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**FOCUS LIGHTING AND FIXTURES LIMITED**  
**EMPLOYEE STOCK OPTION PLAN 2019**

**1. TITLE**

This Scheme shall be called Focus Lighting And Fixtures Limited Employee Stock Option Plan 2019 (hereinafter referred to as 'FLFL ESOP 2019' or 'Scheme').

**2. EFFECTIVE DATE AND SCHEME DURATION**

- 2.1 The Scheme has been adopted by the Board of Directors on 11<sup>th</sup> day of November, 2019 read with the Special Resolution to be passed by the Members of the Company on a date to be fixed by the Board of Directors of the Company, and shall be deemed to come into force with effect from the date of approval by the Members.
- 2.2 The Scheme shall continue to be in force until (i) its termination by the Board of Directors or (ii) the date on which all of the options available for issuance under the Scheme have been issued and exercised in terms of this Scheme, whichever is earlier. The decision of the Board in this regard shall be final.
- 2.3 If any Option granted under the Scheme lapses under any provision of the Scheme, such Option shall be available for further grant under the Scheme.

Provided that in the event of termination of the Scheme by the Board, there shall not be any effect on the 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.

**3. OBJECTIVE OF THE SCHEME**

The objects of the FLFL ESOP 2019 are as follows:

- a. To motivate the Employees to contribute to the growth and profitability of the Company.
- b. To retain the Employees for the growth of the Organization.
- c. To provide means to enable the Company to attract and retain appropriate new human talent in the employment of the Company;
- d. To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long term interests of the Company; and
- e. To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come.

## 4. DEFINITIONS & INTERPRETATIONS

### 4.1 Definitions

The terms defined in this Scheme shall for the purpose of this Scheme, have the meanings specified herein and terms not defined shall have the meanings as defined in the (Share Based Employee Benefits) Regulations, 2014 or the Companies Act, 2013 or any other statute or re-enactments thereof, as the case may be.

- a. **Acceptance Form** means a written consent received from the employee for acceptance of Options granted by the Company.
- b. **Applicable Law** means every law, rule, regulation or bye-law relating to Employee Stock Options, including, without limitation, the Companies Act, 2013, SEBI SBEB Regulations and all relevant tax, securities, exchange control or corporate laws, rules, regulations or bye-laws of India or any relevant jurisdiction or of any stock exchange on which the shares as defined hereinafter may be listed or quoted and includes, any amendment, modification, alteration or re-enactment made to such laws, rules, regulations or bye-laws.
- c. **Board of Directors/ Board** means the Company's Board of Directors.
- d. **Closing Date** means the last date of acceptance of granted Options by the employee which shall not be later than 60 days from the date of receipt of Grant Letter by the employee.
- e. **Committee or Compensation Committee or Nomination and Remuneration Committee** means the committee of the Board of Directors, re-constituted on December 29, 2017 and as may be further re-constituted or modified by the Board from time to time, in accordance with the Applicable Laws, and which has been authorized to administer FLFL ESOP 2019.
- f. **Conversion** means conversion of an Option into a Share as provided herein.
- g. **Company** means "Focus Lighting And Fixtures Limited"
- h. **Company Policies/ Terms of Employment** means the Company's policies for Employees including Human Resource Policy, manuals of the Company for Employees and the terms of employment as contained in the employment letter, which includes provisions for securing confidentiality and non-compete clause.
- i. **Corporate Action** means:
  - i. the merger, demerger, consolidation, amalgamation, sale of division(s), sale/ lease/ exchange of all/ substantial assets of the Company/ Subsidiary/ Division, sale or divestment of a Subsidiary, or other re-organisation of the Company, in which the Shares are converted into or exchanged for:
    - a different class of securities of the Company; or
    - class of securities of any other Company or entity (except Subsidiaries of the Company); or

- Cash; or
  - Other property,
- ii. the sale, lease or exchange sale, lease or exchange of all or substantially all of the assets of the Company to any other Company or entity (except to a Subsidiary Companies of the Company).
  - iii. acquisition (other than acquisition pursuant to any other clause of this definition) by any person or entity or group of more than 50% (fifty percent) of the voting power in the Company.
- j. **Eligible Employee** means an Employee who satisfies the eligibility criteria.
- k. **Eligibility Criteria** means the criteria as may be determined from time to time by the Nomination and Remuneration Committee for granting the Employee Stock Options to the Employees.
- l. **Employee** means –
- i. a permanent employee of the Company who has been working in India or outside India; or
  - ii. a director of the Company, whether a wholetime director or not but excluding an independent director; or
  - iii. an employee as defined in clause (i) or (ii) of a Subsidiary, in India or outside India, or of a Holding Company of the Company, but does not include –
    - an employee who is a promoter or a person belonging to the promoter group; or
    - 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.
- m. **Employee Stock Option or Option** means the Option granted to an employee, which gives such employee the right, but not an obligation, to purchase or subscribe at future date the shares underlying the Option at a pre-determined price.
- n. **ESOP Tax Guidelines** means the Guidelines notified pursuant to Section 17(2)(iii) of the Income tax Act, 1961.
- o. **Exercise** of an Option means expression of an intention by an Employee to the Company to purchase the Shares underlying the Options vested in him, in pursuance of the FLFL ESOP 2019, in accordance with the procedure laid down by the Company for exercise of Options.
- p. **ESO Pool** means the employee common stock option pool created for the employees pursuant to the ESO Scheme, consisting of 5,00,000 Options convertible into 5,00,000 shares.
- q. **Exercise of an Option** means expression of an intention by an Employee to the Company to purchase the Shares underlying the Options vested in him, in pursuance to the FLFL ESOP 2019, in accordance with the procedure laid down by the Company for Exercise of Options upon payment of exercise price.

- r. **Exercise Period** means such time period after vesting within which the Employee should exercise the Options vested in him in pursuance of the FLFL ESOP 2019.
- s. **Exercise Price** means the price payable by an employee in order to exercise the Options granted to him in pursuance of the FLFL ESOP 2019.
- t. **Grant** means issue of Options to the employee under the FLFL ESOP 2019.
- u. **Listing** means listing of Shares of the Company on any recognized Stock Exchange.
- v. **Market Price** means the latest available closing price on a recognised stock exchange on which the shares of the Company are listed on the date immediately prior to the relevant date.

If shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price.

- w. **Option Grantee** means an employee who has been granted Employee Stock Option in pursuance to the FLFL ESOP 2019.
  - x. **Permanent Disability** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an employee from performing any specific job, work or task which the said employee was capable of performing immediately before such disablement, as determined by the Board based on a certificate of a medical expert identified by the Board.
  - y. **Person** means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organisation, association, corporation, Company, institution, public benefit corporation, other entity, government (whether federal, central, state, country, city, municipal, local, foreign or otherwise including instrumentality, division, agency, body or department thereof) or government authority.
  - z. **Promoter** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - aa. **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, 2009.
- Provided where the promoter or promoter group of the Company is a body corporate, the promoters of that body corporate shall also be deemed to be promoters of the Company.
- bb. **Relative** shall have the same meaning as defined under section 2(77) of the Companies Act, 2013.
  - cc. **Relevant Date** means –
    - i. in the case of grant, the date of the meeting of the Committee on which the grant is made; or
    - ii. in the case of exercise, the date on which the notice of exercise is given to the

Company or to the Trust by the employee;

- dd. **Retirement** means retirement as per the rules of the Company.
- ee. **Secondary acquisition** means acquisition of existing shares of the Company by the Trust on the platform of a recognised stock exchange for cash consideration.
- ff. **Scheme/ Plan/ FLFL ESOP 2019** means this Focus Lighting And Fixtures Limited Employee Stock Option Plan 2019 under which the Company is authorised to Grant Employee Stock Options to the employees.
- gg. **SEBI** means the Securities and Exchange Board of India constituted under Securities and Exchange Board of India Act, 1992.
- hh. **Shares** means equity shares of face value of INR 10/- each of the Company.
- ii. **Stock Exchange** means the National Stock Exchange of India Limited or any other Stock Exchange in India on which the Company's Shares are listed or to be listed in future.
- jj. **Subsidiary Company** means any present or future Subsidiary Company of the Company.
- kk. **Trust** shall mean FLFL Employees Welfare Trust constituted by the Company for the purposes of subscription of shares from the Company or Secondary Market for holding and transferring of shares to Employees in the manner specified in the Trust Deed and the Scheme or for any other acts as specified in the Trust Deed.
- ll. **Trust Deed/ Indenture of Trust** shall mean the deed of private Trust between the Company and the Trustee(s), as modified from time to time, for creation of FLFL Employees Welfare Trust for the welfare of the Employees with the objective of subscription of shares from the Company or from Secondary Market for holding and transferring of shares to Employees in the manner specified in the Trust Deed and the Scheme or for any other acts as specified in the Trust Deed.
- mm. **Trustees** means the trustees of the Trust for the time being and persons nominated/appointed as such from time to time by the Board of Directors of the Company and to perform such actions and deeds as stipulated in the Trust Deed.
- nn. **Unvested Options** means an Option in respect of which the relevant vesting conditions have not been satisfied and as such, the Option Grantee has not become eligible to exercise the Option.
- oo. **Vested Options** means an Option in respect of which the relevant vesting conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.
- pp. **Vesting** means earning by the Option Grantee, of the right to exercise the Employee Stock Options granted to him in pursuance of the FLFL ESOP 2019.
- qq. **Vesting Condition** means any condition subject to which the Options granted would vest in

and Option Grantee.

- rr. **Vesting Period** means the period during which the Vesting of the Employee Stock Option granted to the Employee, in pursuance to the FLFL ESOP 2019 takes place.

#### 4.2 Interpretations

In this Scheme, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to clause number us a reference to its sub-clauses;
- c) words in singular number include the plural and vice-versa;
- d) words importing a gender includes any other gender;
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

#### 5. SHARE POOL OF THE SCHEME

- 5.1 The Options under the FLFL ESOP 2019 of the Company be restricted to 5,00,000 Options to be convertible into 5,00,000 equity Shares. The options issued pursuant to this Scheme shall be convertible into equal number of Equity shares of the Company.
- 5.2 The number of Options that may be granted to any one employee during any one year, shall not equal or exceed 1% of the Issued Share Capital of the Company at the time of grant if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.
- 5.3 Further, the maximum number of options granted and the shares arise upon exercise of these options shall stand adjusted in case of bonus shares, Consolidation, Split and Re-organisation of capital structure.

#### 6. CREATION AND FUNDING OF THE TRUST

- 6.1 The Trust shall hold the Shares, for and on behalf of the eligible Employees, in accordance with the terms and conditions of this FLFL ESOP 2019. The Trust has been settled by the Company with a nominal amount of Rs. 10,000/-. The Trustee of the Trust are Mr. Anil Patel, Mr. Santosh Prasad and Mr. Jitesh Doshi. The Trust Deed will provide, inter alia, that the Trust would hold the funds and other assets of the Trust for the benefit of the eligible Employees in accordance with this FLFL ESOP 2019 from time to time, as may be approved by the Board of Directors and the shareholders of the Company.
- 6.2 The Trust Deed will authorize the trustees to borrow funds from the Company for the purpose of subscribing to the Shares for the eligible Employees in accordance with applicable provisions of the Act.
- 6.3 The Trust shall acquire shares by way of fresh allotment from the Company or by way of

acquisition from Secondary Market within the limits prescribed in SEBI Regulations. The trust shall utilize such shares for the purpose of transferring them to the Grantees upon Exercise of the Options under the Scheme.

- 6.4 In case of fresh allotment of shares to the Trust, the Company shall take in-principle approval from the Stock Exchange and the shares allotted to the Trust shall be listed pursuant to the applicable provisions of the law.
- 6.5 All transactions done by the Trust will be at arm's length and with uniform application to all groups of shareholders and no preferential treatment to a particular individual or group of shareholders shall be given, except in those cases as may be specifically approved by the Compensation Committee.
- 6.6 The Trust will keep and maintain proper books of account, records and documents, for the Scheme so as to explain its transactions and to disclose at any point of time the financial position of the Scheme and in particular give a true and fair view of the state of affairs of Scheme.
- 6.7 The Trustees of a Trust, shall not vote in respect of the shares held by such Trust, so as to avoid any misuse arising out of exercising such voting rights.
- 6.8 For the purposes of disclosures to the stock exchange, the shareholding of the Trust shall be shown as 'non-promoter and non-public' shareholding.
- 6.9 The Trust shall transfer the Shares to Grantees in the manner specified by the Committee. The Trustee(s) of the Trust shall administer the transfer of shares to the Grantee as per the directions of the Committee and as stipulated in the Scheme.
- 6.10 For the purpose of acquisition of shares by the said trust, the Trust maybe funded by the Company, either through a loan or any other form of financial assistance permissible under Applicable Laws. The Company shall comply with the provisions of Companies Act, 2013 and SEBI Regulations for administration and implementation of scheme through Trust. Further, the Trust may take loan from banks or any other source under Applicable Laws.

## **7. IMPLEMENTATION & ADMINISTRATION**

- 7.1 This FLFL ESOP 2019 shall be implemented through the Trust under the supervision and guidance of the Compensation Committee and in accordance with the provisions of the Act. The transfer of Shares from the Trust by the Trustees will be under the guidance, advice and direction of the Compensation Committee. The re-purchase of any Shares, whether from eligible Employees, ex. employees, or any other personnel whom the Grant was offered shall be based on the recommendations and suggestions of the Trustees, who will seek the requisite approval from the Compensation Committee for all such transactions and keep the Compensation Committee informed of such actions. The Trustees will act as custodians of the matters and issues relating to and arising out of finances and Shares available with the Trust.
- 7.2 The Compensation Committee shall in accordance with this Scheme and applicable laws shall determine the following:



- a. The eligibility criteria for grant of Employee Stock Options to the Employee.
  - b. The quantum of Employee Stock Options to be granted under this amended FLFL ESOP 2019.
  - c. Terms and conditions in respect of grant to, vest in and exercise of options by the employees which may be different for different classes of employee falling in the same tranche of grant of options issued under FLFL ESOP 2019.
  - d. The procedure for cashless exercise of Employee Stock Options, if required.
  - e. Approve forms, writings and/or agreements for use in pursuance of FLFL ESOP 2019.
  - f. The procedure and terms for the grant, vest and exercise of Employee Stock Options in case of employees who are on long leave.
- 7.3 The Compensation Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws, amended from time to time, including Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities Exchange Board of India (Prohibition of Fraudulent Unfair Trade Practices relating to the Securities Market) Regulations, 2003 by the Company, Employees and all concerned, as applicable.

## **8. EFFECTIVE DATE**

As per the resolution unanimously passed by the Board of Directors at its meeting held on 11<sup>th</sup> Day of November, 2019, this FLFL ESOP 2019 shall be deemed to have come into force on and from the date of approval of shareholders in their meeting.

## **9. GRANT AND ACCEPTANCE OF OPTIONS**

- 9.1 The Compensation Committee shall recognize special category of eligible Employees, based on specific criteria viz. seniority level in the Company, key resource, long-term association with the Company, etc.
- 9.2 Options may be granted to the employees of the Company, Subsidiary Companies in India and Abroad as determined by the Compensation Committee at its own discretion. As such, the Scheme shall be applicable to the Company, Subsidiaries Companies in India and Abroad and any successor Company thereof.
- 9.3 Provided that Grant to the Employees of any Subsidiary Company shall require prior approval of the Shareholders of the Company.
- 9.4 The Grant, under this FLFL ESOP 2019 shall be made at such price, to such eligible Employees as may be determined by the Compensation Committee as the case may be in accordance with the applicable provisions of the Act and shall also be specified in the Grant. No amount shall be payable by an employee at the time of grant of Options.
- 9.5 The maximum number of Shares/Options to be granted to eligible Employees falling under this FLFL ESOP 2019 shall be in accordance to clause 5.1 of this Scheme.

- 9.6 The Grant shall be in writing and shall specify the number of Options granted, the price payable for exercising the Options, the earlier date on which some or all of the Options granted shall be eligible for Vesting, fulfilment of the performance and other conditions, etc, if any, subject to which Vesting shall take place and other terms and conditions thereto.
- 9.7 Any eligible employee who wishes to accept the grant under this Scheme must deliver to the Company a duly signed acceptance of the Letter of Grant on or before the specified date as mentioned in the letter of grant and which cannot be more than 60 days from the date of grant. On receipt by the Company of the signed acceptance, the eligible employee shall become an Options Grantee.
- 9.8 The Shares to be offered pursuant to a Grant under this FLFL ESOP 2019 shall be from the paid up share capital of the Company or Common Stock previously issued and outstanding and reacquired by the Company. Shares subsequently purchased by the Company/ Trust from Grantees would be available for Grant of further Stock Options within this FLFL ESOP 2019's tenure.
- 9.9 Options granted to an eligible Employee are not transferable to any other person.
- 9.10 Options granted shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 9.11 No person, other than the eligible Employee to whom the Option is Granted, shall be entitled to exercise the Option.

**10. VESTING OF OPTIONS**

**10.1 Vesting Plan**

The Vesting period will be decided by the Compensation Committee as and when any Grant takes place. However, there shall be a minimum period of one year between Grant and first Vesting and a maximum vesting period of 4 years, before the Options can be exercised.

**10.2 Vesting Period**

The Vesting period for the Grant shall in general, unless specifically approved by the Compensation Committee, be as follows:

<b>Period of service from the date of Grant of Stock Options</b>	<b>Percentage of Stock Options that shall vest</b>
End of 12 months	25%
End of 24 months	35%
End of 36 months	40%

Notwithstanding anything to the contrary in this FLFL ESOP 2019, the Compensation Committee shall be entitled in its absolute discretion, to vary or alter the Vesting Date from Employee to Employee or any class thereof, as it may deems fit. The Compensation Committee in its absolute

discretion may permit the Options granted, which have not Vested to be exercised within such time and on such terms and conditions as it may determine.

Provided that in case where Options are granted by the Company under this FLFL ESOP 2019 in lieu of Options held by a person under an ESOP Scheme in another Company which has merged or amalgamated with the Company, the period during which the options granted by the transferor Company were held by him shall be adjusted against the minimum vesting period required under this sub-clause.

## 11. EXERCISE PRICE AND MODE OF PAYMENT

11.1 The Exercise Price per Option shall be such as may be determined by the Nomination and Remuneration Committee but shall not be less than the face value of the Equity Share of the Company and in case of consolidation or sub-division of the share at such price the exercise price to be calculated based on the face value of per share.

11.2 Consideration is to be paid by the Eligible Employees for the shares to be issued, upon exercise of an Option, and not on its Grant. The method of payment shall be either by cheque, Demand draft or such other mode as may be decided by the Committee from time to time.

## 12. EXERCISE OF OPTIONS

12.1 The options can be exercised as per the provisions outlined in the below table:

<b>VESTED OPTIONS</b>		
1.	<b>While in Employment</b>	All options can be Exercised within 3 years from the date of vesting.
2.	<b>Resignation/ Termination (Other than due to misconduct and breach of Company policies/ terms of employment)</b>	All the vested options which were not exercised at the time of such resignation/ termination shall stand cancelled with effect from the date of intimation of such resignation/ termination.
3.	<b>Termination due to misconduct and breach of Company policies/ terms of employment</b>	All the vested options which were not exercised at the time of such termination shall stand cancelled with effect from the date of intimation of such termination.
4.	<b>Retirement/ Early Retirement approved by the Company</b>	All the vested options can be exercised by the Option Grantee immediately after, but in no event later than 90 days from the date of such retirement.
5.	<b>Death</b>	All vested options as on the date of death shall be vested in the legal heirs or nominees of the Option Grantee and they may be exercised by the Option Grantee's nominee or legal heirs immediately thereafter, but in no event later than 180 days from the date of death of the Option Grantee.

6.	<b>Permanent Incapacitation</b>	All vested options may be exercised by the Option Grantee immediately thereafter, but in no event later than 180 days from the date of Permanent incapacitation of Option Grantee.
7.	<b>Transfer of deployment to an associate Company</b>	If an employee who has been granted benefits under a scheme is transferred or deputed to an associate Company prior to exercise of the Options, the exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.
<b>UNVESTED OPTIONS</b>		
1.	<b>While in Employment</b>	The options would continue to vest as per the original vesting schedule.
2.	<b>Resignation/ Termination (Other than due to misconduct and breach of Company policies/ terms of employment)</b>	All options that have not vested as on the date of intimation of such resignation/ termination shall stand cancelled with effect from that date.
3.	<b>Termination due to misconduct and breach of Company policies/ terms of employment</b>	All options that have not vested as on the date of intimation of such termination shall stand cancelled with effect from that date.
4.	<b>Retirement/ Early Retirement approved by the Company</b>	All options that have not vested as on the date of such retirement shall stand cancelled with effect from that date, unless otherwise determined by the Committee whose determination will be final and binding.
5.	<b>Death</b>	All options shall vest immediately and can be exercised by the Option Grantee's nominee or legal heirs immediately thereafter, but in no event later than 180 days from the date of death of the Option Grantee.
6.	<b>Permanent Incapacitation</b>	All options shall vest immediately on the date of Permanent Incapacitation and can be exercised by the Option Grantee immediately thereafter, but in no event later than 180 days from the date of Permanent Incapacitation of Option Grantee.
7.	<b>Transfer of deployment to an associate Company</b>	If an employee who has been granted benefits under a 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.

12.2 The Vested Options would be eligible to be exercised on the Vesting Date itself or in parts during the Exercise period on quarterly basis.

12.3 The Options shall be deemed to have been exercised when an Employee make an application in writing to the Trust/ Company or by any other means as decided by the Compensation Committee for the transfer of Shares against the Options vested to him.

12.4 Options not exercised within the exercised period as mentioned above shall lapse and the Option Grantee shall have no right over such lapsed Options.

#### **12.5 Corporate Action:**

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

If there is a 'Corporate Action' of the Company before the Options granted under this Scheme are exercised, the Employee shall be entitled on Exercise of the Options, to such number of Resultant Shares to which he would have been entitled as if all of the then outstanding Options exercised by him, had been exercised before such 'Change in the Capital Structure' had taken place and the rights under the Options shall stand correspondingly adjusted. In the event of a Bonus Issue, sub-division or consolidation of capital, the Committee, subject to the provisions of applicable laws to the Stock Options, shall make fair and reasonable adjustments under the Scheme, as it deems fit, with respect to the number of Options, exercise price, distribution of sums and make any other necessary amendments to the Scheme for this purpose. The vesting period and life of the Options shall be left unaltered as far as possible.

For any other corporate action not mentioned above the treatment of vested as well unvested options, shall be decided by the Committee and the decision of the committee will be final and binding.

### **13. OTHER TERMS AND CONDITIONS**

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

13.2 If the Company issues bonus shares or rights shares, the Option Grantee will not be eligible for the bonus shares or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the exercise price or both would be made in accordance with Clause 5.2 of FLFL ESOP 2019.

13.3 The Employee Stock Option shall not be transferable to any person except in the event of death of the Option Grantee, in which case Clause 12.1 would apply.

13.4 No person other than the employee to whom the Employees Stock Option is granted shall be entitled to exercise the Employee Stock Option except in the event of the death of the Option Grantee, in which case Clause 12.1 would apply.

#### **14. RESTRICTION ON TRANSFER OF SHARES AND LOCK-IN**

14.1 A lock-in period will be from the date of transfer as defined by the Compensation Committee, on a case-to-case basis, which will be informed to the participants in the grant letter.

14.2 In case of death and permanent disability of the shareholder, the lock-in period will be 2 years from the date of transfer of shares to nominees/ legal heirs of the Option Grantee and Option Grantee respectively.

#### **15. TAXATION**

15.1 The Company shall have the right to deduct from the Employee's salary, any of the Employee's tax obligations arising in connection with the Employee Stock Option or the Shares acquired upon the Exercise thereof as per applicable provisions of Income Tax applicable from time to time. The Company shall have no obligation to deliver Shares until the Company's tax obligation relating to Employee Stock Option, if any, have been satisfied by the Option Grantee.

15.2 The Option Grantee will also, as a condition of the Scheme, authorise the Company or its nominee to sell such number of shares, as would be necessary, to discharge the obligation in respect of such taxes and appropriate the proceeds thereof on behalf of the Option Grantee.

#### **16. DISCLOSURE AND ACCOUNTING POLICIES**

The Company shall comply with the disclosure and the accounting policies prescribes as per guidance note on accounting for employee share based payment issued by The Institute of Chartered Accountants of India (ICAI) and/ or relevant Accounting Standards issued by ICAI or Central Government from time to time.

#### **17. AMENDMENT OR TERMINATION OF THE SCHEME**

17.1 The Board of Directors/ Compensation Committee may from time to time amend, alter or terminate the Scheme or any grant or the terms and conditions thereof, provided that no amendment, alteration or termination in any grant previously made may be carried out, which would impair or prejudice the rights of the employee.

Provided further that, the Board/ Committee will not, without the approval of the shareholders, amend the Scheme to increase the aggregate number of Shares which may be issued pursuant to the provisions of the Scheme on Exercise or upon grants, except as otherwise stated elsewhere in this Scheme.

17.2 Without prejudice to the above, the Board/ Committee may, without any reference to or consent of the Employee concerned, amend the Scheme or grant or any agreement to comply with any law, regulation or guideline, which is or may hereinafter, become applicable to this Scheme.

## **18. MISCELLANEOUS**

- 18.1 This FLFL ESOP 2019 shall be subject to all Applicable Laws, and approvals from stock exchange or other statutory authorities. The inability of the Company to obtain approval from any regulatory body having jurisdiction over the Company, or under any applicable laws, for the lawful issuance and sale of any share hereunder shall relieve and wholly discharge the Company of any liability in respect of the failure to issue or sell of such shares.
- 18.2 The Grant of the Employee Stock Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any Person and the Company give such Person any right or entitlement to have employee stock option granted to him in respect of any number of shares or any expectation that Employee Stock Option might be granted to him whether subject to any condition or at all.
- 18.3 Neither the existence of this Scheme nor the fact that an individual has on any occasion been granted an Employee stock option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Scheme by granted employee stock option or any other occasion.
- 18.4 The rights granted to an Option Grantee upon the grant of an employee stock option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 18.5 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an employee stock option in whole or in part.
- 18.6 The employee shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the Scheme, Grant, the Employee Stock Option Agreement or any concerned matter. Any violation may result in cancellation of Grant without prejudice to the other action which may be taken in this regard.
- 18.7 The Employee shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the Scheme, grant, the Grant Letter or any related matter. Any violation may result in cancellation of the grant without prejudice to any other action, which may be taken in this regard.
- 18.8 Nothing contained in the Scheme shall be construed to prevent the Employer, from implementing any other new Scheme for granting stock options and/or share purchase rights, which is deemed by the Employer to be appropriate or in its best interest, whether or not such other action would have any adverse impact on the Scheme or any grant made under the Scheme. No Employee or other person shall have any claim against the Employer as a result of such action.

## **19. NOTICES**

All notices of communication required to be giving by the Company to an Option Grantee by virtue of this FLFL ESOP 2019 shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company and any communication to be given by an Option Grantee to the Company in respect of FLFL ESOP 2019 shall be sent to the address mentioned below:

**FOCUS LIGHTING AND FIXTURES LIMITED**

1007-1010, 10<sup>th</sup> Floor, A-Wing, Corporate Avenue,  
Sonawala Road, Near Udyog Bhawan,  
Goregaon East, Mumbai - 400063

## **20. DISPUTE RESOLUTION AND JURISDICTION**

This FLFL ESOP 2019 shall be subject to requisite approvals and registration requirements under applicable laws, rules and regulations. The Company shall not be obliged to issue any Shares under this FLFL ESOP 2019 unless the issuance of such Shares complies with all laws, rules and regulations applicable to the Company.

Any dispute or differences arising out of or in connection with this FLFL ESOP 2019 (including the validity or interpretation hereof) shall be settled through arbitration by a sole arbitrator, under the provisions of the Arbitration and Conciliation Act, 1996. The venue of Arbitration shall be Mumbai.

The Parties submit to the jurisdiction of the Courts of Mumbai. Applicability of provisions of Memorandum and Articles of Association: This FLFL ESOP 2019 and the Shares that may be allotted pursuant to this FLFL ESOP 2019 shall be subject to the provisions of the Memorandum and Articles of Association of the Company, SEBI Regulations and the Companies Act, 2013.

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