

**Shriram Asset Management Company Limited
- Employees Stock Option Plan 2022 ("ESOP-2022")**

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Shriram Asset Management Company Limited

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1. Name, Objective and Term of the Scheme

- 1.1** This Scheme shall be called 'Shriram Asset Management Company Limited - Employees Stock Option Plan 2022' ("ESOP-2022").
- 1.2** The objective of ESOP - 2022 is to reward the eligible Employees of the Company in India and abroad for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to attract and retain talents in the organization. The Company views Employee Stock Options as instruments that would enable the Employees of the Company to get a share in the value they create for the Company in future and align individual objectives with the objectives of the Company in the years to come.
- 1.3** ESOP - 2022 will be effective on approval by the shareholders by way of special resolution whose results are scheduled to be declared on March 03, 2022, and shall continue to be in force until (i) its termination by the Board, or (ii) the date on which all of the Employee Stock Options available for issuance under the ESOP - 2022 have been issued and exercised, whichever is earlier.

2. Definitions and Interpretation

2.1 Definitions

- i. **"Applicable Law"** means every law rule, regulation or bye-law including and without limitation to the Companies Act, Securities and Exchange Board of India Act, 1992, SEBI (SBE) Regulations and all relevant tax, securities, exchange control or corporate laws of India, or amendments thereof or of any relevant jurisdiction or of any Stock Exchange on which the Shares are listed or quoted.
- ii. **"Board"** means the Board of Directors of the Company.
- iii. **"Cause"** means including any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or terms of employment amounting to misconduct or breach of terms of employment as determined by the Board after giving the Employee an opportunity of being heard:
- (i) dishonest statements or acts of an Employee, with respect to the Company;
 - (ii) a felony or any misdemeanor involving moral turpitude, deceit, dishonesty or fraud committed by the Employee;
 - (iii) gross negligence, misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company;
 - (iv) breach by the Employee of any terms of his employment agreement or the Company's policies or other documents or directions of Company including the reasons of non-performance;
 - (v) participating or abetting a strike in contravention of any law for the time being in force;
 - (vi) Misconduct as provided under the labour laws after following the principles of natural justice; or
 - (vii) violation of any Applicable Law by the Employee or engagement in any act which in the Board's opinion is prejudicial to the interests of the Company.
- iv. **"Change in control"** means the occurrence of any of the following events:

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- (a) A change in the ownership of the Company which occurs on the date that any one person or more than one person acting as a group (“**Person**”) acquires ownership of the stock of the Company that, together with any stock previously held by such Person, constitutes more than 50% of the total voting power of the stock of the Company, provided, however, that for purposes of this sub-clause 2.1(iv)(a), the acquisition of additional stock by any one Person who is considered to own more than 50% of the total voting power of the stock of the Company prior to the acquisition of the additional stock will not be considered a Change in Control, or
- (b) A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election, or
- (c) A change in the ownership of a substantial portion of the Company’s assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such Person) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this sub-clause 2.1(iv)(c), the following will not constitute a change in the ownership of a substantial portion of the Company’s assets: (A) a transfer to an entity that is controlled by the Company’s stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company’s stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in this sub-clause 2.1(iv)(c). For purposes of this sub-clause 2.1(iv)(c), “**gross fair market value**” means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets, or
- (d) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least 50% of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.
- (e) For purposes of Clause 2.1(iv), persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger.

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consolidation, purchase or acquisition of stock, or similar business transaction with the Company. In addition, if any Person is considered to effectively control the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control.

- v. **"Committee"** means Nomination and Remuneration Committee of the Board as constituted in accordance with Section 178 of the Companies Act, 2013, as amended from time to time and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and will also constitute as the Compensation Committee for the purposes of SEBI (SBEB) Regulations.
- vi. **"Companies Act"** means the Companies Act, 2013 and rules made thereunder and include any statutory modifications or re-enactments thereof.
- vii. **"Company"** means Shriram Asset Management Company Limited, a Company incorporated under the provisions of the Companies Act, 1956 having its registered office at 217, 2nd Floor, Swastik Chambers, near Junction of S.T. & C.S.T. Road, Chembur, Mumbai 400 071;
- viii. **"Director"** means a member of the Board of the Company.
- ix. **"Eligibility Criteria"** means the criteria as may be determined from time to time by the Committee for granting the Employee Stock Options to the employees.
- x. **"Employee"** means
 - (i) an employee of the Company who is exclusively working in India or out of India; or
 - (ii) director of the Company whether whole-time or not, including a non-executive director who is not a Promoter or member of the Promoter Group, but excluding an independent director; or
 - (iii) an employee defined in Sub-clauses (i) and (ii) hereof of one or more Subsidiary Company(ies) whether in or outside India, but does not include:
 - a. an employee who is a Promoter or a person belonging to the Promoter Group; and
 - b. director who either by himself /herself or through his/her relatives or through any body corporate, directly or indirectly, holds more than 10% of the issued and subscribed Equity Shares of the Company.
- xi. **"Employee Stock Option"** or **"Option"** means the option granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the Shares underlying the option at a pre-determined price.
- xii. **"Employee Stock Option Agreement"** means the agreement executed by and between an Option Grantee and the Company pursuant to the issuance of a Letter of Grant.
- xiii. **"Equity Shares"** means fully paid-up Equity Shares of the Company of face value of Rs. 10/- (Rupees Ten) each.
- xiv. **"ESOP – 2022"** means Employees Stock Option Plan 2022 under which the Company is authorized to grant Employee Stock Options to the Employees.
- xv. **"Exercise"** means (i) the submission of an Exercise Application expressing the intention by an Option Grantee to exercise Vested Options, and (ii) the payment by the Option Grantee of the aggregate of the Exercise Price along with the applicable taxes to the bank account designated by the Committee, in accordance with the procedure laid down by the Company for such exercise.
- xvi. **"Exercise Application"** means the application form as may be prescribed by the Committee to be submitted by an Option Grantee to the Company along with the documents required to be provided or executed in favour of the Company for payment of the aggregate of the Exercise Price and the applicable taxes in connection with the Vested Options sought to be Exercised by the Option Grantee.

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- xxvii. **"Exercise Period"** means such time period after Vesting within which the Employee should exercise the Options vested in him in pursuance of the ESOP - 2022.
- xxviii. **"Exercise Price"** means the price payable by an Employee in order to exercise the Options granted to him in pursuance of the ESOP – 2022.
- xix. **"Grant"** means issue of Options to the Employees under the ESOP - 2022.
- xx. **"Letter of Grant"** means a letter issued by the Company intimating an Employee of the Options granted to him or her.
- xxi. **"Long Leave"** means a sanctioned leave in excess of 60 (sixty) days without break.
- xxii. **"Market Price"** means the latest available closing price, prior to the date of grant of Options by the Board/ Committee, on the recognized Stock Exchange on which the Shares of the Company are listed. In case Shares are listed on more than one Stock Exchange, then the closing price on the Stock Exchange where the highest trading volume on the said date shall be considered.
- xxiii. **"Option Grantee"** means an Employee of the Company who has been granted an Employee Stock Option in pursuance of the ESOP - 2022.
- xxiv. **"Permanent Disability"** means any incapacity of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Board/ Committee based on a certificate of a medical expert identified by the Company.
- xxv. **"Promoter"** shall have the same meaning as assigned to the term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
- xxvi. **"Promoter Group"** shall have the same meaning assigned to the term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
- xxvii. **"Retirement"** means retirement as per the rules of the Company.
- xxviii. **"Scheme"** means Shriram Asset Management Company Limited - Employees Stock Option Plan 2022 (herein referred as "ESOP – 2022").
- xxix. **"SEBI"** means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.
- xxx. **"SEBI (SBEB) Regulations"** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended and reenacted from time to time and includes any clarifications or circulars issued thereunder.
- xxxi. **"Shares"** means Equity Shares of the Company within the meaning of this Scheme.
- xxxii. **"Stock Exchange"** means the BSE Limited, or any other Stock Exchange in India on which the Company's Shares are listed or to be listed in future and shall have the same meaning attributed to it under Section 2(j) of the Securities Contracts (Regulation) Act, 1956.
- xxxiii. **"Subsidiary"** means a subsidiary of the Company as per the definition under Section 2 (87) of the Companies Act, 2013.
- xxxiv. **"Unvested Option"** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to Exercise the Option.
- xxxv. **"Vested Option"** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.
- xxxvi. **"Vesting"** means earning by the Option Grantee of the right to Exercise the Options granted to him in pursuance of the ESOP – 2022.
- xxxvii. **"Vesting Condition"** means any condition subject to which the Options granted would vest in an Option Grantee.



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xxxviii. “Vesting Period” means the period during which the Vesting of the Employee Stock Option granted to the Employee, in pursuance of ESOP – 2022 takes place.

2.2 Interpretation

In this Scheme, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender; and
- e) reference to Company shall refer to the Company and / or Subsidiary Company where the contexts so requires, in case Options are granted to the employees of Subsidiary Company in future.

Words and expressions used and not defined herein but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Companies Act, and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation.

3. Authority

- 3.1 On passing the special resolution dated March 02, 2022, the Company shall be authorized by the shareholders to issue to the Employees under ESOP- 2022, not exceeding 13,01,689 Employee Stock Options convertible into not more than 13,01,689 shares of face value of Rs. 10/- (Rupees Ten) each fully paid-up, with each such Option conferring a right upon the Employee of the Company to be issued one Share of the Company, in accordance with the terms and conditions of ESOP - 2022. Provided that, in the event of Exercise of Options resulting in fractional Shares, the Committee shall be entitled to round off the number of Shares to be issued or acquired to the nearest whole number, and the Exercise Price shall be correspondingly adjusted. All Shares of the Company acquired or allotted consequent to Exercise of Options shall rank *pari passu* with the existing Shares unless otherwise set out in the Articles.
- 3.2 The maximum number of Options that shall be granted to any specific Employee of the Company under ESOP - 2022, in any financial year and in aggregate under the ESOP - 2022 shall not exceed 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Company and in aggregate if the prior specific approval from members of the Company through a special resolution to this effect is not obtained. The appraisal process for determining the eligibility of the employees of the Company will be decided by the Committee from time to time.
- 3.3 If an Employee Stock Option expires, lapses or is forfeited or becomes un-exercisable due to any reason, it shall be brought back to the Employee Stock Options pool and shall become available for future grants, subject to compliance with the provisions of the Applicable Laws.
- 3.4 Where Shares are allotted consequent upon Exercise of an Employee Stock Option under the ESOP - 2022, the maximum number of Shares that can be allotted under ESOP - 2022 as referred to in Sub-clause 3.1 above shall stand reduced to the extent of such Shares allotted.



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- 3.5 In case of a Share split, merger, demerger, sale of division, consolidation, rights issues, bonus issues and other corporate actions, if the revised face value of an Equity Share is less or more, as the case may be, than the current face value as prevailing on the date of coming into force of this Scheme, the maximum number of Shares available under ESOP - 2022 as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares x face value per Share) prior to such split or consolidation remains unchanged after such split or consolidation.

4. Administration

- 4.1 The ESOP - 2022 shall be administered by the Committee. All questions of interpretation of the ESOP - 2022 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the ESOP - 2022.
- 4.2 The Committee shall in accordance with this Scheme and Applicable Laws determine the following:
- the Eligibility Criteria for grant of Employee Stock Options to the Employees;
 - The quantum of Employee Stock Options to be granted under the ESOP - 2022 per Employee subject to ceiling specified in Sub-clause 3.2;
 - the time when the Options are to be granted;
 - the number of tranches in which the Options are to be granted and the number of Options to be granted in each such tranche;
 - the Vesting Period and the Vesting Conditions;
 - the conditions under which Vested Options in Employees may lapse, including, but not limited to, circumstances of termination of employment with or without Cause, separation from employment, etc.;
 - the Exercise Period;
 - the right of an Employee to exercise all the Vested Options at one time or at various points of time within the Exercise Period;
 - terms and conditions in respect of Grant, Vesting and Exercise of Options by the Employees and determination of Exercise Price which may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP - 2022;
 - the procedure for making a fair and reasonable adjustment in case of corporate actions such as merger, demerger, sale of division, stock-split, stock consolidation, rights issues, bonus issues and others;
 - the procedure and terms for the Grant, Vesting and Exercise of Employee Stock Options in case of Employees who are on Long Leave;
 - deciding on disallowance of Options in case of misconduct on the part of Option Grantee;
 - the procedure for buy-back of specified securities (as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018) issued hereunder, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
 - permissible sources of financing for buy-back;
 - any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
 - limits upon quantum of specified securities that the Company may buy-

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back in a financial year.

- (n) the procedure for Vesting in case of termination of employment, if required;
- (o) the procedure for funding the Exercise or cashless exercise of Employee Stock Options, if required; and
- (p) approve forms, writings and/or agreements for use in pursuance of the ESOP - 2022.

No member of the Committee shall be liable for any decision or action made in good faith with respect to ESOP – 2022.

- 4.3 The Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 by the Company and its Employees, as applicable.
- 4.4 The Committee's interpretation of the terms of ESOP - 2022, the Employee Stock Option Agreement or any other documents issued pursuant to ESOP - 2022, and all decisions, determinations and interpretations of the Committee shall be final, binding and conclusive for all purposes on all Employees.

5. Eligibility and Applicability

- 5.1 Only Employees are eligible for being granted Stock Options under ESOP – 2022. The specific Employees to whom the Stock Options would be granted and their Eligibility Criteria would be determined by the Committee.
- 5.2 The Scheme shall be applicable to the Company and any successor Company thereof, and shall be granted to the Employees, in accordance with the provisions of this Scheme.

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

- 5.3 An Employee identified for grant of Options shall be furnished with: (i) a copy of ESOP - 2022 for his or her review and acceptance; (ii) a Letter of Grant for his or her acceptance; (iii) a copy of the Employee Stock Option Agreement; (iv) a draft of the Exercise Application; and (v) any other form or document as the Committee may decide in its sole discretion.

6. Vesting Schedule and Vesting Conditions

- 6.1 No Option granted to an Option Grantee shall vest within a period of one year from the date of grant of such Option (**No Vesting Period**).
- 6.2 Notwithstanding Clause 6.1, in the event that Options are granted by the Company under this ESOP - 2022 in lieu of options held by the same person under an employee stock option plan in another company, which has merged, demerged or amalgamated with the Company, the period during which the options granted by the merging, demerging or amalgamating company were held by such person shall be adjusted against the No Vesting Period.



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- 6.3 The options granted shall vest so long as the Employee continues to be in the employment of the Company. The Committee may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such Vesting, and the proportion or tranches in which Options granted would vest, subject to the No Vesting Period.
- 6.4 The vesting dates in respect of the Options granted under the Scheme may vary from Employee to Employee or any class thereof and/or in respect of the number or percentage of options granted to an Employee.
- 6.5 Options granted under ESOP - 2022 would vest subject to maximum period of 10 (ten) years from the date of respective grant/s of such options, unless otherwise decided by the Committee.
- 6.6 The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the Letter of Grant.
- 6.7 **Change in Control-** Subject to Applicable Law and Clause 6.8, in the event of a Change in Control or occurrence of any other event which in the opinion of the Board should be deemed as a Change in Control event, each outstanding Option will be treated as the Committee determines, which may include (without limitation) one or more of the following actions with respect to any outstanding Option: (i) assumption of the Option by the successor corporation (or parent or subsidiary of the successor corporation) (collectively, the "Successor Corporation"); (ii) cancellation and substitution of the Option with an Option granted by the Successor Corporation; (iii) continuation of the Option pursuant to the terms of the Change in Control transaction; (iv) accelerated Vesting of the Option (in whole or in part); (v) cancellation of the Option in exchange for a cash payment for each vested Share (and each unvested Share if so determined by the Committee) subject to the Option in an amount equal to the excess of the Market Price per Share on the date of the Change in Control over the Exercise Price in effect for such Share or (vi) replacement of the Option with a cash retention program of the Company or any Successor Corporation which preserves the spread existing on the unvested Shares subject to the Option at the time of the Change in Control (the excess of the Market Price of those Shares over the aggregate Exercise Price payable for such Shares) and provides for subsequent pay-out of that spread in accordance with the same Vesting schedule applicable to those unvested Shares.

The Committee shall have the authority to provide that any escrow, holdback, earn- out or similar provisions in the definitive agreement(s) effecting the Change in Control shall apply to any cash payment made pursuant to this Section 6.6 to the same extent and in the same manner as such provisions apply to a holder of a share. In addition, an Option may be subject to cancellation without any payment due to the Option Grantee if the Market Price per Share on the date of the Change in Control is less than the Exercise Price per Share in effect for the Option.

The Committee will not be required to treat all Options similarly in the transaction.

For the purposes of this Clause 6.8, an Option will be considered assumed if, following the Change in Control, the Option confers the right to purchase or receive, the consideration (whether stock, cash, or other securities or property) received in the merger or Change in Control by holders of shares held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a



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majority of the outstanding Shares); provided, however, that if such consideration received in the merger, demerger or Change in Control is not solely common stock of the Successor Corporation, the Committee/ Board may, with the consent of the Successor Corporation, provide for the consideration to be received, for each Share and each right to acquire a share, to be solely common stock of the Successor Corporation equal in fair market value to the per share consideration received by holders of Shares in the Change in Control.

Notwithstanding anything in this Clause 6.8 to the contrary, an Option that vests or is earned upon the satisfaction of one or more performance conditions (as set forth in the employment agreement or as maybe communicated) will not be considered assumed if the Company or its successor modifies any of such performance conditions (as mentioned in the employment agreement or as maybe communicated) without the Option Grantee's consent - provided however, a modification to such performance conditions only to reflect the Successor Corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Option assumption.

- 6.8 In the event that an Option Grantee, is transferred pursuant to a scheme of arrangement, amalgamation, merger or demerger or continued in the existing company, prior to the Vesting or Exercise, the treatment of Options in such cases shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Option Grantee.

7. Exercise

7.1 Exercise Price:

- (a) The Exercise Price shall be equal to face value of shares i.e. Rs. 10/- (Rupees Ten only) per Option or any other price as decided by the Committee at its sole discretion. In any case, the Exercise Price per Option shall not be less than the face value of shares and it may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP- 2022.
- (b) Payment of the Exercise Price along with applicable taxes shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Committee may decide. Further, the aggregate or any part thereof of the Exercise Price and the applicable taxes may, subject to Applicable Law, (i) be deducted from the salary income or any other amounts due and payable by the Company to the Option Grantee at the time of Exercise; or (ii) be adjusted against the sale proceeds of some or all the Shares held by the Option Grantee after exercise of his or her Vested Options.

7.2 Exercise Period:

(a) While in employment:

- (i) The Exercise period shall be 10 (Ten) years from the date of respective vesting of Options. The options granted may be exercised by the Option Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.
- (ii) The Vested Options may be exercisable by the employees of the Company by submitting the Exercise Application to the Committee.

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



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Phone: +91-22-4006 0810 / 4006 0815

Head Office: 511-512, 5th Floor, Meadows, Sahar Plaza, Andheri-Kurla Road, Andheri East, Mumbai 400 059

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Sr. No.	Separations	Vested Options	Unvested Options
1	Resignation or Termination without Cause	All Vested Options as on date of submission of resignation or termination may be exercised by the Option Grantee in the immediate or next exercise window that falls within 6 months from his last working day with the Company.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from the last working date with the Company
2	Termination with Cause	All Vested Options on the date of such termination shall stand cancelled with effect from the termination date.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	Retirement or early Retirement approved by the Company	All Vested Options as on date of retirement may be exercised by the Option Grantee within permitted Exercise Period.	Notwithstanding Clause 6, all Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within permitted Exercise Period.
4	Death	Notwithstanding Clause 6, all Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 6 months from the date of death, provided they have produced all documents as may be required by the Company to prove the succession of the assets of the deceased Option Grantee.	Notwithstanding Clause 6, all the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within 6 months from the date of death, provided they have produced all documents as may be required by the Company to prove the succession of the assets of the deceased Option Grantee.


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5	Permanent Disability	Notwithstanding Clause 6, all Vested Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 6 months from the date of such disability.	Notwithstanding Clause 6, all the Unvested Options as on the date of such Permanent Disability shall vest immediately on the date of such disability and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 6 months from the date of such disability.
6	*Abandonment	All the Vested Options shall stand cancelled .	All the Unvested Options shall stand cancelled .
7	*Other reasons apart from those mentioned above	The Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final and binding.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

**The Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned.*

- 7.3 The Vested Options and the Unvested Options of an Option Grantee who has been suspended from the employment or who is on a performance improvement plan or to whom a show cause notice has been issued, or against whom an inquiry is being or has been initiated, for any reason whatsoever, including but not limited to, misconduct, violation of the Company's policies, codes of the Company or terms of employment or for having committed or abetted any illegal or unlawful activity may, on the recommendation of the management, be suspended or kept in abeyance at the sole discretion of the Committee during the period of such suspension or inquiry or performance management process. Unvested Options that have been suspended or kept in abeyance may be Vested in the Employee concerned on such additional terms and conditions, as may be imposed by the Committee in its absolute discretion.
- 7.4 Unless otherwise approved by the Committee and subject to Applicable Law, only the period of active employment of the Employee with the Company shall be taken into consideration for the purpose of assessing the Vesting Period, and any period of in-active employment, including but not limited to (i) unpaid leave of absence; (ii) suspension period from employment; (iii) unapproved or unauthorized absence; or (iv) a performance improvement plan, etc. shall not be taken into consideration for the purpose of assessing Vesting Period.
- 7.5 In the event of transfer of an Employee from the Company to its another Subsidiary Company, if any, the Unvested Options as on the date of transfer, shall continue to vest as per the original vesting schedule and be exercised, subject to the compliance of Applicable Laws.



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

8. Lock-in

8.1 The Shares issued upon exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such exercise.

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

9. Exit route in case of de-listing

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

10. Other Terms and Conditions

10.1 The Option Grantee shall not have a right to receive any dividend or to vote or in any manner or enjoy the benefits of a shareholder in respect of Employee Stock Options granted, till Shares underlying such Employee Stock Options are allotted by the Company on Exercise of such Employee Stock Option. Upon the issuance of Shares, the Shares and the Option Grantees (as shareholders) shall be subject to the rights and obligations under the Articles applicable to the Shares and the Option Grantees (as shareholders).

10.2 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.

10.3 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

10.4 If the Company issues bonus shares or rights shares, the Option Grantee shall not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with clause 4.2 (j) of ESOP - 2022.

10.5 Employee Stock Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case provisions in table under Sub-clause 7.2(b) would apply.

10.6 No person other than the Employee of the Company to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option except in the event of the death of the Option Grantee, in which provisions in table under Sub-clause 7.2 (b) would apply; provided, the Company, subject to Applicable Law, may fund or permit the



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empanelled stock brokers to make suitable arrangements to fund the Employee for payment of Exercise Price, the amount necessary to meet his/her tax obligations and other related expenses pursuant to exercise of Options granted under the ESOP - 2022 and adjust such amount against the sale proceeds of some or all the Shares of such Employee.

11. Taxation

- 11.1 The liability of paying taxes, if any, in respect of Employee Stock Options granted pursuant to this Scheme and the Shares issued pursuant to exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employees of Company working abroad, if any.
- 11.2 The Company shall have the right to deduct from the Employee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws or to take any such other action as may be necessary in the opinion of the Committee to satisfy all of the Company's obligations for the payment of such taxes, including, but not limited to, (i) requiring the Option Grantees to pay the applicable taxes to the Company or any of its affiliates or any other person on their behalf; or (ii) adjust the payment of such taxes against the sale proceeds of some or all the Shares held by the Option Grantee after exercise of his or her Vested Options. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.
- 11.3 The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

12. Authority to vary terms

- 12.1 The Board of Directors, on the recommendation of the Committee, may subject to compliance with Applicable Laws, at any time alter, amend, suspend, terminate or generally deal with the ESOP - 2022 in such manner and at such time or times as it may deem fit, provided (i) approvals wherever required for such alteration, amendment or termination is obtained from the shareholders of the Company; and (ii) such alteration, amendment or termination is not detrimental to the interests of the Option Grantees (defined below).

13. Miscellaneous

- 13.1 Government Regulations
The ESOP - 2022 shall be subject to all Applicable Laws to the extent applicable. The Grant of Options and allotment of Shares to the Employees under this ESOP - 2022 shall be subject to the Company requiring the Employees to comply with all Applicable Laws.
- 13.2 Inability to obtain authority
The inability of the Company to obtain approval/authorization from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful allotment, issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to allot, issue or sell Shares.
- 13.3 The Grant of an Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person and the Company give such person any right or entitlement to have an Option granted to him or her.



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- 13.4 Neither the existence of this Scheme nor the fact that an individual has on any occasion been granted an Employee Stock Option shall give such individual any right, entitlement or expectation that he has or shall in future have any such right, entitlement or expectation to participate in this Scheme by being granted an Employee Stock Option on any other occasion.
- 13.5 The rights granted to an Option Grantee upon the Grant of an Employee Stock Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 13.6 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to Exercise an Employee Stock Option in whole or in part.
- 13.7 Participation in ESOP - 2022 shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the Market Price of the Shares and the risks associated with the investments are that of the Employee alone.
- 13.8 **Insider Trading etc.**

The Employee shall ensure that there is no violation of:

- SEBI (Prohibition of Insider Trading) Regulations, 2015; and
- SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and
- Any other regulations to prevent fraudulent or harmful practices relating to the Securities Market.

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

14. Accounting and Disclosures

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

15. Certificate from Auditors

- 15.1 The Board shall at each annual general meeting place before the shareholders a certificate from the secretarial auditors of the Company that the Scheme has been implemented in



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accordance with the SEBI (SBEB) Regulations and in accordance with the resolution of the Company in the general meeting.

16. Governing Laws

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

16.2 Foreign Exchange Laws

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

17. Notices

17.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP – 2022 shall be in writing. The communications shall be made by the Company in any one or more of the following ways:

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

17.2 In the event that any notice sent by the Company to the Option Grantee is not delivered to the address provided by him or her to the Company, such notice shall be sent to the registered office of the Company and be deemed to be delivered on receipt of such notice by the Company.

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

Designation : Company Secretary & Compliance Officer
Address : 217, 2nd Floor, Swastik Chambers, near Junction of S.T. & C.S.T. Road, Chembur, Mumbai 400 071
Email : reenay@shriramamc.in

18. Jurisdiction

18.1 The Courts/National Company Law Tribunal, as the case may be, in Mumbai, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP - 2022.

18.2 Nothing in this Clause shall however limit the right of the Company to bring proceedings

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against any Employee in connection with this ESOP - 2022:
(i) in any other court of competent jurisdiction; or
(ii) Concurrently in more than one jurisdiction.

19. Severability

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

20. Confidentiality

20.1 An Option Grantee must keep the details of the ESOP- 2022 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates; provided that the Option Grantee may share the details contained in the ESOP - 2022, the Employee Stock Option Agreement and Letter of Grant, on a need to know basis, with any legal counsel or tax consultant for the purposes of obtaining any legal or tax advice, as applicable. In case Option Grantee is found in breach of this Clause on confidentiality, all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this Clause on confidentiality shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Board shall have the authority to deal with such cases as it may deem fit.

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

For Shriram Asset Management Company Limited

Reena Yadav

Company Secretary & Compliance Officer

Place: Mumbai

Board Meeting Approval Date: July 30, 2025



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