



**MILKFOOD LIMITED
EMPLOYEES STOCK OPTION PLAN, 2024**



1. Name of the Scheme

This Scheme shall be termed as the **Milkfood Limited Employees Stock Option Plan 2024** ("**Milkfood ESOS 2024**"). The Milkfood ESOS 2024, shall be effective on receipt of the approval from the shareholders in the Shareholders' Meeting and shall continue to be in force until the date on which all of the options available for issuance as per the approval granted by the shareholders have been vested and exercised.

2. Purpose of the Scheme

Milkfood Limited (hereinafter referred to as "**the Company**"), a company incorporated and registered under the provisions of the Companies Act, 1956 [CIN: L15201PB1973PLC003746] has structured this Scheme for its employees to reward the eligible employees for their contribution to the success of the Company and to provide an incentive to continue contributing to the success of the Company. It is envisaged that the Scheme is to attract, reward, motivate and retain its employees for high levels of individual performance which will ultimately contribute to the success of the Company.

3. Definitions

Except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against.

- a. "**Applicable Laws**" means/ shall mean laws of India to the extent applicable and as amended and modified from time to time. Accordingly, any actions taken hereunder shall be governed by and construed in accordance with, the laws of India, without regard to the application of the conflicts of laws' provisions thereof.
- b. "**Acceptance Form**" shall mean the form, which the Grantee has to submit indicating his acceptance of the offer made to him to participate in the Scheme.
- c. "**Beneficiary**" means the person, persons, trust or trusts designated by a Participant, or in the absence of any designation by the Participant, a person or persons who is/ are entitled by the will of the Participant to receive the benefits specified in the Scheme, the legal heirs of the Participant, if the Participant dies intestate and includes the Participant's executors or administrator, if no other beneficiary is designated and able to act under the circumstances and such other persons as may be added from time to time to the class of beneficiaries by notice in writing and by nomination form in the exercise of any powers conferred under the Scheme or any other agreements forming part thereof.



- d. **"Board"** means the Board of Directors of the Company.
- e. **"Company"** means the Milkfood Limited, a Company incorporated and registered under the provisions of the Companies Act, 1956 [CIN: L15201PB1973PLC003746].
- f. **"Cause"** means, as determined by the Compensation Committee and shall include instances where an Eligible Employee:
1. breaches any of the terms of this Plan, the employment agreement or such other document governing the employment of the Eligible Employee the breach of which is either (i) incapable of remedy; or (ii) if capable of remedy, has not been remedied by the Eligible Employee within a period of 15 (fifteen) days after receipt of notice of such breach from the Company or where the Eligible Employee refuses or neglects to comply with any reasonable and lawful directions of the Company; or
 2. Commits any act of gross misconduct or repeats or continues (after warning) any other fraudulent or material or serious breach of his obligations under this Plan; or
 3. is found guilty of moral turpitude, fraud, misrepresentation, dishonesty, gross negligence, or such similar activities; or
 4. is found guilty of any conduct which in the opinion of the Board brings him/her and the Company into serious disrepute or detrimental to the interest of the Company any of its affiliates, monetarily or otherwise; or
 5. has submitted false and/or forged documents of qualifications, experience, certificates, *etc* or made false representation and/or suppressed any material or relevant information required to be disclosed by him/her; or
 6. fails or ceases to meet the requirements of any regulatory body whose consent is required to enable him/her to undertake all or any of his/her duties under this Plan or is guilty of a serious breach of the rules and regulations of such regulatory body or any of the policies of the Company; or
 7. is in serious breach of the policies issued by the Company from time to time including anti-bribery and/or its electronic communication systems; or
 8. makes wrongful disclosure of any secret or confidential information about the Company to any third party; or



9. is convicted by a court of competent jurisdiction of a criminal offence or indicted of any criminal offence, which in the reasonable opinion of the Board, will detrimentally affect the Company; or
 10. has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force or the Eligible Employee is liable to be dealt with in any way under the Applicable Laws relating to mental health; or
 11. has become an undischarged insolvent or has applied to be adjudicated as an insolvent and the application is pending; or has not been declared as fugitive economic offender u/s 12 of "Fugitive Economic Offender Act-2018";
 12. has been in continued absence, without formal request or permission from the management of the Company for the same as per the applicable human resource policy of the Company and as may be determined by the Nomination and Remuneration Committee based on the circumstances of the case, the Eligible Employee has been deemed to have abandoned, left and relinquished his service with the Company;
- g. **"Committee"/ "Compensation Committee"** means the Nomination and Remuneration Committee of the Board constituted as per the provisions of the Companies Act, 2013 and as per Regulation 19 of the SEBI (LODR) Regulations, 2015 and which inter-alia, has been delegated the power of administration and superintendence of MILKFOOD ESOS 2024, pursuant to the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

As per Regulation 5 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the existing Nomination and Remuneration Committee of the Board has been designated as the Compensation Committee for the purpose of this Milkfood ESOS 2024.

- h. **"Closing Date"** means the last date on which the offer of Options by the Company to a Participant can be accepted. In case the last date is a non-working day, then it shall be the next working day.
- i. **"Corporate Action"** shall have the meaning as understood under the SEBI SBEB Regulations.
- j. **"Eligible Employee"** means an Employee who qualifies for issue of Options under this Scheme and who fulfils the conditions as decided in the appraisal process by the Compensation Committee and who is otherwise nominated by the Compensation Committee as being eligible for issue of Options.



- k. **"Employee"** means
- (i) an employee, 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, who is not a promoter or member of the promoter group, but excluding an independent director; or
 - (iii) an employee as defined in sub-clauses (i) or (ii), of a Group Company including subsidiary (present or future) or its associate company, in India or Outside India, or of a holding company 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 per cent of the outstanding equity shares of the company;
- l. **"Employee Compensation"** means the total cost incurred by the company towards Employee compensation including basic salary, dearness allowance, other allowances, bonus and commissions including the value of all perquisites provided, but does not include fair value of the options granted under the Scheme and the discount at which shares are issued under an Employees Stock Option Plan.
- m. **"Exercise"** means making of an application by the Participant to the Company for issue of Shares against the Vested Options in the Participant in pursuance to this Scheme on payment of the Exercise price.
- n. **"Exercise Date"** means the date on which the Participant exercises his Options and in case of partial exercise shall mean each date on which the Participant exercises part of his Options.
- o. **"Exercise period"** means the time period after vesting within which the employee should exercise his right to apply for allotment of shares against the Options vested in him in pursuance of the Milkfood ESOS 2024 Scheme.
- p. **"Exercise price"** means the purchase price of each Share payable by the Participant for exercising the Option granted to him in pursuance of the Scheme.



- q. "**FEMA Regulation**" means the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 [earlier the Transfer or issue of security by person resident outside India) Regulations, 2017 notified vide Notification No. FEMA 20(R)/2017-RB dated November 07, 2017, as amended from time to time.
- r. "**Grant**" means the process by which a Grantee is given an Option under ESOS.
- s. "**Grant Date**" means the date on which the Compensation Committee approves the Grant of Options. It is clarified that for accounting purposes, the Grant Date will be determined in accordance with applicable accounting standards;
- t. "**Grant letter**" means the letter by which grant of an Option is communicated to the Grantee.
- u. "**Grantee**" shall mean an Eligible Employee at the time of Grant of the Option and who in the opinion of the Compensation Committee is declared to be eligible to participate under the Scheme.
- v. "**Independent Director**" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- w. "**Key Managerial Personnel**" shall have the same meaning as defined under section 2(51) of the Companies Act, 2013 (18 of 2013).
- x. "**Option**" means the option given to an Employee, which gives such an Employee a right to purchase or subscribe at a future date, the shares offered by the Company, at a pre-determined price as per this Scheme.
- y. "**Option Grantee**" means an Employee having a right but not an obligation to exercise an Option in pursuance of Milkfood ESOS 2024;
- z. "**Participant**" means a Grantee who accepts an offer from the Company to participate in Milkfood ESOS 2024.
- aa. "**Promoter**" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- bb. "**Promoter group**" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018



- cc. **"Relative"** shall have the same meaning as defined under section 2(77) of the Companies Act, 2013 (18 of 2013).
- dd. **"Recognized Stock Exchange"** means a stock exchange which has been granted recognition under Section 4 of the Securities Contracts (Regulations) Act, 1956
- ee. **"Scheme"** shall mean the "Milkfood Limited Employee Stock Option Plan 2024"/"Milkfood ESOS 2024" and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.
- ff. **"SEBI (SBEB) Regulations"** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.
- gg. **"Share"/ "Equity Share"** means an equity Share of the Company of face value of Rs.5/- each.
- hh. **"Shareholder"** means the registered holder of any share in the share capital of the Company.
- ii. **"Termination Date"** means the date of termination of employment of the Participant with the Company.
- jj. **"Unvested Option"** means an Option, which is not a Vested Option.
- kk. **"Vesting"** means the process by which the Participant becomes entitled to receive the benefit of a Grant made to him/her under any of the Scheme
- ll. **"Vesting period"** means the period during which the Vesting of Option under MILKFOOD ESOS 2024 Scheme, any takes place
- mm. **"Vested Option"** means an Option, which has vested with the Participant and has thereby, become exercisable.

4. Construction

- a. All other expressions unless defined herein shall have the same meaning as have been assigned to them under the SEBI SBEB Regulations, the Companies Act, 2013, Exchange Board of India Act, 1992 or Guidelines issued thereunder and the Securities Contracts (Regulation) Act, 1956, or any statutory modification or reenactment thereof, as the case may be.



- b. The headings/ subheadings/ titles/ subtitles are only for the sake of convenience and shall not be interpreted to restrict or otherwise affect the meaning or import of the Articles, which shall be interpreted solely in light of the contents thereof.
- c. Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- d. Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form.
- e. The term 'including' shall mean 'including without limitation', unless otherwise specified.
- f. Further, unless the context otherwise requires, words denoting the masculine gender shall include the feminine gender and words denoting the singular shall include the plural and vice versa.

5. Eligibility

An Employee shall be eligible to participate in the Scheme, as determined by the Compensation Committee.

Only Eligible Employees as defined herein are eligible under this Scheme. Subject to this, the Compensation Committee shall, at its sole discretion, determine, which Employee or category of Employees shall be eligible for Grant of Options and the terms of Grant thereof and accordingly, the Company would offer the Options to the identified Eligible Employees based on the performance, experience, loyalty, etc.

Where any Employee is a director nominated by an institution as its representative on the Board of Directors of the company:

- (i) the contract or agreement entered into between the institution nominating its employee as the director of a company and the director so appointed shall, inter alia, specify the following:
 - a. whether the grants by the company under its scheme(s) can be accepted by the said employee in his capacity as director of the company;
 - b. that grant if made to the director, shall not be renounced in favour of the nominating institution; and
 - c. the conditions subject to which fees, commissions, other incentives, etc. can be accepted by the director from the company.



- (ii) the institution nominating its employee as a director of the company shall file a copy of the contract or agreement with the said company, which shall, in turn file the copy with all the recognized stock exchanges on which its shares are listed.
- (iii) the director so appointed shall furnish a copy of the contract or agreement at the first board meeting of the company attended by him after his nomination.

Further, stock options may also be granted under this scheme to any present and/or future identified eligible employees and eligible directors of the Company and/or of the subsidiary companies, during any one year, equal to or exceeding one percent of the paid up share capital of the company subject to maximum of five percent of the issued capital of the Company at the time of grant of Stock Option, within the overall ceiling of not exceeding 5,50,000 (Five Lakhs Fifty Thousand Only) stock options per employee under MILKFOOD ESOS 2024 , exercisable into equal number of equity shares of face value of Rs. 5/- (Rupees Five) each fully paid-up of the Company.

6. Administration of the Scheme.

- 6.1 Implementation, administration and superintendence of MILKFOOD ESOS 2024 shall be through the Nomination and Remuneration Committee of the Board of Directors. Nomination and Remuneration Committee has been designated as the Compensation Committee for the purpose of the SEBI SBEB Regulations.

It is clarified that the Scheme shall not be implemented through any Trust.

- 6.2 The Scheme shall be administered by the Nomination and Remuneration Committee, as constituted and as may be reconstituted by the Board of Directors of the Company.
- 6.3 The Committee is authorized to interpret the scheme, to establish, amend and rescind any rules and regulations relating to the scheme, and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Scheme. The Committee may correct any defect, omission or reconcile any inconsistency in the Scheme in the manner and to the extent the Committee deems necessary or desirable. 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 parties concerned (including, but not limited to, Grantee and/or Participants and their beneficiaries or successors). The Committee shall, inter-alia, do the following:
 - a. Adopt rules and regulations for implementing the scheme from time to time.
 - b. Identify the Employees eligible to participate under the Scheme.
 - c. Grant Options to the identified Eligible Employees and determine the date of



- Grant.
- d. Determine the number of Options to be granted to each Grantee.
 - e. Determine the number of Shares of the Company to be covered by each Option granted under the Scheme.
 - f. Determine the method for exercising the Vested Options.
 - g. Determine the Exercise price of the Options granted.
 - h. Determine the procedure for making a fair and reasonable adjustment to the number of options
 - i. Determine the terms and conditions, not inconsistent with the terms of the Scheme, of any Option granted hereunder
 - j. Approve forms or agreements for use under the Scheme
 - k. Construe and interpret the terms of the Scheme, and the Options granted pursuant to the Scheme
 - l. Frame suitable policy, procedure and system to comply with the 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 to be followed by the Participants.
 - m. 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.
 - n. Decide all other matters that must be determined in connection with an Option under the Scheme.
- 6.3 All decisions made by the Committee in the matter referred to above shall be conclusive and binding on all parties concerned (including, but not limited to, Grantee and/ or Participants and their beneficiaries or successors). Neither the Company nor the Committee shall be liable for any action or determination made in good faith with respect to the Scheme or any Option granted there under.
- 6.4 The Committee shall frame suitable policies and systems to ensure that there is no violation of:
- i. Securities and Exchange Board of India (Insider Trading) Regulations, 2015;
 - ii. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; and
 - iii. Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 2003
 - iv. The Guidelines issued under the Income-tax Act, 1961, for Grant of ESOPs so as to be eligible for exemption thereunder.



7. Share Limit

The maximum number of Options that may be issued pursuant to this scheme shall be 12,18,000 (Twelve Lakhs and Eighteen Thousand Only) and maximum number of shares that may be issued pursuant to exercise of Options granted to the Participants under this Scheme shall not exceed 12,18,000 (Twelve Lakhs and Eighteen Thousand Only) Shares of the Company. The Company reserves the right to increase or reduce such number of Shares as it deems fit.

Provided that all Options that have been lapsed (including those having lapsed by way of forfeiture) shall be added back to the number of Options that are pending to be granted.

It is clarified that as the scheme is not proposed to be implemented through Trust; there won't be any secondary market acquisition for the purpose of implementation of the Scheme.

8. Grant of Options

- 8.1 The Committee may, on such dates as it shall determine, Grant to such eligible employees as it selects, Options of the Company in accordance with the terms and conditions of the Scheme for the time being in force.
- 8.2 The Committee shall follow the following broad guidelines in selection of the eligible employees and the quantum of option to be granted to them:
- a. present grade and compensation structure of the employee
 - b. performance of the employee
 - c. length of service of the employee
 - d. exceptional contribution made by the employee
 - e. integrity and behavior of the employee
 - f. such other parameters as it may decide.
- 8.3 Each Option will entitle the Participant to One Equity Share of face value of Rs. 5/- each of the Company.
- 8.4 The maximum number of the equity shares that may be issued pursuant to the grant of the Options under MILKFOOD ESOS 2024 shall be 12,18,000 (Twelve Lakhs and Eighteen Thousand Only).

Further maximum number of shares that may be issued pursuant to grant of options granted to an eligible employee namely Mr. Sudhir Avasthi, Managing



Director and Mr. Deepankar Barat, President, in a year may exceed to one percent of the total issued capital of the company, at the time of granting of an option.

8.5 The Grant of the Options by the Committee to the Grantee shall be made in writing and communicated to the Grantee. Such a Grant shall state the number of Options offered, the Exercise price and the Closing date of accepting the offer.

8.6 The Closing Date shall not be more than 30 (Thirty) days from the Grant Date.

8.7 An offer made under clause 8.1 above is personal to the Grantee and cannot be transferred in any manner except as provided under clause 13.1 mentioned herein under.

9. Method of Acceptance

9.1 Any Grantee who wishes to accept an offer made pursuant to Clause 8 above must deliver an Acceptance Form, prescribed by the Committee from time to time, duly completed as required therein to the Committee on or before the Closing date stated in the Grant letter.

9.2 Any Grantee who fails to return the Acceptance Form on or before the Closing date shall, unless the Committee determines otherwise, be deemed to have rejected the offer. Any Acceptance Form received after the Closing date shall not be valid.

9.3 Upon receipt of a duly completed Acceptance Form from the Grantee in respect of the Grant, the Grantee will become a Participant. The Committee may then issue to the Participant a statement, in such form as it deems appropriate, showing the number of Options, to which the Participant is entitled pursuant to the acceptance of such offer and the number of Shares for which the Participant will be entitled to subscribe pursuant to such Options.

10. Vesting of Options

10.1 The Vesting of Option would be subject to continued employment with the Company. In addition to this, the Committee may also specify certain performance criteria subject to satisfaction of which the Options would vest. The terms and criteria for Vesting of Options shall be communicated to the Eligible Employee in the Grant Letter/Award Agreement. The Committee may in its absolute discretion determine the vesting criteria, which could be either be time-based or performance-based or both, provided, that in no case shall the Vesting Period be (i) more than 3 (Three) years] from the Grant Date; and (ii) less than 1 (one) year from the Grant Date or such other minimum or maximum time period as may be prescribed by Applicable Laws, from time to time.



- 10.2 Notwithstanding anything to the contrary in this Plan, the Committee shall be entitled, in its absolute discretion, to vary or alter the terms of the Vesting, including the Vesting Period of any Option to be Granted or any Option Holder, as it may deem fit. The Committee may also vary or alter the terms of the Vesting the Options already Granted but not yet exercised, as it may deem fit; provided, however, that such variation shall not be to the disadvantageous to the Option Holder.
- 10.3 Subject to the Applicable Laws, the Committee in its absolute discretion may permit the Exercise of the Options Granted, including Options which have not been Vested, within such time and on such terms and conditions, as it may determine.

11. Exercise Price and schedule of payment

- 11.1 The Exercise Price shall be decided by the Committee which shall in no case be more than the Market Price and not lesser than the face value of the Share of the Company on the date of grant of Options. The specific Exercise Price shall be intimated to the Option Grantee in the Grant Letter issued at the time of Grant.

Explanation: In case the Shares are listed on more than one Recognized Stock Exchange, then the Recognized Stock Exchange where the highest trading volume on the said date shall be considered for the purpose of determining the Exercise Price.

- 11.2 The total Exercise Price shall be paid to the Company in cash upon exercise of the options. No amount is payable by the Grantee at the time of acceptance of Grant of Option.

12. Exercise of Options

- 12.1 The Vested Options shall be exercisable according to the terms and conditions as determined and set forth under the Scheme.
- 12.2 Subject to clause 13.1 below, the Participant alone can exercise the Vested Option.
- 12.3 Subject to clause 10 above and clause 13 below, the Employee can exercise the Vested Options within the Exercise Period. Such exercise may be of all Vested Options or part of the Vested Options in one or more tranches, subject to clause 12.5 below.
- 12.4 The Exercise Period shall commence from the date of vesting and expire not



later than 12 months from the last Vesting Date. The Exercise Period can be extended only under special circumstances at the discretion of the Committee upon a specific request made by the Participant concerned to this effect.

- 12.5 No fraction of a Vested Option shall be exercisable in its fractional form.
- 12.6 Exercise of the Options shall take place at the time and place designated by the Committee or the Company and by executing such documents as may be required under the Applicable Laws to pass a valid title to the relevant Shares to the Participant, free and clear of any liens, encumbrances and transfer restrictions save for those set out therein.
- 12.7 An Option shall be deemed to be exercised only when the Committee receives notice of exercise and the Exercise Price in accordance with clause 11 of the Scheme from the person entitled to exercise the Option.
- 12.8 On Exercise, the Participant can subscribe to the Shares on the full payment of the Exercise price and taxes, if any, required to be deducted by the Company in respect of exercise of the Option, and the Company shall allot the Shares to the Participants after completing the necessary formalities in this regard, or, if requested in writing by the Participant, to the Participant jointly with another person, provided the Committee / Company finds the Exercise form complete and conditions of the Scheme are complied with. Subsequent to allotment, no Participant should seek to sell or otherwise transfer the Shares until there is a confirmation from the Company that the listing procedures with respect to the allotted Shares have been completed.
- 12.9 In order to make the MILKFOOD ESOS 2024 more attractive to the employee, there would not be any lock-in period for the shares issued consequent upon exercising the options under the MILKFOOD ESOS 2024.
- 12.10 Notwithstanding anything else contained in this Scheme, if the Participant does not Exercise his Vested Options within the time specified in this Scheme, such unexercised options shall lapse.
- 12.11 There shall be no cashless exercise of the Options. Further there shall not be any funding of financing by the Company for Exercise of Options.

13. Termination of employment

13.1 On death of a Participant

In the event of death of a Grantee/ Participant while in employment, all the Options granted to him till such date shall vest in the Beneficiary of the



deceased Participant. All the Vested Options shall be permitted to be exercised within 1 (one) year from the date of death. However, under no circumstances, Options can be exercised by the Beneficiary beyond the Exercise period.

13.2 On disability of Participant

In the event of the termination of a Participant's employment with the Company as a result of total or permanent incapacity (i.e., incapacity to engage in work as a result of sickness, mental disability or otherwise or by reason of accident), all the Options granted to him as on the date of permanent incapacitation, shall vest in him on that day. All the vested Options shall be permitted to be exercised within 1 (one) year from the date of termination. However, under no circumstances option can be exercised beyond the Exercise period.

13.3 On attainment of Superannuation age

In case the service of the Participants with the Company is terminated due to retirement on superannuation, all the unvested options shall continue to vest as clause 13.2 above. All the Vested Options shall be permitted to be exercised within 1 (one) year from the date of termination on retirement. However, under no circumstances the Vested options can be exercised beyond the exercise period.

13.4 Termination with Cause

In case the termination of employment of a Participant with the Company is with cause (i.e., negligence, fraud, professional misconduct, moral turpitude etc), his/ her Options (Vested as well as Unvested) shall lapse on the Termination Date and the contract referred to in clause 10.1 above shall stand automatically terminated.

13.5 Other termination

In case the service of the Participant with the Company is terminated due to resignation of the Participant from the Company or otherwise, all the Vested Options as on that date shall be permitted to be exercised within six months from the date of termination or before the expiry of the Exercise period, whichever is earlier. All Unvested Options on the date of termination shall lapse.

13.6 Long Leave

Long leave of the Participant shall not have any effect on the Scheme as



applicable to the Participant. However, in case the employee goes on long leave of over 6 months during the vesting period, then the Committee reserves the right to extend the vesting period by a period not exceeding the leave period.

13.7 **Removal of Director**

In case of the participant is a director of the Company, in the event of his removal as a director with the Company for any reason, including vacation of office, not being re-appointed, other than death, permanent incapacity, resignation and superannuation, he may, within 6 months after the date of termination, exercise his Vested Options as on the date of such termination. The Unvested Options of the Grantee as on the date of such termination shall lapse. Provisions of clause 13.1 to 13.6 shall apply in case of termination of directorship on account of death, permanent incapacity, resignation and superannuation. However, re-appointment of Directors upon retirement by rotation shall be deemed to be continuity in tenure for the above purposes.

13.8 **Transfer of Employee**

In the event that an Employee, who has been Granted benefits under the Scheme, is transferred or deputed to an associate company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

In the event that an Employee who has been granted benefits under the Scheme, is transferred pursuant to 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 case 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 employee.

14. **Notices and Correspondence**

14.1 Any notice required to be given by a Participant to the Company or the Committee or any correspondence to be made between a Participant and the Company or the Committee may be given or made to the Company at the registered office of the Company or to the Committee as may be notified by the Company in writing.

14.2 Any notice, required to be given by the Company or the Committee to a Participant or any correspondence to be made between the Company or the Committee and a Participant shall be given or made by the Company or the Committee on behalf of the Company at the address provided by the



Participant in his acceptance form.

15. Nomination

Each Participant 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 or she receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Participant, shall be in a form prescribed by the Company and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime.

16. Non-transferability of Options/ Buyback

Options Granted to an Employee shall not be transferable to any person. Save as provided in Clause 13.1 above, no person, other than the Participant, shall be entitled to the benefit arising out of under this Scheme.

There is no buyback arrangement or commitment by the Company in respect of any Shares or Securities issued/ allotted under this Scheme.

17. Corporate Action

- 17.1 Except as hereinafter provided, a Grant made shall be subject to adjustment, by the Committee, at its discretion as to number and Exercise Price of Options, as the case may be, in the event of 'Change in Capital Structure' or a 'Corporate Action' as defined in this Plan.
- 17.2 The existence of the Plan and the Grants made hereunder shall not in any way affect the right or the power of the Board of Directors or the shareholders of the Company to make or authorize any 'Change in Capital Structure' or undertake any 'Corporate Action' including any further issue of Shares, debt or other securities having any priority or preference with respect to the Shares or the rights thereof.
- 17.3 If there is a 'Change in the Capital Structure of the Company' before the Vested Options granted under this Plan are exercised, the Option Holder shall be entitled to Exercise the Vested Options, to such number of Resultant Shares to which he would have been entitled as if all the Options not exercised by him/her had been exercised by him/her before such 'Change in the Capital Structure' of the Company had taken place and the rights under the Options shall stand correspondingly adjusted.
- 17.4 The Shares in respect of which the Options are Granted, are shares as presently constituted. But if and when, prior to the expiry of the Exercise Period there is a



'Change in the Capital Structure' of the Company, the number of Shares with respect to which the Options may thereafter be exercised shall, in the event of:

- a. *an increase in the number or Resultant Shares, be proportionately increased, and the Exercise Price, be proportionately reduced.*
- b. *a reduction in the number of Resultant Shares, be proportionately reduced, and the Exercise Price, be proportionately increased.*

Provided further that in case the provisions of Applicable Law restrict/prohibit the issue of Shares at a discount to its par value, the Exercise Price shall not be less than the amount as prescribed under such law.

17.5 In the event of 'Corporate Action', the Committee at least seven days prior to any 'Corporate Action' or thirty days thereafter, acting in its absolute discretion with or without the consent or approval of the Option Holder, as it may deem fit, shall in respect of the outstanding Options act on any of the following alternatives:

- a. *Provide that on any Exercise of Vested Options hereafter, the Option Holder shall be entitled to the Shares and / or Resultant Shares as if the Option Holder had been a holder of the Shares on exercise of the Options.*
- b. *Make such adjustments to the Options outstanding to reflect the 'Corporate Action', as may be necessary,*

18. Method of Valuation and Withholding Tax

18.1 The Company shall conform to the accounting policies specified in the SEBI SBEB Regulations.

The Company shall follow the requirements including the disclosure requirements and IND AS 102 on Share-based payments and/ or any relevant accounting standards as may be prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 or any other appropriate authority, from time to time, including any guidance note on Accounting for employee share-based payments issued in that regard from time to time and the disclosure requirements prescribed therein, in compliance with relevant provisions of Regulation 15 of SEBI SBEB & SE Regulations. Company shall use "**Fair Value**" method to value its options and to calculate employee compensation cost.

18.2 All Options granted under the Scheme shall be subject to all applicable



withholding tax requirements, if any, and the Company or Committee may withhold such taxes accordingly.

- 18.3 Notwithstanding anything elsewhere contained in this Scheme, no shares/ sale proceeds therefrom, as the case may be, shall be disbursed to the Participant or his Beneficiary, on exercise of the Options under this Scheme unless appropriate taxes, if any, as required under the applicable tax laws, are discharged.

19. Dispute Settlement

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 to resolve such dispute through an amicable settlement.

20. Governing Law

- 20.1 This Scheme and all agreements hereunder shall be governed by and construed in accordance with the Applicable laws of India.
- 20.2 All amendments made from time to time to the SEBI SBEB Regulations, insofar as they apply to this Scheme, shall automatically form a part of this Scheme. The Committee is authorized to give effect to such amendments in the text of this Scheme
- 20.3 The Participant agrees and acknowledges that the Participant has received and read a copy of the Scheme. The Options are subject to the Scheme. Any term of the Scheme that is contrary to the requirement of the Income Tax Guidelines or SEBI Regulations or any other Applicable Law or other Indian regulations shall not apply to the extent it is contrary.

21. Regulatory approvals

The implementation of the Scheme, the granting of any Option under the Scheme and the issuance of any Shares under this Scheme shall be subject to the procurement by the Company and the Participants of all approvals and permits required by any regulatory authorities having jurisdiction over the Scheme, the Options and the Shares issued pursuant thereto. The Participants under this Scheme will, if requested by the Committee, provide such assurances and representations to the Company, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal requirements.

22. AUTHORITY TO VARY/MODIFY TERMS

- 22.1 Subject to Applicable Law, the Nomination and Remuneration Committee shall,



at its absolute discretion, have the right to vary / modify / amend the Plan, in such manner and at such time or times as it may deem fit, subject however that any such modification / amendment shall not be detrimental to the interests of the Eligible Employees.

22.2 Such right to vary / modify / amend this Plan as and when required will be always subject to and in accordance with SEBI (SBEB) Regulations. No member of the Nomination and Remuneration Committee shall be primarily liable for any decision or action taken in good faith with respect to this Plan.

23. Contract of Employment

23.1 This Scheme shall not form part of any contract of employment between the Company and any Eligible Employee, and the rights and obligations of any Eligible Employee under the terms of his office or employment shall not be affected by his participation in this Scheme or any right which he may have to participate in it and this Scheme shall afford such an Eligible Employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

23.2 This scheme is purely at the discretion of the Company's Management (represented by the Compensation Committee).

24. Miscellaneous provisions

24.1 The Participant shall have no rights as a shareholder until the name of the Participant has been entered in the register of members of the Company as the holder of the Shares provided hereunder to such Participant.

It is clarified that the Participant shall not have the right to receive any dividend or to vote or in any manner enjoy the benefits available to a shareholder in respect of an option granted to him/her, till shares are issued to him/her upon exercise of the option.

24.2 All shares allotted on exercise of Options will rank pari-passu with all other equity shares of the Company for the time being in issue.

24.3 This Scheme shall not confer on any person any legal or equitable rights against the Company or the Committee directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Committee.

24.4 The Company shall bear the costs of establishing and administering this



Scheme, including any costs of the Company's auditors or any independent adviser in relation to the preparation of any confirmation by them or provision of any other service in relation to this Scheme.

- 24.5 A Grantee shall, before accepting a Grant, obtain all necessary consents, if any, that may be required to enable him to accept the Grant and the Company to allot and issue to him in accordance with the provisions of this Scheme, the Shares due to be allotted and issued upon the Exercise of his Vested Options. By accepting a Grant and/ or submitting the Exercise form, the Participant thereof is deemed to have represented to the Company or the Committee that he has obtained all such consents. Compliance with this paragraph shall be a condition precedent to an acceptance of a Grant by a Grantee.
- 24.6 By accepting a Grant, a Grantee expressly acknowledges that the grant of option does not constitute guarantee or continuity of employment and the Company shall reserve the right to terminate the employment of Grantee with the Company in accordance with the terms of employment. Grantee shall be deemed irrevocably to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate him for loss of any rights under this Scheme.
- 24.7 The acceptance of the Grant is entirely voluntary and the Company or the Committee does not guarantee any return on Shares.
- 24.8 This Scheme constitutes the entire document in relation to its subject matter and supersedes all prior agreements and understandings whether oral or written with respect to such subject matter.
- 24.9 In the event that any term, condition or provision of this Scheme being held to be a violation of any Applicable law, statute or regulation the same shall be severable from the rest of this Scheme and shall be of no force and effect and this Scheme shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Scheme.

25. General Risk

Participation in this MILKFOOD ESOS 2024 shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the market price of the equity and the risks associated with the investment are that of the Participant alone.



26. Term of the Scheme

- 26.1 The Scheme shall continue in effect unless terminated by the Company.
- 26.2 Any such termination of the Scheme shall not affect Options already granted and such Options shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Participants and the Committee/ the Company.

27. Confidentiality

The Participant 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 any statutes or regulations applicable to such Participant.

28. No Discrimination

Nothing in this Plan may be deemed to be discriminating amongst the Employees or the Eligible Employees on the grounds of gender, age, nationality, race, ethnicity, language or otherwise. The Plan in terms of coverage of the Eligible Employees is in consonance with prevailing management practices and remuneration principles and is not discriminating against any section of Employees.

