesting schedule and accelerate the vesting of Options on a case-to-case basis, subject to completion of minimum 1 year from the date of grant.
- 5.6.30** To decide upon treatment of Vested and Unvested Options in cases of dispute between the Option Grantee and Company.
- 5.6.31** To finalize letters and other documents, if any, required to be issued under the Scheme.
- 5.6.32** To re price the Options which are not exercised, whether or not they have been vested, if the Options rendered unattractive due to fall in the price of the Shares in the market.
- 5.6.33** To establish, amend, suspend or waive such rules and regulations as it shall deem appropriate for the proper administration of the Scheme.
- 5.6.34** To appoint such agents as it shall deem necessary for the proper administration of the Scheme.
- 5.6.35** To determine or impose other conditions to the grant of Options under the Scheme, as it may deem appropriate.
- 5.6.36** To determine the terms and conditions, not inconsistent with the terms of the Scheme, of any Option granted hereunder.
- 5.6.37** To construe and interpret the terms of the Scheme and the Options granted pursuant to the Scheme.
- 5.6.38** To frame rules and regulations, prescribe forms and issue circulars or orders in relation to the Scheme and may from time to time amend, recall or replace such rules and regulations, forms, orders and circulars.
- 5.6.39** To frame suitable policies and procedure to ensure that there is no violation of securities laws, including the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 as amended, by the Company or the Employee.
- 5.6.40** To determine 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, in accordance with the Applicable Laws.



5.7 The powers and functions of the Committee can be specified, varied, altered or modified from time to time by the Board of Directors, subject to the rules and regulations as may be in force. The Board of Directors may further provide that the Committee shall exercise certain powers only after consultation with the Board of Directors and in such case, the said powers shall be exercised accordingly.

5.8 A member of the Committee shall abstain from participating in and deciding on any matter relating to Grant of any Options to himself.

6. Pool of the Scheme:

6.1 The maximum number of Options that may be Granted pursuant to this Scheme shall not exceed 15,00,000 (Fifteen Lakh) Options, which shall be convertible into equal number of Shares, having face value of Rs.10 each.

6.2 The Non-Executive Directors of the Company, excluding Independent Directors, be granted up to a maximum of 2,00,000 Options per annum and up to a maximum of 4,00,000 Options in the aggregate under the Scheme.

6.3 Notwithstanding anything contained in 6.1, if any Option Granted under the Scheme expires or terminates or lapses or is forfeited or surrendered under any provision of the Scheme, such Option shall be available for further Grant under the Scheme unless otherwise determined by the Committee.

6.4 Further, the maximum number of Options that can be granted and the Shares arise upon Exercise of these Options shall stand adjusted in case of Corporate Action.

6.5 The Company reserves the right to increase or decrease such number of Options and Shares as it deems fit, in accordance with the Applicable Law.

7. Eligibility Criteria's:

7.1 The Committee may on the basis of all or any of the following criteria, decide on the Employees who are eligible for the Grant of Options under the Scheme, the number of Options to be granted and the terms and conditions thereof.

- Loyalty: It will be determined on the basis of tenure of employment of an Employee in the Company / Group Company(ies) / Subsidiary Company(ies) / Associate Company(ies).



- Performance of Employee: Employee's past and current performance and potential of the individual and criticality of the position and the Employee in the Company / Group Company(ies) / Subsidiary Company(ies) / Associate Company(ies) on the basis of decided parameters.
- Performance of Company: Performance of the Company as per the standards set by the Committee / Board of Directors from time to time.
- Any other criteria as decided by the Committee in consultation with Board of Directors from time to time.

7.2 The Employees satisfying the Eligibility Criteria shall be termed as eligible Employee.

7.3 New joiners can also participate in the Scheme and be granted Options based upon the discretion of the Committee.

7.4 Nothing in the Scheme or in any Option granted pursuant to the Scheme shall confer on any Employee, any right to continue in the employment of the Company, Group Company including its Subsidiary Company, Associate Company or interfere in any way with the right of the Company, Group Company including its Subsidiary Company, Associate Company to terminate the Employee's employment at any time.

8. Grant of Options:

8.1 The Committee shall grant Options to one or more eligible Employees, in accordance with the terms and conditions of the Scheme for the time being in force and subject to, in the case of Employees, as per employment terms and their continuity in the employment and in the case of Directors, their continuity in the Company directorship.

8.2 Subject to availability of Options in the pool under the Scheme and article 6.2, the maximum number of Options that can be granted to any eligible Employee during any one year shall not be equal to or exceeding 1% of the issued capital of the Company at the time of Grant. The Committee may decide to Grant such number of Options equal to or exceeding 1% of the issued capital to any eligible Employee as the case may be, subject to the separate approval of the Shareholders in a General Meeting.

8.3 The Grant of Options shall be communicated to the eligible Employees in writing through Grant Letter specifying the vesting date number of Options granted, Exercise Price, vesting schedule, and other terms and conditions thereof.

8.4 No amount shall be payable by an Employee at the time of Grant of Options.



- 8.5 Upon Grant, an eligible Employee shall become Option Grantee under the Scheme.
- 8.6 Subject to the Corporate Action(s) taken by the Company, if any, the Grant of 1 (One) Option to an Employee under this Scheme shall entitle the holder of the Option to apply for 1 (One) Share in the Company upon payment of Exercise Price, applicable taxes and other charges, if any.
- 8.7 The Options granted to the eligible Employees shall not be transferable to any other person.
- 8.8 The Options granted to the eligible Employees shall not be pledged, hypothecated, mortgaged or otherwise encumbered or alienated in any other manner.

9. Vesting of Options:

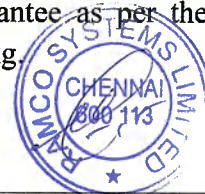
- 9.1 Vesting Period shall commence from the Grant Date, subject to minimum of 1 (One) year from the Grant Date and a maximum of 10 (Ten) years from the Grant Date, at the discretion of and in the manner prescribed by the Committee.
- 9.2 The standard vesting schedule of Options granted under the Scheme shall be as follows:
- (i) 40% of the Options at the end of one year from the Grant Date.
 - (ii) 30% of the Options at the end of the two years from the Grant Date.
 - (iii) 30% of the Options at the end of the three years from the Grant Date.

The Options other than those vested under article 9.2 (i), shall vest at the rate of 7.5% of the Options at the end of each quarter for a period of two years, commencing from the end of one year from Grant Date.

- 9.3 Subject to 9.1, for each Grant, the Committee shall be free to determine any vesting schedule including the Vesting Period and the percentage of Options vesting over such Vesting Period, apart from the standard vesting schedule as specified in article 9.2.

Provided further that in the event of death or Permanent Incapacity of an Option Grantee, the minimum Vesting Period of one year shall not be applicable and in such instances, all the Options shall vest in terms of SEBI (SBEB & SE) Regulations, on the date of the death or Permanent Incapacity.

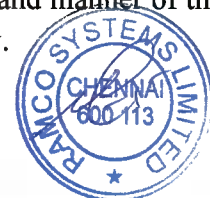
- 9.4 Vesting of Options can vary from Option Grantee to Option Grantee as per the discretion of the Committee whose decision shall be final and binding.



- 9.5 The vesting schedule will be clearly defined in their Grant Letter of respective Option Grantees subject to minimum and maximum Vesting Period as specified in article 9.1 above.
- 9.6 Subject to article 9.3, the Vesting would be subject to the continued employment of the Option Grantee and may further be linked with the certain performance, efficiency and/or productivity criteria, including those mentioned under article 7 of the Scheme, as determined by the Committee and mentioned in the Grant Letter.
- 9.7 The Committee shall have the power to modify or accelerate the vesting schedule on a case-to-case basis subject to the minimum gap of 1 (One) Year between the Grant and first Vesting.
- 9.8 Further any fraction entitlement, to which the Option Grantee would become entitled to upon Vesting of Options (*other than the last lot/tranche of vesting*), then the Options to be actually vested, be rounded off to the nearest lower integer. Accordingly, in the last vesting, the number of the Options to be vested shall include the Options which was not earlier vested due to fraction adjustment.
- 9.9 The Vesting of Options shall be communicated to the eligible Option Grantee through the Grant letter/ Vesting Letter, as the case may be.
- 9.10 The Option Grantee is not required to pay any amount at the time of Vesting of Options.

10. Exercise of Options:

- 10.1 After Vesting, Options can be exercised within a maximum period of 10 (Ten) years from the Vesting of the last tranche, through Cash Mechanism after submitting the Exercise application along with payment of the Exercise Price, applicable taxes and other charges, if any.
- 10.2 Failure to comply within this time period, shall result in lapsing of Vested Options in the hands of Grantee. The amount paid by the Grantee, if any, for the Exercise of Options may be refunded, if the Options are not exercised within the Exercise Period.
- 10.3 Vested Options can be exercised either wholly or partly in the multiple of lots specified in the Grant Letter/ Vesting Letter, as the case may be. The mode and manner of the Exercise shall be communicated to the Option Grantee individually.



- 10.4** Upon valid Exercise, the Company will allot requisite number of Shares to the Option Grantee. Shares so allotted shall rank pari-passu to the existing Shares of the Company. The said allotment will made only if the Option Grantee holds Demat Account in his name or at least the Option Grantee should be the first holder in case of joint accounts.
- 10.5** Upon such allotment the Option Grantee shall become member of the Company.
- 10.6** The Option Grantee may avail the financing facility if provided by the Company either through its own or from any third party, from time to time.
- 10.7** Notwithstanding anything contained elsewhere in the Scheme, in the event of the Option Grantee is terminated from the services of the Company on account of reasons due to fraud, misfeasance, moral turpitude, misconduct, gross negligence, breach of trust, or ethical/ compliance violations or like event all Options (whether vested or not) shall lapse forthwith, without any claim on, or recourse to the Company and without any further notice.
- 10.8** If the Vesting or Exercise of Options is prevented by any law or regulation in force and the Company is forbidden to allot the Shares pursuant to Exercise of Options under such law or regulation, then in such an event the Company shall not be liable to compensate the Option Grantee in any manner whatsoever.
- 10.9** The Committee shall have the power to cancel all or any of the Options Granted under the Scheme, if so required, under any law for the time being in force or the order of any jurisdictional court. In the event of any such cancellation, the Company shall not be liable to compensate the Grantee in any manner.

11. Exercise Price:

- 11.1** Under this Scheme, the Exercise Price will be decided by the Committee on the basis of Market Price as defined in the Scheme, for each Grant.
- 11.2** The Committee has a power to provide suitable discount on such price as arrived above. However, in any case the Exercise price shall not go below the par value of Share of the Company.
- 11.3** Further, the Committee has the power to re-price the Grants in future if the Grant made under the Scheme is rendered unattractive due to the fall in the price of Shares, after complying the conditions as mentioned in the SEBI (SBEB & SE) Regulations.



11.4 The aggregate Exercise Price payable at the time of Exercise shall be paid by the Option Grantee by cheque or online fund transfer or any other mode, as advised by the Company from time to time.

11.5 The income tax arising on account of Exercise of Options shall be borne by the Option Grantee. The Company may recover such income tax by way of deduction from salary or through Cheque or online fund transfer.

12. Cessation of Employment:

12.1 In the event of cessation of employment due to death

a) In the event of death of an Option Grantee during employment, all the Options granted would vest in the legal heir / nominee, as the case may be, of the Option Grantee on that day. The Options would be exercisable by the legal heir / nominee, as the case may, within a period of 12 months from the date of death failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.

b) All other terms and conditions of the Scheme shall apply to such Options. Provided that, in order to Exercise the Options of the deceased Grantee, the legal heir / nominee as the case may be, have to submit the required documents additionally, including the following to the Company, to the satisfaction of the Committee and the Committee may at its discretion waive off the requirement to submit any of the documents:

A. In case nominee is not appointed

- Copy of the succession certificate / probate of will / letter of administration.
- No objection certificate from the other legal heirs.
- Copy of the death certificate duly attested by the proper authority (English translated version if in the vernacular language)
- Specimen signature of the legal heirs (duly attested by the bank)
- Copy of PAN card of the legal heirs (self – attested).
- Copy of address proof of the legal heirs (self – attested)

B. In case nominee is appointed

- Copy of the death certificate duly attested by the proper authority (English translated version if in the vernacular language)



- Specimen signature of the nominee(s) (duly attested by the bank)
- Copy of PAN card of the nominees (self – attested).
- Copy of address proof of the nominees (self – attested)

12.2 In the event of Permanent Incapacity:

Notwithstanding anything contained in article 10.2, in the event of permanent incapacitation of the Option Grantee while in employment, all the Options granted would vest in Option Grantee on that day. The Options would be exercisable within a period of 12 months from the date of Permanent Incapacity or expiry of Exercise Period, whichever is later, failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.

12.3 In the event of cessation of employment due to resignation or termination (for reasons other than those described in article 10.7)

- a) All Unvested Options, on the date of cessation of employment due to resignation or termination for reasons other than those described in article 10.7, shall expire and stand terminated with effect from that date unless otherwise determined by the Committee whose decision will be final and binding.
- b) All Vested Options shall be exercisable by the Option Grantee within a period of 90 days from the date of cessation of employment. The Vested Options not so exercised shall lapse irrevocably and the rights there under shall be extinguished. This is applicable provided the Employee does not enter into competition / is employed by a competitor.

12.4 In the event of cessation of employment due to retirement/superannuation

- a) All Unvested Options, on the date of cessation, shall continue to vest in accordance with the respective vesting schedules even after retirement or superannuation unless otherwise determined by the Committee whose decision will be final and binding.
- b) All Vested Options shall be exercisable by the Option Grantee before expiry of Exercise Period. The Vested Options not so exercised shall lapse irrevocably and the rights there under shall be extinguished.

12.5 In the event of cessation of employment due to termination (for reason described in article 10.7)



In such a case, the all Options (whether vested or not) shall stand terminated with immediate effect unless otherwise determined by the Committee, whose determination will be final and binding.

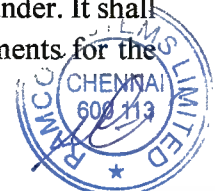
- 12.6** In the event that an Option Grantee is transferred or deputed to a **Subsidiary / from a Subsidiary / within the Subsidiaries or an Associate Company**, prior to Vesting or Exercise of Options, the Vesting and Exercise of Options, as per the terms of Grant, shall continue even after such transfer or deputation. All Unvested Options shall vest as per the vesting schedule and can be exercised at any time within the Exercise Period.
- 12.7** In the event of an Option Grantee going on **Long Leave**, the treatment of Options Granted to him/her, whether vested or not, shall be determined by the Committee, whose decision shall be final & binding.
- 12.8** In the event that an Option Grantee is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing Company, prior to the Vesting or Exercise, Vesting and Exercise of Options, as per the terms of Grant, shall continue even after such transfer, unless the treatment of Options specified in such scheme of arrangement etc., is different provided that such treatment shall not be prejudicial to the interest of the Option Grantee.
- 12.9** In the event where a **Dispute arises between Option Grantee and the Company**, Vesting and/or Exercise of Options will be put on hold till the date of settlement, to the satisfaction of the Committee.
- 12.10** The Committee may modify the terms for cessation of employment as mentioned in foregoing paras 12.1 to 12.9.

13. Lock in requirements:

- 13.1** The Shares allotted to the Grantees pursuant to Exercise of Options may be subject to such lock-in period from the date of allotment, as decided by the Committee.

14. FEMA:

- 14.1** Where the Employee is or remains, at the time of the issue of Options pursuant to the Scheme, a Non-Resident, the issue will be made according to applicable provisions of the Foreign Exchange Management Act, 1999 and the Rules made thereunder. It shall be the obligation of the Employee to submit necessary details or documents for the



purpose of Company's Compliance with the requirements of the Foreign Exchange Management Act, 1999 and the Rules made thereunder.

15. Other Terms and conditions:

- 15.1** Nothing herein is intended to or shall give the Option Grantee, any right to status of any kind as a Shareholder of the Company in respect of any Share covered by the Grant unless the Option Grantee exercises the Options and becomes the registered Shareholder of the Company.
- 15.2** The Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of having exercised or being unable to Exercise Options in whole or in part.
- 15.3** The maximum quantum of benefits that will be provided to every eligible Employee under the Scheme will be the difference between the market value of Company's Share on the Recognized Stock Exchanges as on the date of Exercise of Options and the Exercise Price paid by the Employee.
- 15.4** The Option Grantee shall abide by the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 as may be amended from time to time, Company's Code of Conduct for prevention of insider trading and Code of practices and procedures for fair disclosure of unpublished price sensitive information adopted by the Company under SEBI (Prohibition of Insider Trading) Regulations, 2015. Further, the Option Grantee shall indemnify and keep indemnified the Company in respect of any direct or indirect liability arising as a result or consequence of the violation of above, if applicable.

16. Notices and correspondence:

- 16.1** Any notice required to be given by an Option Grantee to the Company or the Committee or any correspondence to be made between an Option Grantee and the Company or the Committee may be given or made to the Company / Committee at the corporate office or registered office of the Company or at the place as may be notified by the Company / Committee in writing or at the specific designated email id of the Company.
- 16.2** Any notice, required to be given by the Company or the Committee to an Option Grantee or any correspondence to be made between the Company or the Committee



and an Option Grantee shall be given or made by the Company or the Committee on behalf of the Company at the address as stated in the official records of the Company or at the official email Id of the Option Grantee.

17. Nomination of Beneficiary:

17.1 Each Option Grantee under the Scheme may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit under the Scheme is to be delivered in case of his or her death before he receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Option Grantee, shall be in a form prescribed by the Company and will be effective only when filed by the Option Grantee in writing with the Company during the Option Grantee's lifetime.

17.2 In case there is no nomination, the provisions of article 12.1.b.A of the Scheme shall be applicable.

18. Corporate Action:

18.1 Except as hereinafter provided, any Grant made shall be subject to adjustment, by the Committee, at its discretion, as to the number and price of Options or Shares, as the case may be, in the event of 'Corporate Action'.

18.2 Further, if there is a 'Corporate Action' of the Company, the Committee shall have the power to formulate appropriate procedures for making a fair and reasonable adjustment under the Scheme, as it deems fit, to the number of Options granted and to the Exercise Price of the granted options. The Vesting Period and life of the Options shall be left unaltered as far as possible.

18.3 In the event of severance of employment of a Grantee, as a part of reconstitution / amalgamation / sell-off or otherwise, the Options granted and not exercised before such reconstitution / amalgamation / sell-off, shall be as per the terms of Grant and shall continue even after such reconstitution etc., unless the treatment of Options specified as a part of reconstitution etc., is different.

19. Disclosure and Accounting Policies:

19.1 The Company shall comply with the requirements of IND – AS 102 and shall use Fair value method and the fair value of Options would be calculated as per the prescribed method under the applicable regulations.

19.2 Compensation cost will be booked in the books of accounts of the Company over the Vesting Period.



19.3 The Company shall comply with the disclosure requirements and accounting policies specified in the SEBI (SBEB & SE) Regulations.

20. Taxability on the Option Grantee:

20.1 The exercisable Options are subject to the applicable provisions of the Income tax Act, 1961.

In the event of any tax liability, including any tax liability due to change in the tax laws relating to ESOS, arising on account of the issue of the Options / conversion into Shares / sale of Shares or any other event, to the Option Grantee, such tax liability shall be that of the Option Grantee alone. The Company may recover such Income tax by way of deduction from salary or through Cheque or online fund transfer.

21. Surrender of Options:

21.1 Any Grantee to whom the Options are granted under this Scheme, may at any time, surrender his Options to the Company. In such case the Company would not be liable to pay any compensation to the Option Grantee on account of his surrender of Options. The Options so surrendered will be added back to the pool of the Scheme and pursuant to this the Grantee shall cease to have all rights and obligations over such Options.

22. Dispute:

22.1 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 dispute 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 reasonable attempts, which attempt shall continue for not more than 60 days, gives 10 days' notice thereof to the other party in writing.

22.2 In case of such failure, either party may refer the dispute to a single arbitrator to be appointed by the Company. The arbitration proceedings shall be held in Chennai under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator shall give a reasoned award in writing. The arbitrator 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.



23. Governing Law:

- 23.1** This Scheme and all related documents there under shall be governed by and construed in accordance with the SEBI (SBEB & SE) Regulations and other Applicable Laws.
- 23.2** Any term of the Scheme that is contrary to the requirement of the SEBI (SBEB & SE) Regulations or any other applicable laws shall not apply to the extent it is contrary and such contradiction shall not render the Scheme invalid.
- 23.3** The terms and conditions of the Scheme shall be governed by and construed in accordance with the laws of India. The courts and tribunals of competent jurisdiction at Chennai, Tamil Nadu shall have exclusive jurisdiction with respect to any proceedings relating to the Scheme.

24. Regulatory Approvals:

- 24.1** The implementation of the Scheme, the granting of any Options under the Scheme and the issuance of any Shares under this Scheme shall be subject to the procurement by the Company and the Option Grantee / nominee / legal heir of all approvals and permits, if any, required by any regulatory authorities having jurisdiction over the Scheme. The Option Grantee / nominee / legal heir under this Scheme will, if requested by the Committee / Company, 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.

25. Modification of Scheme:

- 25.1** Subject to the Applicable Law, the Committee may, at any time:
- 25.1.1** Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Scheme or all or any of the rights and obligations of the Grantee;
- 25.1.2** Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the specific Option Grantee or class or category of Option Grantee. Each of such sets of special terms and conditions shall be restricted in its application to those specific Option Grantee or class or category of such Option Grantee.
- 25.2** Any amendment, variation or modification under the Scheme shall not be prejudicial to the interest of the Option Grantee of the Company.



25.3 In case of termination of the Scheme, the Committee shall have rights to determine the procedure and terms of the granted, Vested, Unvested and Unexercised Options of the Option Grantee.

26. Exit route in case of Delisting:

26.1 If the Company gets delisted from all the Recognized Stock Exchanges, then the Board of Directors shall have the power to set out terms and conditions for the treatment of Vested and Unvested Options in due compliance with the Applicable Law.

27. Confidentiality:

27.1 Notwithstanding anything contained in this Scheme, the Option Grantee shall not divulge the details of the Scheme and/or his holdings to any person except with the prior written permission of the Committee unless so required to do under the Applicable Law or any statutes or regulations applicable to such Option Grantee. In case, Option Grantee is found in breach of this confidentiality clause, the Committee has an undisputed right to terminate any agreement, to cancel all the unexercised Options or to take any other action as it deems fit. The decision and judgment of the Committee regarding breach of this clause shall be final, binding and cannot be questioned by the Option Grantee.

27.2 The Option Grantee agrees that the Company may be required to disclose information of the Option Grantee during the process of implementation of the Scheme or while availing services relating to Options such as consulting, advisory services or Stock Options management services and/ or any other such incidental services. The Option Grantee hereby agrees and accords his consent that such confidential information regarding his Options, entitlements may be disclosed by the Company to its officers, professional advisors, agents and consultants, as and when the need arises.

***** End of the Scheme *****

For Ramco Systems Limited


Vijaya Raghavan N E
Company Secretary

For Ramco Systems Limited

Vijaya Radhavan N E
Company Secretary