

**DATAMATICS GLOBAL SERVICES LIMITED**

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**PERFORMANCE BASED EMPLOYEE STOCK OPTION PLAN**

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## **1. Name, Objective and Term of PSOP 2022: PSOP**

- 1.1 This Performance Based Employee Stock Option Plan shall hereinafter be referred to as “this PSOP 2022”.
- 1.2 The objective of this PSOP 2022 is to reward the employees for their loyalty and contribution to the Company and/or its Subsidiary/ies and/or its Group, as well as their performance and to motivate them to keep contributing to the growth and profitability of the Company and/or its Subsidiary/ies or its Group. This PSOP 2022 is further intended to attract and retain talent in the Company and/or its Subsidiary/ies and/or its Group and to give its employees co-ownership. The Company views employee stock options as an instrument of wealth creation that would enable the employees to share the value they create for the Company in the years to come and to align the interest of the employees with the interests of the shareholders.
- 1.3 This PSOP 2022 is adopted by the Company with effect from [●]<sup>1</sup> and shall continue to be in force until (i) terminated by the Compensation Committee; or (ii) the date on which all of the options available for issuance under this PSOP 2022 have been exercised and shares have been issued and allotted to the relevant employees.
- 1.4 Subject to compliance of Applicable Laws, the Compensation Committee shall have the power to alter, amend, suspend or terminate this PSOP 2022. It is clarified that any alteration or amendment shall not be in any manner detrimental to the interest of the employees, unless the employees to whom options have been granted consent to such alteration or amendment.

## **2. Definitions and Interpretation**

### **2.1 Definitions**

Unless the context otherwise requires or unless otherwise defined or provided for herein, the capitalised terms used in this PSOP 2022 shall have the following meanings:

**“Applicable Law”** means every law relating to employee stock options, including but not limited to the Companies Act 2013 read with the Companies (Share Capital and Debentures) Rules 2014 and other applicable rules thereunder, Securities Exchange Board of India Act 1992, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015, Securities Exchange Board of India (Prohibition of Insider Trading) Regulation 2015, Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003, Foreign Exchange Management Act 1999 read with the rules and regulations made thereunder including circulars and notifications

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<sup>1</sup> To insert the date of general meeting or the compensation committee meeting post general meeting in which the Scheme was adopted

issued by Reserve Bank of India, Income Tax Act 1961, as amended from time to time, and all other relevant tax laws, securities laws, exchange control regulations or corporate laws of India or any relevant jurisdiction or of any stock exchange where the Equity Shares of the Company are listed.

**“Board of Director”** means the Board of Directors of the Company.

**“Cash Incentive Option”** shall have the meaning as ascribed to it in Clause 7.6 below.

**“Company”** means Datamatics Global Services Limited.

**“Compensation Committee”** means the nomination and remuneration committee of the Company constituted by the Board of Directors vide resolution dated [●], to, *inter-alia*, administer this PSOP 2022.

**“Eligible Employee”** and **“Eligible Employees”** shall have the meaning ascribed to it in Clause 4.3 below.

**“Equity Shares”** means equity shares of the Company currently having face value of Rs. 5/- (Rupees Five only) each.

**“Exercise”** is the act of a written application (subject to meeting the Performance Criteria) being made by the Option Holder to the Company Secretary or to the authorised person of the Company to have the Vested Options converted and issued as Equity Shares upon payment of the Exercise Price and applicable taxes, if any, in accordance with this PSOP 2022 and the Letter of Grant.

**“Exercise Period”** means the period during which an Option Holder is entitled to Exercise Vested Options in terms of this PSOP 2022, which period shall unless otherwise preponed by the Compensation Committee commence at the end of 3 (three) years from the Grant Date and continue for a period of 12 (twelve) months thereafter.

**“Exercise Price”** means the face value of the Equity Shares (presently Rs.5/- (Rupees five only) payable by the relevant Employee for Exercise of the Options.

**“General Meeting”** shall mean the meeting of the equity shareholders of the Company.

**“Grant”** means issue of Options to Eligible Employees under this PSOP 2022.

**“Grant Date”** means the date on which the Letter of Grant has been issued to Eligible Employees.

**“Grantee”** means an Eligible Employee to whom Options have been granted and who has executed an Option Agreement.

**“Group”** means (a) the Company along with one or more companies that, directly or indirectly, are in a position to (i) exercise 26% (twenty-six per cent) or more of the voting rights in the other company; or (ii) appoint more than 50% (fifty per cent) of the members of the Board of Directors in the other company; or (iii) control the management or affairs of the other company; and (b) two or more companies which, directly or indirectly, are in a position to (i) exercise 26% (twenty-six per cent) or more of the voting rights in the Company; or (ii) appoint more than 50% (fifty per cent) of the members of the Board of Directors in the Company; or (iii) control the management or affairs of the Company. Provided that, Lumina Datamatics Limited shall not be construed as a part of a Group for a limited purpose of issuing any Options to their employees under PSOP 2022, as there is a different scheme available for the employees of Lumina Datamatics Limited.

**“Independent Director”** shall have the same meaning as defined under Section 2(47) of the Companies Act, 2013.

**“Letter of Grant”** shall have the meaning as ascribed to it in Clause 6.1.

**“Minimum Threshold”** shall have the meaning provided in Clause 6.4.

**“Misconduct”** shall include:

- (a) willful insubordination or disobedience, whether alone or in combination with others, to any lawful and reasonable order of a superior; or
- (b) theft, fraud, or dishonesty in connection with the employer’s business or property; or
- (c) willful damage to or loss of employer’s goods or property; or
- (d) taking or giving bribes or any illegal gratification; or
- (e) habitual absence without leave or absence without leave for more than 10 days; or
- (f) habitual late attendance; or
- (g) habitual breach of any law applicable to the establishment; or
- (h) riotous or disorderly behaviour during working hours at the establishments or any act subversive of discipline; or
- (i) habitual negligence or neglect of work; or
- (j) Frequent repetition of any act or omission for which a warning has been provided earlier; or
- (k) striking work or inciting others to strike work in contravention of the provisions of any law, or rule having the force of law; or
- (l) sexual harassment which includes such unwelcome sexually determined behaviour (whether directly or by implication) as- (i) physical contact and advances; or (ii) demand or request for sexual favours; or (iii) sexually coloured remarks, or (iv) showing pornography; or (v) any other unwelcome physical, verbal or non-verbal conduct of sexual nature; or
- (m) any other misconduct as defined in any other policies of the Company; or
- (n) any other act which is treated as misconduct in view of Compensation Committee.

**“Option”** means the option granted to an Eligible Employee, which gives such Eligible Employee the right, but not an obligation, to subscribe to at a future date the Equity Shares underlying the option at a pre-determined price.

**“Option Agreement”** shall have the meaning as ascribed to it in Clause 6.1.

**“Option Holder”** means any Eligible Employee holding the Options issued to him / her under the provisions of this PSOP 2022.

**“Performance Criteria”** means the EBIT and/or the revenue and/or improvement and/or the individual performance of the Grantee and/or growth-based performance criteria based on parameters stated in Clause 6.4 below and detailed in the respective Option Agreement, which a Grantee needs to meet at the end of the every year in order to be eligible for the Options granted to him/her to Vest, in terms of the in pursuance of this PSOP 2022 and the Option Agreement.

**“Performance Period”** means the period of first year, second year and third year or such extended period, as the case may be, commencing from the Grant Date or such other date as prescribed in the Option Agreement within which the Performance Criteria must be met by the Grantee in order for an award to vest in him or her.

**“Postal Ballot”** means voting by post or through any electronic mode.

**“Subsidiary/ies”** shall have the same meaning as defined under Section 2(87) of the Companies Act, 2013. Provided that, Lumina Datamatics Limited shall not be construed as Subsidiary for a limited purpose of issuing any Options to their employees under PSOP 2022, as there is a different scheme available for the employees of Lumina Datamatics Limited and its subsidiaries.

**“Unvested Option”** means an Option in respect of which the relevant conditions for Vesting have not been satisfied and as such, the Option Holder has not become eligible to Exercise the Option.

**“Vesting”** means the process in terms of time and the meeting of the Performance Criteria for each year for the period of 3 (three) years from Grant Date, pursuant to which the Option Holder gets the right to Exercise Equity Shares of the Company (during the Exercise Period) against the Options granted to him in pursuance of this PSOP 2022 and the terms “Vest” “Vesting” and “Vested” shall be construed in this context.

**“Vesting Period”** means the period from the Grant Date till the date on which the Options or any portion of Options are Vested in Grantee.

**“Vested Option”** means an Option in respect of which the conditions specified in this PSOP 2022 and separately under the Option Agreement have been satisfied and the Grantee has become eligible to Exercise (during the Exercise Period) the Options or any portion of the Options granted to him.

## **2.2 Interpretation**

In this PSOP 2022, 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;
- (e) the word “person” includes an individual, a firm, a body corporate or unincorporated or any other entity;
- (f) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- (g) unless otherwise defined the reference to the word 'days' shall mean calendar days;
- (h) terms referred to but not defined in this PSOP 2022 shall, unless inconsistent to the context thereof, bear the same meaning as defined under the Applicable Laws, as valid and applicable in India;
- (i) a reference to an authorization includes an approval, authorization, consent, exemption, filing, license, notarization, registration and resolution;
- (j) the terms “include” and “including” shall mean “include without any limitation”; and
- (k) any reference in this PSOP 2022 to face value in relation to any Equity Share or other security shall mean the value expressed on the face of the certificate representing the Equity Share or other security, at the relevant point of time, irrespective of the actual price paid for that Equity Share or other security by its holder.

## **3. Features of this PSOP 2022**

- 3.1 In this Clause, a broad overview of this PSOP 2022 is given and each of the features is explained in detail later on. The basic features of this PSOP 2022 are as follows:
  - 3.1.1 The shareholders of the Company by a Postal Ballot have passed a special resolution to issue not more than 14,73,733 (Fourteen Lakh Seventy-Three Thousand Seven Hundred Thirty Three) Options to its Employees under this PSOP 2022. These Options shall be convertible into 14,73,733 (Fourteen Lakh Seventy-Three Thousand Seven Hundred Thirty Three) Equity Shares of face value of Rs. 5/- each, which is 2.5% of paid-up equity share capital of the Company as on the above date, with each such Option conferring a right upon the Grantee to apply for 1 (one) Equity Shares of the Company, in accordance with the terms and conditions of such issue and subject to achievement of Performance Criteria.
  - 3.1.2 The Compensation Committee of the Company shall determine the Eligible Employees, the number of Options to be granted to those Eligible Employees and other related matters.

- 3.1.3 The Letter of Grant and Option Agreement would specify the Vesting Period, Performance Criteria, the Exercise Price, the Exercise Period and the other terms and conditions.
- 3.1.4 If an Option lapses or becomes un-exercisable due to any other reason, it shall become available for future Grants, subject to compliance with all Applicable Laws. The Compensation Committee will have powers to re-grant such Options.

#### **4. Eligible Employees**

Eligible Employees shall mean the following person:

- 4.1 Those present and future employees at grade M09 (or equivalent) and above of the Company or its Subsidiary/ies or its Group Company(ies) working exclusively for such company whether within or outside India and/or such other persons, as may be permitted from time to time, under Applicable Laws, rules and regulations and/or amendments thereto as eligible to participate in this PSOP 2022 who meet the eligibility criteria set out in the Grantee's Option Agreement in accordance with this PSOP 2022 as determined by the Compensation Committee from time to time. Provided that an Eligible Employee shall 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 anybody corporate, directly or indirectly, holds more than 10 (ten) percent of the outstanding Equity Shares of the Company; or (c) any person who is acting as an Independent Director of the Company.

For the avoidance of doubt, it is clarified that "employees" for the purpose of this Plan shall mean all employees who are on the payroll of the Company or any of its Group Company(ies).

- 4.2 All directors, except an Independent Director, of the Company and of present and future Group Company(ies), so long as such person either himself/herself or through his/her relative or through anybody corporate, directly or indirectly, does not holds more than 10 (ten) percent of the outstanding Equity Shares of the Company.
- 4.3 The persons referred to in Clause 4.1 and 4.2 who are eligible to participate in this PSOP 2022 are herein after collectively referred to as "**the Eligible Employees**" and individually referred as "**the/an Eligible Employee**".

#### **5. Compensation Committee**

- 5.1 The Board of Directors of the Company has a Compensation Committee which *inter-alia* will be responsible for the effective implementation and monitoring of this PSOP 2022. The Board of Directors has the power to change the composition of the Compensation Committee from time to time.

5.2 The decision of the Compensation Committee with respect to the terms and conditions attached to the Options and the allocation of Options would be final and binding on all employees, including the Eligible Employees.

5.3 The Compensation Committee shall have complete and absolute discretion to govern this PSOP 2022 including but not limited to:

- (a) Determining the criteria for a person to become an Eligible Employee including the assignment of weightage to various factors such as length of service, grade and performance rating, future potentials etc.;
- (b) Select those Eligible Employees to whom the Options are to be granted;
- (c) Determine the number of Options to be granted to such Eligible Employee and Grant date or dates. Provided, however, that the maximum number of Options to be issued to any one Eligible Employee shall not in any case exceed such number of Options which would entitle such Eligible Employee to subscribe to more than 0.2 (zero point two) per cent of the existing number of paid-up equity share capital of the Company;
- (d) Determine the Vesting Period in respect of the Options so granted, which Vesting shall in no event be less than 12 (twelve) months from the Grant Date and can extend upto a period of 5 (five) years from the Grant Date and the Vesting schedule within such Vesting Period in respect of the Options granted;
- (e) Fix the Exercise Price;
- (f) Accelerate the Vesting of any Options that have been granted should circumstances so warrant, subject to a minimum vesting period of 1 (one) year or such other longer period as the Committee may stipulate, or such other minimum term as may be prescribed under Applicable Law;
- (g) Determine and/or extend the Exercise Period or periods during which Vested Options can be exercised by the Grantee if circumstance so warrant;
- (h) Offer a Cash Incentive Option against surrender of Vested Options by Eligible Employees;
- (i) Impose any other terms and conditions subject to which the Options granted would be granted to and/or Vest in the Eligible Employee;
- (j) Determine the terms and conditions subject to which the Vested Options would be exercisable by the Eligible Employee;
- (k) Determine the number of Options to be apportioned / allocated for Eligible Employees;
- (l) Determine the number of Options reserved, if any, to be reserved for granting to new employees who would join the services of the Company and/or any Group Company at a later date; and
- (m) Determine the procedure for making adjustments in relation to the Options in case of corporate actions such as rights issues, bonus issues, sub-division of shares, merger, acquisition, demerger, divestment, sale of division etc.
- (n) Determine the revision in the Performance Criteria of the Grantee in case of change in role, responsibility, location etc.

5.4 The Compensation Committee shall also frame, at appropriate times, suitable policies and systems for the purpose of ensuring that there is no violation of:

- (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
- (b) SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003;

by any Eligible Employee or the Company.

5.5 Without prejudice to the above, and subject only to Applicable Laws, the Compensation Committee and the Board of Directors shall have absolute discretion to decide in the manner deemed fit by them any matters related to this PSOP 2022 that are not specifically provided in this PSOP 2022, and any such decision of the Compensation Committee and/or the Board of Directors shall be binding on all the Eligible Employees.

## **6. Procedure for Grant and other Terms and Conditions of Options**

- 6.1 The Company shall from time to time, on the basis of the decision of the Compensation Committee, Grant Options to Eligible Employees, along with a covering letter (“**Letter of Grant**”) and a copy of an agreement to be entered into with the Grantee which sets out the terms and conditions of the Grant including without limitation, the Performance Criteria and the Vesting Period (“**Option Agreement**”). No amount shall be payable at the time of the Grant.
- 6.2 The Option Agreement will set out the detailed terms and conditions of issue of Options to the Eligible Employee as determined by Compensation Committee in accordance with the terms of this PSOP 2022, including the Performance Criteria and other conditions to be met in order for the Options to Vest, the Exercise Period or periods within with the Vested Options can be exercised and the Exercise Price, and such other conditions as may be deemed necessary by the Compensation Committee.
- 6.3 If the Eligible Employee wishes to accept the Grant made by the Compensation Committee, then he/she shall communicate his/her acceptance to the Company Secretary or to the authorised person of the Company within 30 (thirty) days from the date of the Grant or such other period as may be permitted by Compensation Committee along with the acceptance of Option Agreement. Both acceptance of Grant and Option Agreement can be accepted by the employee by exchange or email or any other electronic method as agreed by the Company. If the acceptance from the Grantee is not received within 30 (thirty) days or such other period as may be permitted by Compensation Committee from the date of the Grant, the Grant will be considered to have been refused and the Compensation Committee will then be free to issue those Options to any other Eligible Employee. The acceptance of the Grant and the Option Agreement by the Grantee shall not, in any manner, be construed to compel the Employee to Exercise his Option.
- 6.4 The Performance Criteria for each Grantee will be measured taking into consideration the revenue, the EBIT, and/or improvement and/or the growth achieved and/or annual performance targets achieved by the Grantee within the Performance Period as against the Performance Criteria of the respective Grantee under the Option Agreement on yearly

basis and over the course of the Performance Period. The details of the Performance Criteria for each Grantee may vary depending on the function / business he is handling, key value drivers etc. and shall be set out in the respective Option Agreements. The amount of Options that will Vest in each Grantee will be determined based on the achievement of the Performance Criteria on yearly basis and over the full duration of the Performance Period, subject to achievement of minimum performance thresholds as specified in the respective Option Agreement (“**Minimum Threshold**”).

- 6.5 Subject to Clause 6.4 above and meeting the Minimum Thresholds, the Options granted would Vest into the Grantee in 3 (three) yearly installments as detailed in respective Option Agreement of the Grantee, after every 12 (twelve) months during the Performance Period. The Compensation Committee shall have the right in its absolute discretion on a case-by-case basis to accelerate the Vesting Period and/or the Exercise Period based on the Performance Criteria achieved by the Grantee.
- 6.6 Each Option would entitle the Option Holder during the Exercise Period to subscribe to 1 (one) Equity Share at the Exercise Price mentioned in the Letter of Grant upon Vesting pursuant to level of achievement of the Performance Criteria.
- 6.7 Every year the Grantee should meet at least the Minimum Threshold to entitle him/her to carry forward the Options for that particular year of Vesting and over achievement of Performance Criteria shall not exceed the total Options as detailed in the Grantee’s Option Agreement.
- 6.8 Upon meeting the yearly Performance Criteria, based on the management account of the business of the Company relevant to the Financial Year during which the Performance Criteria is met, such proportion of the Options as stated herein below would Vest into the Grantee (“**Vesting Date**”):
  - (i) if a Grantee does not meet the Minimum Threshold of the yearly target, no Options will Vest in him for that particular year and those Options shall lapse.
  - (ii) if a Grantee meets the Minimum Threshold but less than 100% of the yearly target, he/she will still be entitled to proportionate Vesting to the achievement of the Performance Criteria met for that particular year and the remaining Options, subject to meeting of Minimum Threshold, would carry forward for the next year until the last year of Vesting Period and would be vested subject to achievement of cumulative Performance Criteria. The calculation of proportionate Vesting shall be made based on the following principle:

Performance Criteria achieved – Minimum Threshold

X 100

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Performance Criteria for applicable Performance Period – Minimum Threshold

As simple illustration of this: if the Eligible Employee has been Granted 100 Options in the first year with a Performance Criteria to be a revenue of \$1,000,000 for the applicable Performance Period and with a Minimum Threshold of revenue to be \$700,000. Then, at the end of Performance Period of first year, if the Grantee has:

- (a) generated the revenue which is less than \$700,000 no Options would Vest in that particular year and all the Options for that particular Vesting Period would lapse.
- (b) generated the revenue of \$850,000 then 50 Options<sup>2</sup> would Vest in that particular year and the remaining 50 Options would be carried forward to the Performance Period of next year, until third Performance Period from Grant Date. The carried forward 50 Options will Vested on pro-rata basis subject to achieving a revenue equivalent to the shortfall of \$150,000 over and above the applicable Performance Criteria for the next applicable Performance Period.
- (c) generated the revenue of \$1,000,000, all 100 Options would Vest in that particular year and no Options will be carried forward.

In the Performance Period for second year if the Grantee has the same Performance Criteria as first year and the same number of Options are allocated to the said Grantee, then at the end of Performance Period for second year if the Grantee has:

- (a) generated the revenue which is less than \$700,000 no Options would Vest in that particular year and all the Options for that particular Vesting Period would lapse.
- (b) generated the revenue of \$910,000 then 70 Options<sup>3</sup> would Vest in that particular year and the remaining 30 Options would be carried forward to the Performance Period of next year, until third Performance Period from Grant Date. The carried forward 30 Options will be Vested on pro-rata basis subject to achievement of \$90,000 over and above the applicable Performance Criteria for the next applicable Performance Period.
- (c) generated the revenue of \$1,000,000, all 100 Options would Vest in that particular year and no Options will be carried forward.
- (d) generated the revenue of \$1,075,000 Options, then 125 Options<sup>4</sup> may Vest in that particular year and no Options will be carried forward. Provided, additional 25 Options can only Vest for such relevant Grantee, if the same have been carried forward from preceding year.

To explain sub-clause (d) further, assume if the Grantee has achieved the revenue of \$850,000 in the first year and as a result only 50 Options have been Vested in the first year and 50 Options have been carried forward to the second year and the Grantee has achieved the revenue of \$1,075,000, then 125 Options may Vest for such Grantee (i.e.100 Options for achieving revenue of \$1,000,000 and additional 25 Options for achieving additional revenue of \$75,000 which will be adjusted out of the 50 Options that were carried forward from the first year and the remaining 25 Options carried forward from the first year will be further carried forward to the third year).

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<sup>2</sup> \$850,000-\$700,000/\$1,000,000 - \$700,000 X100 = 50 Options

<sup>3</sup> \$910,000-\$700,000/\$1,000,000 - \$700,000 X100 = 70 Options

<sup>4</sup> \$1,075,000-\$700,00/\$1,000,000 - \$700,000 X 100 = 125 Options

6.9 The reporting manager of the Company shall share with the Grantee his/her achievements as against the Performance Criteria based on the management accounts within sixty (60) days of respective Financial Year ending. The copy of this report upon mutual discussion with the Grantee shall be signed by the Company and the Grantee and the duly signed copy of the report shall be shared with the Compensation Committee by the Company Secretary.

## **7. Exercise of Options**

7.1 After the Vesting Period is over and during the Exercise Period, a Grantee may Exercise his/her Options to acquire Equity Shares of the Company at the predetermined Exercise Price by adopting the procedure laid down below. Any Options that are not exercised within the Exercise Period shall lapse.

7.1.1 During the Exercise Period, the Grantee shall make a written application to the Company Secretary or to the authorised person of the Company, in the prescribed form along with a cheque/demand draft for the aggregate Exercise Price in the name of the Company payable at Mumbai.

7.1.2 For the Options Exercised during the Exercise Period, the Company shall take appropriate action to issue the relevant number of Equity Shares as soon as possible but not later than the two months immediately succeeding the date of Exercise, provided that the Grantee and the Company shall duly comply with the provisions of Securities Exchange Board of India (Prohibition of Insider Trading) Regulation 2015 and the internal policies made under the said regulations.

7.1.3 The Grantees may Exercise any number of Options subject to a minimum of 25% (twenty five percent) of the Vested Option to him / her in each tranche subject to maximum of two tranches within any Exercise Period.

7.1.4 The Equity Shares shall rank *pari-passu* with the existing voting rights Equity Shares of the Company in all respect, unless otherwise decided by the Board of Directors or provided by law for the time being in force. An Option Holder shall not have a right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of the Options granted to him / her, till Equity Shares are issued and allotted to him / her on Exercise of the Options.

7.2 If any corporate action(s) such as bonus and/or shares on rights basis are issued by the Company or the Equity Shares of the Company are consolidated or split or if there is a merger and/or sale of division/undertaking or demerger or divestment or acquisition or other corporate reorganization of the Company, then the Board of Directors of the Company will, on the recommendations of the Compensation Committee and subject to Applicable Law, make a fair and reasonable adjustment to the number of outstanding Unvested Options and/or Vested Options and/or to the Exercise Price. The Compensation

Committee, would, while making its recommendations, consider various factors, including, but not limited to, the following:

- (a) that the number and the price of the Options shall be adjusted in a manner such that the total value of the Options remains the same after the corporate action;
- (b) that global practices in this area, such as those in the derivatives market, should be adopted;
- (c) that, as far as possible, the Vesting Period and the life of the Options should be left unaltered.

Similarly, if the Company takes any other action which in the opinion of the Compensation Committee requires any adjustment to the number of outstanding Options and/or the Exercise Price, then the Board of Directors of the Company will, on the recommendations of the Compensation Committee, make a fair and reasonable adjustment to the number of outstanding Unvested Options and/or Vested Options to the Exercise Price. The decision of the Board of Directors on this issue would be final and binding on the Grantees. Provided that nothing contained herein above shall apply to the issue and allotment of any Equity Shares that may be issued by the Company pursuant to the approval of the shareholders on a preferential basis to certain persons, whether they are existing shareholders and/or the Grantees of the Company or not.

- 7.3 Except as provided in this PSOP 2022, (i) the Options granted to a Grantee shall not be transferable to any person; and (ii) no person other than the Grantee shall be entitled to Exercise the Option.
- 7.4 In the event the Grantee is transferred or deputed to another company within the Group prior to Vesting or Exercise, the Vesting and Exercise as per the terms of Grant shall continue in case of such transferred or deputed Grantee even after the transfer or deputation. Further, if any Grantee who has been granted benefits under PSOP 2022, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the Company, prior to the Vesting or Exercise, the treatment of Options 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 Grantee.
- 7.5 The Grantee shall not directly or indirectly be entitled to sell, pledge, assign, mortgage, hypothecate or otherwise transfer or dispose off or alienate in any manner all or any unexercised portion of the Options or the rights and benefits attached thereto.

#### **7.6 Cash Incentive Option**

Based on the performance of the Company and the reserves available, the Compensation Committee may in its absolute discretion and without any obligation or exception that it may do so, consider offering a Grantees an option to encash his/her Vested Options prior to commencement of the Exercise Period by providing a cash payment against surrender of their Vested Options (“**Cash Incentive Option**”). The Compensation Committee shall

formalize the method, price, timing and other terms and conditions basis which the Vested Options can be surrendered under the Cash Incentive Option, including the discount to the market price that will be payable should a Grantee wish to avail of the Cash Incentive Option. Provided that, unless otherwise agreed by the Compensation Committee, in the event the Grantee chooses to surrender the Vested Options under Cash Incentive Option, he/she will have to surrender all of his/her Vested Options at the relevant time as per the terms and conditions of the Cash Incentive Option provided by Compensation Committee. The Vested Options that are not surrendered under the Cash Incentive Option will continue to remain Vested and can be exercised during the Exercise Period.

## **8. Consequences of Termination/Cessation of Service**

- 8.1 A Grantee shall be entitled, at any time to nominate a person(s) who shall be eligible to Exercise the Option or surrender the Vested Options under a Cash Incentive Option if any, granted to him / her, in the event of his/her death or permanent incapacity/disability. The nomination shall be in the prescribed form. If no nomination is made, the Option shall be transferable to the legal heirs of the Grantee.
- 8.2 In the event of death of any Grantee while being an Eligible Employee, the Vested Options granted to him / her shall Vest in his / her nominees on the date of his/her death. All Unvested Options granted to him/her shall, subject to meeting of Minimum Threshold, Vest on pro-rata basis of the Performance Criteria achieved till the date of his/her death and the balance Unvested Options shall lapse. All such Vested Options as on the date of death may be Exercised by the nominee(s) during the Exercise Period, or such other extended period as may be decided by the Compensation Committee. The Compensation Committee shall have the power to accelerate the Exercise Period in such situations. The nominee(s) of Grantee shall also be entitled to surrender the Vested Options by participating in the Cash Incentive Option if any announced by the Compensation Committee. If a Grantee has not made a nomination, then the Options shall Vest in his / her legal heir(s) / successor(s) as aforesaid. Provided that the successor(s) shall be required to produce and deliver to the Company all such documents as may be required by the Company to prove the succession to the assets of the deceased Grantee. In case the proof of the succession is not produced to the Company within 3 (three) months from the date of death of the Grantee or such further time as the Compensation Committee may permit in its absolute discretion, the Options shall lapse.
- 8.3 In case of permanent incapacity of a Grantee while being an Eligible Employee, all the Vested Options granted to him / her till the date of his/her incapacity shall Vest in him / her. All Unvested Options granted to him/her shall, subject to meeting of Minimum Threshold, Vest on pro-rata basis of the Performance Criteria achieved till the date of his/her incapacity and the balance Unvested Options shall lapse. All such Vested Option as on the date of his/her incapacity may be Exercised by the nominee(s) or successor during the Exercise Period, or such other extended period as may be decided by the Compensation Committee. The Compensation Committee shall have the power to accelerate the Exercise Period in such situations. The nominee(s) of Grantee shall also be

entitled surrender the Vested Options by participating in the Cash Incentive Option if any, announced by the Compensation Committee. Provided that the Shares allotted on exercise of Option shall be issued solely in the name of the Grantee to whom the Options were granted. The decision whether or not a Grantee is permanently incapacitated will be taken by the Compensation Committee and such decision shall be final and binding on the Grantee and its nominee or successor.

- 8.4 In case of cessation / separation / termination of the services of the Grantee due to resignation or retirement (not falling under any of the superannuation scheme or voluntary retirement scheme), the Unvested Options shall automatically lapse forthwith on submission of the resignation / retirement. However, the Vested Options shall continue and may be Exercised by such Grantee, during the Exercise Period provided such Grantee does not engage in any capacity with any company or entity which is in direct competition with the business of the Company.
- 8.5 In case of termination of the services of a Grantee due to dismissal for Misconduct of the Grantee, all unvested Options shall automatically lapse and in addition the Compensation Committee shall in their discretion, also have the right to cancel / forfeit all or any Vested Options that has not been Exercised by such Grantee. Further, in case of proven Misconduct by Grantee, the Company shall (subject to Applicable Law) have a clawback right to (i) cancel Equity Shares allotted to relevant Grantee; or (ii) transfer his/her shares to another person at its own discretion; or (iii) recover the money earned by such relevant Grantee by selling the Equity Shares allotted to him/her under PSOP 2022.

For the purpose of exercising the clawback right under this Clause, the Company shall be entitled to act as attorney for relevant Grantee and upon proven Misconduct shall have full power in its name or otherwise on its behalf to sign, seal, execute, deliver, perfect and do all deeds, instruments, acts and things on behalf of relevant Grantee which may be desirable or necessary or expedient for carrying out any action hereunder or for exercising any of the powers hereby conferred in connection with any sale or disposition of any Equity Shares allotted under PSOP 2022, and without prejudice to the generality of the foregoing the Company, *inter alia* to:

- (a) generally use the name of the relevant Grantee in the exercise of all or any of the powers conferred by these presents or by Applicable Law; and
- (b) execute on behalf of the relevant Grantee such documents and deeds as may be necessary to give effect to the provisions of this Clause and for the preservation, enforcement and realisation of the Equity Shares allotted under PSOP 2022.

- 8.6 In case of termination / discharge of the services of a Grantee for any other reason not covered in 8.2 to 8.5 above, the Compensation Committee shall have the right to cancel all the Unvested Options which are outstanding as on the date of termination / discharge of the services of the Grantee. All Vested Options eligible for being Exercised may be Exercised by the terminated employees during the Exercise Period in accordance with this PSOP 2022.

- 8.7 If a Grantee has been suspended or against whom an enquiry is being conducted for any reason, all Options shall stand suspended and shall not vest nor shall they be exercisable until the enquiry is completed, and the Grantee has been cleared of all charges. If the Grantee is found guilty of Misconduct under any such enquiry, the provisions of Clause 8.5 above shall apply.
- 8.8 In case the Grantee retires from the Company pursuant to reaching the age of retirement as prescribed by the Company, or pursuant to a scheme of voluntary retirement as formulated by the Company, all Vested Options held by such Grantee can be retained by such Grantee. All Unvested Options shall immediately lapse and only Vested Options will be eligible for being Exercised and may be Exercised by the retired employee in accordance with this PSOP 2022 during the Exercise Period. The Compensation Committee shall have the power to accelerate the Exercise Period in such situations. Such Grantee shall also be entitled to surrender the Vested Options by participating in the Cash Incentive Option (if any, announced by the Compensation Committee).
- 8.9 Where a Grantee has been granted a long leave, no extension of Performance Period shall be provided to achieve the Performance Criteria and the Compensation Committee be entitled to suspend the Vesting Period for any or all the Options granted to him / her whether until the resumption of office. Provided further that the Vesting of the Options will be subject to the fulfillment by the Grantee of the Performance Criteria, terms and conditions prescribed by the Company or in force at the time of granting the long leave and if the Grantee fails to fulfill the prescribed terms and conditions, then all the Options which have not been Exercised, whether Vested in him / her or not, shall lapse. The decision of Compensation Committee in this respect shall be final and binding.

For the purposes of this PSOP 2022, “long leave” or “sabbatical” shall mean any leave, whether sanctioned or unsanctioned, taken by any employee for a period exceeding 60 days at a stretch.

## **9. Exit Mechanism / sale of Equity Shares**

- 9.1 Since the Company is listed on stock exchanges the Grantee, subject to the provisions of the Articles of Association of the Company, the policies of the Company on Insider Trading and Unfair Trade Practices (to the extent applicable) and the other Applicable Laws, would be free to sell / transfer the Equity Shares acquired pursuant to Exercise of the Options at any time on the stock exchange or by way of an off-market deal.

## **10. Variation of terms of this PSOP 2022**

- 10.1 Subject to what is provided in Clause 10.2 below, the Company may by a special resolution vary the terms of this PSOP 2022 in respect of the Options which have yet not been granted to the Eligible Employees. Such change in terms shall not be detrimental to the interest of the Eligible Employees.

10.2 Subject to the terms of this PSOP 2022, the Company shall not vary the terms of this PSOP 2022 in any manner which may be detrimental to the interests of the Option Holders.

## **11. Taxation**

The liability and responsibility of paying taxes, if any, in respect of (a) Options granted pursuant to this PSOP 2022; and /or (b) the Equity Shares issued pursuant to Exercise thereof; and/or (c) the monies received under Cash Incentive Option; shall be entirely on the Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or in accordance with the tax rules and regulations of the jurisdictions applicable to employees with respect to his income. The Grant, Vesting, Exercise of Options and/or surrendering the Vested Options under Cash Incentive Option will be liable to tax, if any, in the hands of the Eligible Employee in accordance with the provisions of the Income-tax Act, 1961 and the rules framed thereunder from time to time or any such law as the Employee may be subject to. The Company will deduct tax at source, wherever necessary, in respect of the Options. If necessary, the Company may deduct appropriate amounts from the Grantee's salary to meet this obligation thereof.

## **12. Notices**

All notices of communication required to be given by the Company to an Eligible Employee by virtue of this PSOP 2022 shall be in writing and shall be sent to the address of the Eligible Employee available in the records of the Company, Communication through email or any other electronic method as agreed by the Company is acceptable. per. Any communication to be given by an Eligible Employee to the Company in respect of this PSOP 2022 shall be sent to the address mentioned below:

Company Secretary  
Datamatics Global Services Limited  
Knowledge Centre, Street No. 17,  
Plot No. 58, MIDC,  
Andheri East,  
Mumbai – 400093.  
Email: [divya.kumat@datamatics.com](mailto:divya.kumat@datamatics.com)

## **13. Governing Law and Jurisdiction**

13.1 This PSOP 2022 shall be governed by laws of India.

13.2 If any dispute, difference, claim or question shall at any time arise between the Company and the Eligible Employees on any of the provisions of this PSOP 2022 or matter herein contained or their respective rights, claims or liabilities hereunder in relation to or arising out of or concerning this PSOP 2022, such dispute, difference, claim or question shall be referred to arbitration by a sole arbitrator to be appointed by Mumbai Centre for International Arbitration ("MCIA") in accordance with applicable MCIA rules and the

same shall be binding on the Company and the Eligible Employee(s). Company shall notify the Eligible Employee(s) of such appointment in accordance with law.

- 13.3 Such arbitration shall be held in accordance with applicable MCIA rules and governed by the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof. The venue of arbitration shall be Mumbai and the proceedings shall be in the English language. The decision of the sole arbitrator shall be final and binding.
- 13.4 Subject to the above provisions of Clause 13.2 and 13.3, this PSOP 2022 is subject to the exclusive jurisdiction of the Bombay High Court, Maharashtra, India.

#### **14. Representation**

Neither the Company nor the Compensation Committee makes any representation regarding the performance of the Company, or the Grantee should take his/her independent decision whether to accept the Grant and/or to Exercise the Options granted to him / her and/or participate in Cash Incentive Option after considering all the provisions of this PSOP 2022, tax and other Applicable Laws and other relevant factors.

#### **15. Severability**

In the event any one or more of the provisions contained in this PSOP 2022 shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this PSOP 2022, but this PSOP 2022 shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein, and this PSOP 2022 shall be carried out as nearly as possible according to its original terms and intent.

#### **16. Confidentiality**

Employees must keep the details of this PSOP 2022 and the Options Granted to them strictly confidential and must not disclose the details to any other person. In case of non-adherence to the provisions of this Clause, the Compensation Committee will have the authority to deal with such cases as it may deem fit.