

**EMUDHRA LIMITED EMPLOYEE STOCK
OPTION AND RESTRICTED STOCK UNIT
SCHEME 2025**

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EMUDHRA LIMITED EMPLOYEE STOCK OPTION AND RESTRICTED STOCK UNIT SCHEME 2025

1. Name, Objective and Term

- 1.1 eMudhra Limited (hereinafter referred to as “eMudhra” or “the Company”) wishes to bring Employee participation in the growth and prospects of the Company. The Company has, therefore, decided to introduce an eMudhra Employee Stock Options (ESOPs) and Restricted Stock Unit (RSUs) Scheme 2025 called the "2025 Scheme" under which the Company is authorized to grant ESOPs/RSUs (as defined hereinafter) to the Employees (as defined hereinafter), which expression shall include any alterations, amendments, or modifications hereto made from time to time.
- 1.2 This 2025 Scheme to benefit the employees of the Company, is formulated by the Nomination and Remuneration Committee ("**NRC**") of the Board (as defined hereinafter) and approved by it at its meeting held on May 06, 2025, by the Board at its meeting held on May 06, 2025, and by the shareholders of the Company *vide* a special resolution passed at the Annual General Meeting held on June 25, 2025. For extending the benefits of the 2025 Scheme to the employees of the Company and its Subsidiary Companies (as defined hereinafter), separate resolutions of the shareholders of the Company was also passed at the said Annual General Meeting held on June 25, 2025.
- 1.3 The objective of this ESOPs/RSUs is to encourage ownership of eMudhra's equity by its employees on an ongoing basis. The ESOPs/RSUs is intended to reward the employees for their contribution to the successful operation of eMudhra and to provide an incentive for continued contribution to the success of the Company.
- 1.4 It is envisaged that the ESOPs/RSUs will enable eMudhra to attract and retain the best available talent by making them partners in business and its growth.
- 1.5 This document sets out the features of the ESOPs/RSUs, the benefits accruing to the Employees under this ESOPs/RSUs, the duties and responsibilities of the beneficiaries and also the procedures to be followed. The document shall serve as a reference for the administration of the ESOPs/RSUs. This document should be carefully read and understood and the procedures prescribed need to be diligently observed for availing the benefits under the Scheme.
- 1.6 This document is not in the nature of a legal contract and the same needs to be understood in common commercial parlance.
- 1.7 This ESOPs/RSUs shall continue to be in force until (i) its termination by the Company as per provisions of Applicable Laws, or (ii) the date on which all of the Options available for issuance under the ESOPs/RSUs have been granted, vested and exercised, whichever is earlier.

2. Definitions and Interpretation

2.1 Definitions

- (i) **"2025 Scheme"** means this eMudhra Employee Stock Options/Restricted Stock Unit Scheme 2025 under which the Company is authorized to grant ESOPs/RSUs to the Employees, as amended from time to time.
- (ii) **"Applicable laws"** means every law relating to Options/Restricted Stock Units, to the extent applicable, including, without limitation, the Companies Act, all relevant regulations of the Securities and Exchange Board of India including the SEBI SBEB & SE Regulations, the taxation laws, securities related laws, exchange control regulations, or amendments thereof including any circular, notification issued thereunder, in India or in any relevant jurisdiction.
- (iii) **"Board"** means the Board of Directors for the time being of the Company.
- (iv) **"Cause"** for termination means Fraud, embezzlement, theft, engaging or participating in intentional acts of material fraud against the Company, Willful misconduct damaging to the company, its reputation, products, services, or customers; any unauthorized disclosure of any trade secret or Confidential information of the company or a subsidiary, continued failure to perform duties owed to the company and any other such or similar acts
- (v) **"Companies Act"** means the Companies Act, 2013 and includes any statutory modifications or re-enactments thereof.
- (vi) **"Company" or "eMudhra"** means eMudhra Limited incorporated under the Companies Act 1956, having CIN L72900KA2008PLC060368 and having its registered office at No 12-P1-A & 12-P1-B, Hi-Tech Defence And Aerospace Park (IT Sector), Jala Hobli, B.K. Palya, Bengaluru – 562149 and shall include its Subsidiary(ies), successors-in- interest and assignees.
- (vii) **"Company Policies/Terms of Employment"** mean the Company's policies for employees and the terms of employment as contained in the 'employment letter.'
- (viii) **"Committee"** means the nomination and remuneration committee constituted by the Board under section 178 of the Companies Act, and shall mean a committee of such members of the Board as provided under regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and having such powers as specified under the SEBI SBEB & SE Regulations which would administer the 2025 Scheme in accordance with Section 4 hereof.
- (ix) **"Director"** means a member of the Board of the Company.
- (x) **"Equity Shares"** means equity shares of the Company of face value of Rs. 5.
- (xi) **"Eligibility Criteria"** means the criteria as may be determined from time to time by the NRC for granting the ESOPs/RSUs to the Employees (including the existing employees or to the new entrants on such basis as the NRC may deem fit, in accordance with the Applicable Law).

(xii) **“Employee”** means

- (i) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (ii) a Director of the Company, whether a whole-time Director or not, including a non-executive Director but excluding promoter director or an Independent Director of the Company or a member of the promoter group; or
- (iii) an employee as defined in sub clause (i) or (ii), of a Group Company including Subsidiary(ies) or its Associate Company, in India or outside India, or of a Holding Company, but does not include-
 - a. an employee who is a Promotor or a person belonging to the Promoter Group; or
 - b. a director who, either himself or through his relative or through anybody corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.
 - c. an independent director within the meaning of the Companies Act, 2013.

(xiii) **“ESOP”** means the employee stock option Granted to an Employee, which gives such Employee the right, but not an obligation, to purchase, during the Exercise Period, the Equity Shares underlying the ESOPs at the Exercise Price in accordance with the terms of this 2025 Scheme.

(xiv) **“Exercise”** of ESOPs/RSUs means making of an application by a Grantee to the Company, as the case may be, for the allotment of Equity Shares underlying the Vested ESOPs/RSUs, as the case may be in pursuance of the 2025 Scheme, in accordance with the procedure laid down by the Company in this regard.

(xv) **“Exercise Application”** means the application form, or the letter of Exercise as may be prescribed by the NRC, in which the Grantee has to apply to the Company, along with proof of payment of the ESOPs/RSUs Exercise Price (as the case may be) or such other documents as may be prescribed pursuant to the provisions of the 2025 Scheme, for Exercising the Vested ESOPs/RSUs (as the case may be). The payment towards ESOPs/RSUs Exercise Price and taxation on ESOPs/RSUs may be made by way of cheque, demand draft (payable in Bangalore), RTGS or NEFT or such mode of transfer to the account of the Company as may be permitted by the NRC.

(xvi) **“Exercise Period”** means the time period after Grant within which the Grantee should exercise his right to apply for Shares against the Options/RSUs vested in him in pursuance of this ESOPs/RSUs. On expiry of the Exercise Period, any Options/RSUs that have not been exercised will lapse and cease to be valid for any purpose.

(xvii) **“Exercise Price”** Exercise Price is the price payable by the Employee in order to Exercise the Vested ESOP/RSU

- a) For Vested RSUs it would be equivalent to the face value of the Equity Shares;
- b) For Vested ESOPs it would be the latest available closing price on a

Recognized Stock Exchange on which the Equity Shares are listed on the date immediately prior to the Grant Date. Explanation: If the Equity Shares 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.

- (xviii) **"Fair Market Value"** means the latest available closing price on a Recognized Stock Exchange on which the Equity Shares are listed on the date immediately prior to the Grant Date. Explanation: If the Equity Shares 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.
- (xix) **"Grant"** means issue of ESOPs/RSUs, as the case may be, which would upon Exercise convert into Equity Shares under this 2025 Scheme.
- (xx) **"Grant Date"** means the date or dates on which the ESOPs/RSUs are granted to the employees pursuant to the 2025 Scheme. The date would be specified in the Letter of Grant issued to the employee.
- (xxi) **"Grantee"** means an Employee who has been granted an ESOPs/RSUs in pursuance of the 2025 Scheme.
- (xxii) **"Group" or "Group Company"** means two or more companies which, directly or indirectly, are in position to-
- i. Exercise twenty-six percent, or more of the voting rights in the other company; or
 - ii. Appoint more than fifty percent, of the members of the board of directors in the other company; or
 - iii. Control the management or affairs of the other company.
- (xxiii) **"Holding Company"** means any present or future holding company of the Company as defined in the Companies Act.
- (xxiv) **"Independent Directors"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (xxv) **"Letter of Grant"** means the letter issued by the Company, whether in physical or electronic mode, intimating the Employee, *inter alia*, of the ESOPs/RSUs Granted to them for acquiring a specified number of Equity Shares at the Exercise Price, along with details as regards Vesting and Exercise of ESOPs/RSUs, as the case may be.
- (xxvi) **"Nominee" or "Nominees"** means the spouse, any child of the employee or any other person nominated by the employee for availing the benefits under the scheme as provided hereinafter.
- (xxvii) **"Nomination and Remuneration Committee" or "NRC"** means the committee constituted by the Board of Directors, in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the

Companies Act.

- (xxviii) **“Option”** means a right but not an obligation granted to an employee by the Company in pursuance of this ESOPs/RSUs to apply for Shares of the Company at a pre-determined price, and governed by the terms and conditions mentioned in this 2025 Scheme.
- (xxix) **“Performance Parameters”** means the performance metrics of the Company as determined, varied, or altered by the Board or the NRC from time to time and communicated to the Employee. The Board or the NRC may at its discretion, lay down certain criteria including, but not limited to, the performance metrics which would include profitability, revenue, ESG metric or any other strategic metrics as may be decided, on the achievement of which the granted ESOPs would vest, and which may be specified in the respective Letter of Grant or the vesting letters to be issued to the Grantee.
- (xxx) **“Permanent Incapacity”** 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 NRC.
- (xxxi) **“Promoter”** shall have the meaning as assigned to the term under the SEBI ICDR Regulations.
- (xxxii) **“Promoter Group”** shall have the meaning as defined in the SEBI SBEB & SE Regulations.
- (xxxiii) **“Recognized Stock Exchange”** means the BSE Limited, the National Stock Exchange of India Limited or any other stock exchange in India or outside India on which the Company's Equity Shares are listed.
- (xxxiv) **“Retirement”** means retirement or superannuation as per the human resource policy of the Company.
- (xxxv) **“RSU(s)”** means the unit Granted to an Employee, which gives such Employee the right, but not an obligation, to purchase, during the Exercise Period, the Equity Shares underlying the RSUs at the Exercise Price in accordance with the terms of this 2025 Scheme.
- (xxxvi) **“Share”** means equity shares of the Company of face value of Rs. 5 each fully paid up.
- (xxxvii) **“SEBI SBEB & SE Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations 2021 as amended and enacted from time to time read with all circulars and notifications issued thereunder.
- (xxxviii) **“Subsidiary”** means any present or future subsidiary(ies) of the Company determined as per provisions of the Companies Act.

(xxxix) **“Unvested Option/RSU”** means an Option/RSU, which is not vested.

(xl) **“Vesting”** means the process by which the Employee becomes entitled to receive the benefit of a Grant made to him/her under the 2025 Scheme.

(xli) **“Vesting Condition”** means any condition that may be stipulated by the NRC for Vesting of ESOPs/PSUs/RSUs.

(xlii) **“Vesting Period”** means the period during which the Vesting of the ESOPs/RSUs, as the case may be, Granted to the Employee takes place, in terms of the 2025 Scheme.

Any term not defined above, but defined in the Companies Act or the SBEB & SE Regulations shall have the meaning assigned to it under the Companies Act or the SBEB & SE Regulations, as the case may be.

2.2 Interpretation

In this 2025 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) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.
- e) Words employed in the masculine gender shall include the feminine also.

3. ELIGIBILITY TO PARTICIPATE IN THE 2025 SCHEME

3.1 An Employee as defined in para 2.1.XV above shall be eligible to participate in this 2025 Scheme of the Company.

3.2 Eligibility for participating in the 2025 Scheme shall be determined by the NRC from time to time and will be as per the Applicable Laws.

4. ADMINISTRATION

- a) The 2025 Scheme shall be under the supervision, control and direction of the NRC.
- b) The NRC shall meet as needed for the purpose of administering the 2025 Scheme and shall, inter alia, formulate the detailed terms and conditions of the Scheme including:
 - i. decide the number of options to be granted from time to time;
 - ii. decide on the eligible grade of employees, as well as identify employees

- eligible within the grade for this ESOPs/RSUs;
- iii. the quantum of ESOPs/RSUs to be granted under the 2025 Scheme for each employee based on Employee level/ performance / potential and other relevant parameters from time to time;
- iv. the Exercise Price for the Options to be granted from time to time and the Vesting Period;
- v. instructions/recommendations for executing the 2025 Scheme;
- vi. the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of rights issues, bonus issues consolidation of Shares and other corporate actions viz mergers, liquidation, amalgamation etc.in this regard the following shall be taken into consideration by the Committee;
 - a. the number and Exercise Price of ESOPs/RSUs shall be adjusted in a manner such that total benefit to the Employee of the ESOPs/RSUs remains the same after the corporate action;
 - b. the Vesting Period and the life of the ESOPs/RSUs shall be left unaltered as far as possible to protect the rights of the Employee(s) who is granted such ESOPs/RSUs;
- vii. determine, alter, amend, modify, add, delete or vary any terms and conditions of any ESOPs/RSUs granted in the program under the 2025 Scheme subject to the approval of the members wherever required;
- viii. Determine the quantum and procedure for funding of Exercise of ESOPs/RSUs including for payment of taxes, if required, subject to necessary approvals and to the extent permissible by the applicable laws.
- ix. The NRC shall frame suitable policies and procedures to ensure that there is no violation of securities laws including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended from time to time by the company and its Employees, as may be applicable.
- x. To delegate the administration of any of the above said matter to any one as may be decided by the NRC.
- xi. The NRC shall frame suitable policies and systems to ensure that there is no violation of Applicable Laws and rules framed thereunder.

5. SHAREHOLDER APPROVAL

- 5.1 Approval of shareholders by way of special resolution in the general meeting has been obtained by the Company for implementing the 2025 Scheme.

6. QUANTUM OF INCENTIVE

- 6.1 Maximum of up to 4,00,000 (Four Lakhs) RSUs, 0.48% of the current paid up equity share capital to be granted.
- 6.2 Maximum of up to 20,00,000 (Twenty Lakhs) ESOPs, 2.42% of the current paid up equity share capital to be granted.

- 6.3 These are proposed to be granted to eligible employees and directors of the Company and its subsidiaries under Scheme. While RSUs will be granted in cases of exceptional need and merit, the ESOPs will be granted for attracting and retaining the talent in the organisation.
- 6.4 Each ESOPs/RSUs when exercised would be converted into one Equity share of Rs. 5/- each fully paid-up. Thus, the maximum number of shares into which these ESOPs/RSUs will be converted would amount to 24,00,000 Equity Shares which is about 2.90% (0.48% RSUs and 2.42% ESOPs) of the current paid up equity share capital.
- 6.5 The total number of ESOPs/RSUs granted by the Company, from time to time in one or more tranches, shall not exceed 24,00,000 (Twenty Four Lakhs) which in aggregate shall be exercisable into not more than 24,00,000 (Twenty Four Lakhs Lakhs) with each such ESOPs/RSUs conferring a right upon the Employees to apply for one Share in the Company to be allotted in accordance with the terms and conditions as may be decided under the 2025 Scheme.
- 6.6 The maximum number of RSUs to be offered per employee shall not exceed 50,000 and maximum number of employee stock options to be offered per employee shall not exceed 2,00,000 (Two Lakhs). The total number of employee stock options/restricted stock units under the 2025 Scheme shall not exceed 24,00,000 (Twenty-Four Lakhs).
- 6.7 If an ESOPs/RSUs expires, lapses or becomes un-exercisable due to any reason, it shall be added back to the Options Pool specified above and shall become available for future Grants, subject to compliance with the provisions of the Applicable Laws.

Where Shares are allotted consequent upon Exercise of ESOPs/RSUs under the 2025 Scheme, the maximum number of Shares that can be further issued under sub-clause Clause 6.1 above shall stand reduced to the extent of such Shares already issued.

7. GRANT PROCEDURE AND ACCEPTANCE

- 7.1 ESOPs/RSUs under the 2025 Scheme shall be granted by the Company, at the discretion of the NRC, from time to time, in one or more tranches, to eligible Employees and the number of ESOPs/RSUs granted shall be mentioned in the Letter of Grant of ESOPs/RSUs issued to the Employees.
- 7.2 Exercise Price is the price payable by the Employee in order to Exercise the Vested ESOP/RSU will be as under:
- a) For Vested RSUs it would be equivalent to the face value of the Equity Shares;
 - b) For Vested ESOPs it would be the latest available closing price on a Recognized Stock Exchange on which the Equity Shares are listed on the date immediately prior to the Grant Date. Explanation: If the Equity Shares 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.
- 7.3 The NRC based on the fair market value, and if circumstances so warrant, in order to make the 2025 Scheme achieve the purpose for which it is set up, may

decide to re-price the ESOPs/RSUs already granted and will comply with all rules applicable, if any, at the time of such re-pricing.

8. VESTING PERIOD

8.1 The vesting period with respect to the program specified above shall be spread over the years as follows:

End of year 1 from the grant date	25% of the ESOPs/RSUs granted on the grant date
End of year 2 from the grant date	25% of the ESOPs/RSUs granted on the grant date
End of year 3 from the grant date	25% of the ESOPs/RSUs granted on the grant date
End of year 4 from the grant date	Balance 25% of the ESOPs/RSUs granted on the grant date

8.2 On the expiry of Vesting Period, the Employee shall have the right to Exercise the ESOPs/RSUs to get equity Shares vested in him/her at any time during the Exercise Period as provided based on the Exercise Price.

8.3 In case where ESOPs/RSUs are required to be granted by the Company under the 2025 Scheme in lieu of ESOPs/RSUs held by an employee under a similar plan in another company which has merged, demerged, arranged or amalgamated with another company, then the NRC shall adjust the minimum vesting period as per the vesting period of the existing ESOPs/RSUs in lieu of which the new ESOPs/RSUs are granted under the 2025 Scheme.

8.4 In addition to the aforesaid powers vested in the NRC in certain cases of corporate actions, the NRC shall also be authorized to accelerate the vesting schedule in specific circumstances, provided the acceleration will be effected only if the minimum vesting period prescribed under Para 9.1 of this ESOPs/RSUs has been completed.

9. MINIMUM AND MAXIMUM VESTING PERIOD

9.1 Minimum Vesting Period:

The ESOPs/RSUs granted would vest not earlier than one year and not later than four years from the date of grant of such ESOPs/RSUs. Vesting of ESOPs/RSUs would be subject to continued employment with the Company and thus the ESOPs/RSUs would vest on passage of time. However, in addition to this, the Nomination and Remuneration Committee ("NRC") of the Company/ Board may also, if it feels necessary in certain or in all cases, specify certain performance parameters/ metrics on the achievement of which the granted ESOPs/RSUs would vest.

As a prerequisite for a valid Vesting, a Grantee is required to be in employment or service of the Company on the date of Vesting, excluding retirement, death and permanent disability cases and must neither be serving his notice for termination of employment/ service, nor be subject to any disciplinary proceedings pending against him on such date of Vesting.

The specific Vesting schedule and Vesting Conditions subject to which ESOPs/RSUs would vest would be detailed in writing and provided to the Grantee at the time of the Grant of ESOPs/RSUs in the Grant Letter.

9.2 Maximum Vesting Period:

The ESOPs/RSUs granted would vest not earlier than one year and not later than four years from the date of grant of such ESOPs/RSUs.

10. EXERCISE PERIOD & PROCEDURES

- 10.1 The Employee can Exercise his right to convert the ESOPs/RSUs into equity Shares either in full or in part by addressing a communication to the person designated by the NRC, indicating the number of equity Shares he/she is willing to take under this 2025 Scheme, along with the payment for the Exercise Price and applicable taxes.
- 10.2 The ESOPs/RSUs granted to an employee shall be capable of being Exercised within 3 years from the date of last vesting subject to applicable laws. During the Exercise period relating to each Vesting, the Vested ESOPs/RSUs can be Exercised in one or more tranches as determined by the NRC.
- 10.3 Tax on the perquisite value, if any, shall be paid by the Employee on Exercise and the Shares shall be released to the Employee only upon submission of proof of payment of tax and Exercise Price.

11. EXERCISE PRICE

- 11.1 Exercise Price is the price payable by the Employee in order to Exercise the Vested ESOP/RSU and will be as under:
 - a) For Vested RSUs it would be equivalent to the face value of the Equity Shares;
 - b) For Vested ESOPs it would be the latest available closing price on a Recognized Stock Exchange on which the Equity Shares are listed on the date immediately prior to the Grant Date. Explanation: If the Equity Shares 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.

12. ALLOTMENT OF SHARES ON INDIVIDUAL NAME

- 12.1 On payment of full amount of Exercise Price and applicable taxes by the Employee, the Shares exercised by the Employee shall be allotted to Employee's name. The NRC may fix the relevant procedure for payment of exercise price and allotment of shares.

13. TRANSFERABILITY OF ESOPs/RSUs

- 13.1 ESOPs/RSUs granted to an Employee shall not be transferrable to any person.

13.2 The ESOPs/RSUs granted to the Employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner.

13.3 No person other than the Employee shall be entitled to exercise the ESOPs/RSUs, except in the event of death of the Employee, which will be dealt in the manner provided in Para 15.1

14. LOCK-IN

The Shares allotted upon Exercise shall be freely transferable and shall not be subject to any lock-in period restriction after such transfer except as required under the Applicable Laws including that under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, or code of conduct framed, if any, by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

15. DISCONTINUATION OF SERVICES BEFORE VESTING

15.1 In the event of the Death of an Employee, the ESOPs/RSUs granted, pending Vesting under the 2025 Scheme shall vest immediately to the legal heirs/nominees of the Employee.

15.2 In the event of Retirement or superannuation of the Employee from the services of the Company, all the Unvested ESOPs/RSUs will continue to vest as per Vesting schedule as originally prescribed even after date of Retirement unless otherwise decided by the NRC as per relevant policy, if any, and provisions of the then prevailing Applicable Laws.

15.3 In the event of Employee suffers from Permanent Incapacity caused while in employment, the ESOPs/RSUs granted pending Vesting under the Scheme shall vest immediately to the Employee.

15.4 In case the Employee goes on long leave of over 6 months during the vesting period, then the NRC reserves the right to extend the vesting period by a period not exceeding the leave period.

15.5 In the event of Employee services are discontinued on account of resignation / termination due to any reason other than Cause during the vesting period, then all such ESOPs/RSUs pending vesting as on that date shall lapse.

15.6 In the event of Employee services are terminated for "Cause" all vested and Unvested ESOPs/RSUs shall lapse.

16. EXERCISE BY EMPLOYEE OF VESTED ESOPs/RSUs

16.1 In case of Death of an Employee, all ESOPs/RSUs granted to such Employee shall vest immediately and will be allotted to legal heirs/nominees upon proper Verification and the legal heirs/ nomineees can Exercise the ESOPs/RSUs within a period of 6 months from the date of the death of the Employee.

16.2 In the event of Retirement or superannuation of the Employee from the Company, all Vested ESOPs/RSUs can be exercised by the Employee within a

period of 1 (one) year from the date of (i) Retirement, or (ii) Vesting, whichever is later.

- 16.3** In the event the Employee suffers from any Permanent Incapacity caused while in employment, the ESOPs/RSUs can be exercised by the Employee within a period of 1 year from the date of Permanent Incapacity of the Employee.
- 16.4** In the event of Employee's services are discontinued on account of resignation before Exercise, all the Vested ESOPs/RSUs that are not exercised will have to be exercised within 3 months from the date of resignation.
- 16.5** If the Company terminates an Employee from his service not for a Cause, the vested ESOPs/RSUs that are not exercised will have to be exercised within 3 months from the date of such termination.
- 16.6** If the Company terminates an Employee from his employment/service for a Cause, all the ESOPs/RSUs (whether vested or unvested) at the time of issuing notice of such termination shall stand cancelled with effect from the date of issuing notice of such termination.
- 16.7** The ESOPs/RSUs shall be deemed to be exercised when an Employee makes an application in writing to the Company or by any other means as decided by the NRC, for obtaining of Shares against the ESOPs/RSUs vested in him, subject to payment of Exercise Price, applicable taxes and compliance of other requisite conditions of Exercise.
- 16.8** The ESOPs/RSUs not exercised within the prescribed Exercise Period shall lapse and the Employee shall have no right over such lapsed or cancelled Options, which shall immediately get added back to the ESOPs/RSUs pool.
- 16.9** In the event of a proposed dissolution or liquidation of the Company, the NRC shall notify each Employee as soon as practicable prior to the effective date of such proposed transaction. The NRC in its discretion may provide for an Employee to have the right to Exercise his vested ESOPs/RSUs until 15 days prior to such transaction.

17. RIGHTS AND OBLIGATIONS AS SHAREHOLDERS

- 17.1** All the Employees who have taken the equity Shares under this 2025 Scheme will receive all regular benefits as shareholders of the Company like Dividends, Rights and Bonus Shares etc., only from the date of allotment of equity Shares pursuant to Exercise of ESOPs/RSUs under this 2025 Scheme.
- 17.2** Where the ESOPs/RSUs have been granted and whether they are vested or have not been vested in the case of any employee, should any changes be made to the Equity Share Capital of the Company by reason of consolidation, sub-division, or conversion of shares into stock or capitalization otherwise, appropriate adjustments shall be made by the Committee to the number of ESOPs/RSUs and the Exercise Price of ESOPs/RSUs granted in such a way that it does not prejudicially affect the Employees.

- 17.3** The Employee who holds any equity Shares under this 2025 Scheme shall not divulge the details of this 2025 Scheme and his holdings to any person except with the prior permission of the NRC obtained in writing.
- 17.4** The Employee shall enter into such agreement, as the Company may desire from time to time to more fully and effectively implement this 2025 Scheme as per the Applicable Laws.
- 17.5** The Employee shall not under any circumstances assign or transfer his rights or obligations under the 2025 Scheme to any third party.

18. GOVERNMENT REGULATIONS

This 2025 Scheme shall be subject to the Applicable Laws, rules, regulations, and notifications. The Grant of ESOPs/RSUs under this 2025 Scheme shall entitle eMudhra to require the eligible Employees to comply with such requirements of the Applicable Laws as may be necessary in the opinion of eMudhra.

19. GENERAL RISKS

- 19.1** Participation in this 2025 Scheme shall not be construed as any guarantee of return on the equity investment.
- 19.2** Inability to obtain authority
The inability of the Company to obtain authority from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such Shares.
- 19.3** Neither the existence of this 2025 Scheme nor the fact that an Employee has on any occasion been granted an ESOPs/RSUs shall give such Employee any right, entitlement or expectation that the Employee has, or will in the future, have any such right, entitlement or expectation to participate in this Scheme by being granted ESOPs/RSUs on any other occasion.
- 19.4** The rights granted to an Employee upon the grant of an ESOPs/RSUs shall not afford the Employee 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).
- 19.5** The Employee 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 ESOPs/RSUs in whole or in part.
- 19.6** All investments in shares or options on shares are subject to risk as the fair market value of shares may go down or go up. In addition, ESOPs/RSUs are subject to the following additional risks:
- Illiquidity:

- i. The ESOPs/RSUs cannot be transferred, pledged, hypothecated, mortgaged or otherwise alienated or encumbered in any manner to anybody, and therefore the Employees cannot mitigate their risks by selling the whole or part of their ESOPs/RSUs before they are exercised.
- Vesting: The ESOPs/RSUs will lapse if the employment is terminated including resignation prior to Vesting. Even after the ESOPs/RSUs are vested, the unexercised ESOPs/RSUs will be forfeited if the employee is terminated for Cause.

20. TAX LIABILITY

- 20.1** In the event of any tax liability arising on account of the issue of ESOPs/RSUs and / or allotment of the Shares to the Employee, the liability shall be that of the Employee alone 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 Employee working abroad, if any.
- 20.2** The Employee shall indemnify the Company against any tax or other liabilities the Company is made to suffer on account of this in accordance with the Applicable Laws.
- 20.3** Further, all tax liabilities arising on disposal of the equity Shares after Exercise would be required to be handled by the Employee.
- 20.4** The Company shall have the right to deduct from the Employee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.
- 20.5** The Company shall have no obligation to issue or allot shares until the Company's tax deduction obligations, if any, have been satisfied by the Employee in full.

21. COMPLIANCE WITH FOREIGN EXCHANGE REGULATIONS

The implementation of this 2025 Scheme in respect of employees of foreign subsidiaries shall be subject to applicable foreign exchange regulations as may be amended from time to time.

22. VARIATION OF TERMS OF 2025 SCHEME

- 22.1** Subject to Applicable Law, the NRC will at its absolute discretion have the right to modify/amend this 2025 Scheme in such manner and at such time or times as it may deem fit (including repricing the ESOPs/RSUs which are rendered unattractive due to fall in the share price of the Company), subject however that any such modification/amendment shall not be detrimental to the interest of the Grantees and approval wherever required for any modification/amendment is obtained from the shareholders of the Company in terms of Applicable Law.
- 22.2** The NRC may revise any of the terms of this 2025 Scheme to meet any regulatory requirement without seeking shareholders' approval.

23. CONTRACT OF EMPLOYMENT

This 2025 Scheme is purely at the discretion of eMudhra and shall continue as long as the Board decides the scheme to continue.

24. ACCOUNTING AND DISCLOSURES

- 24.1** The Company shall follow the rules/regulations applicable to accounting of ESOPs/RsUs with reference to Fair Market Value of Shares as on date of Grant.
- 24.2** The rules/regulations to be followed shall include but not limited to the IND AS / Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other appropriate authority, from time to time, including the disclosure requirements prescribed therein.
- 24.3** The Company shall comply with the accounting and disclosure requirements as prescribed under Regulation 15 of the SEBI SBEB & SE Regulations.

25. CERTIFICATE FROM SECRETARIAL AUDITORS

The Board shall at each annual general meeting place before the shareholders a certificate from the secretarial auditors of the Company that the 2025 Scheme has been implemented in accordance with the SEBI SBEB & SE Regulations and in accordance with the resolution of the Company in the general meeting. The Board shall also make the requisite disclosures of the 2025 Scheme, in the manner specified under the SEBI SBEB & SE Regulations.

26. GOVERNING LAWS AND JURISDICTION

- 26.1** The terms and conditions of the 2025 Scheme shall be governed by and construed in accordance with the Applicable Laws of India including the foreign exchange laws.
- 26.2** The High Court at Bangalore and courts subordinate to it shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this 2025 Scheme.
- 26.3** Nothing in this Clause shall however limit the right of the Company to bring proceedings against any Employee in connection with this 2025 Scheme:
- a. in any other court of competent jurisdiction; or
 - b. concurrently in more than one jurisdiction.

27. NOTICES

- 27.1** All notices of communication required to be given by the Company to an Employee by virtue of this 2025 Scheme shall be in writing and shall be sent to the address of the Employee available in the records of the Company; or delivering the communication(s) to the Employee in person with acknowledgement of receipt thereof; or emailing the communication(s) to the Employee at the official email address provided, if any, during the continuance

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

- 27.2** Any communication to be given by an Employee to the Company in respect of ESOP shall be sent at the address mentioned below or e - mailed at:

eMudhra Limited,
No 12-P1-A & 12-P1-B,
Hi-Tech Defence and Aerospace Park (IT Sector),
Jala Hobli, B.K. Palya,
Bengaluru – 562149
E-mail: Benefits@emudhra.com

28. ARBITRATION

All disputes arising out of or in connection with this 2025 Scheme or the Grant, Vesting or Exercise shall be referred for arbitration to a sole arbitrator (not being an employee) to be appointed by the NRC with the consent of the Grantee. The arbitration proceedings shall be in accordance with the provisions of the Arbitration and Conciliation Act, 1996. The place of Arbitration shall be Bangalore; India and the proceedings shall be conducted in English.

29. SEVERABILITY

In the event any one or more of the provisions contained in this 2025 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 2025 Scheme in which case the 2025 Scheme shall be construed as if such invalid, illegal, or unenforceable provisions had never been set forth herein, and the 2025 Scheme shall be carried out as nearly as possible according to its original intent and terms.