

AXISCADES Technologies Limited

AXISCADES ESOP 2018 -Series 1



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PART A: STATEMENT OF RISKS

All investments in shares or options on shares are subject to risk as the value of shares may go down or go up. In addition, employee stock options are subject to the following additional risks:

1 Concentration

The risk arising out of any fall in value of shares is aggravated if the employee's holding is concentrated in the shares of a single company.

2 Leverage

Any change in the value of the share can lead to a significantly larger change in the value of the options.

3 Illiquidity

The options cannot be transferred to anybody, and therefore the employees cannot mitigate their risks by selling the whole or part of their benefits before they are exercised.

4 Vesting

The options will lapse if the employment is terminated prior to vesting. Even after the options are vested, the unexercised options may be lapsed if the employee is terminated for cause as defined in Clause 18 – 'Termination of employment' of this plan.

PART B: INFORMATION ABOUT THE COMPANY

5 Profile of the company

AXISCADES Technologies Limited (AXISCADES / the Company) is a leading Product Engineering Solutions Company catering to the futuristic needs of Aerospace, Defence & Homeland Security, Heavy Engineering, Automotive & Industrial Products, Energy and Medical & Healthcare sectors. AXISCADES offers product engineering solutions across Design, Development and Lifecycle Support in the areas of mechanical engineering, embedded engineering, system integration, manufacturing engineering and aftermarket support.

AXISCADES is a partner to global OEMs in building safe, smart, sustainable and innovative solutions. Our solutions integrate the technical know-how, industry best practices and delivery excellence, by placing customer needs at the core of our business. The company's continuous endeavor is to deliver value to its customers through its strong talent of 1600 employees spread across 14 locations.

The Company was incorporated on 24th August 1990 and its shares are listed on two major bourses National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

6 Abridged financial information

Figures in Rupees

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Share Capital	99,955,705	99,955,705	136,101,265	136,101,265	188,950,950
Reserves	306,601,712	634,828,975	744,763,767	1,019,915,817	2,146,695,844
Loan Funds	45,785,250	269,361,173	255,373,701	244,037,295	247,202,820
Gross Block	102,248,902	534,636,579	473,637,980	577,259,817	651,057,734
Net Block (Fixed Assets)	75,463,964	268,308,148	228,606,320	220,387,569	214,417,850
Investments	267,735,487	232,564,184	225,150,526	225,150,526	1,423,240,998
Current Assets	123,740,402	673,535,529	781,836,349	1,130,061,327	1,086,143,657
Current Liabilities	61,686,357	324,269,259	223,007,464	384,126,999	265,165,725
Net Current Assets	62,054,045	349,266,270	558,828,885	745,934,328	820,977,932
Deferred Tax Assets (net)	12,461,832	32,544,254	22,328,798	21,245,303	29,589,975
Revenue (Net Sales)	545,423,767	1,810,889,333	1,884,475,623	2,350,396,735	2,319,797,570
Other income	2,319,402	20,427,093	11,236,294	29,605,493	74,851,337
Employee Costs	260,113,201	1,022,028,988	1,045,199,577	1,223,141,509	1,388,948,446
Other Manufacturing Expenses	1,863,995	7,314,630	8,227,075	5,892,725	3,161,716
Admin and Selling Exps	153,523,748	601,100,926	545,249,721	644,825,597	693,872,069
EBIDTA (Operating Profit)	132,242,225	200,871,882	297,035,544	506,142,397	308,666,676
Interest	11,161,839	27,126,145	14,801,739	11,961,411	9,930,821
EBDT	121,080,386	173,745,737	282,233,805	494,180,986	298,735,855
Depreciation	23,932,451	70,402,162	80,435,987	92,458,378	98,988,172
Exceptional items	-	-	29,708,236	5,928,000	4,532,641
PBT	97,147,935	103,343,575	172,089,582	395,794,608	195,215,042
Tax	23,130,139	21,309,675	58,852,236	132,993,795	67,027,426

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
PAT (Before minority interest)	74,017,796	82,033,900	113,237,346	262,800,813	128,187,616
PAT (After minority interest)	74,017,796	82,033,900	113,237,346	262,800,813	128,187,616
Net Worth	406,557,417	734,784,680	880,865,032	1,156,017,082	2,335,646,794
Capital Employed	417,760,669	879,962,073	930,556,695	1,200,664,668	2,384,029,632
EPS (Basic) (Rs.)	3.71	4.11	4.49	9.67	3.39
ROE (%)	18.21	11.16	12.86	22.73	5.49
ROCE (%)	8.21	5.50	7.92	12.07	3.23

7 Risk factors

At the business and operational level, there are several risks that are inherent to any business. These are typically transactional in nature. These risks are managed through internal processes and controls. The entire risk profile of the Company is governed by well-structured risk management system that highlights important risks to the Board of directors for effective mitigation or management measures. Apart from that, there are certain broader risks that affect the Company's strategy

Risk #1: Global economic uncertainty: Economic uncertainties in leading markets, such as the U.S. and Europe, can impact spending patterns of the Company's clients and the demand for its services.

Mitigation: The Company is constantly looking to broad-base and diversify its business mix across geographies and verticals which allow it to minimize the impact in volatile times.

Risk #2: Increased competition: Aggressive competition can lead to pressure on pricing and vendor consolidation that can impact margins.

Mitigation: The Company is constantly expanding in service portfolio and value proposition to its clients. Significant investments are made in acquiring deep domain knowledge, a skilled workforce, strong delivery capabilities, and a solution-oriented sales process to maintain its competitive positioning.

Risk #3: Shift in visa policies: Higher immigration costs due to tougher application procedures can impact margins.

Mitigation: The Company is primarily focused on hiring local talent and the proportion of onsite employees on employment visas is negligible. Further, the Company evaluates its business mix and delivery model to mitigate the impact.

Risk #4: Integration risks in Mergers & Acquisitions: Inappropriate acquisitions or mismanaged integration may result in failure to achieve the strategic objectives of the acquisition.

Mitigation: The Company conducts extensive due diligence before any acquisition is made with cultural integration being one of the core parameters. There are well laid out post-merger plans and are periodically reviewed at the Board level.

Risk #5: Cost pressures: Increase in employee expenses and other operating expenses may create pressure on margins.

Mitigation: There is a continuous focus on increasing productivity and employee utilization. Offshoring of services is also explored wherever possible. There is a regular process of employee pyramid correction. To ensure organizational success, the Company thrives to maintain its talent pool by incorporating best employee practices.

Risk #6: Regulatory & compliance risk: Being a global company, the Company has to ensure a wide variety of legislative requirements are met with – environmental matters, employee welfare, safety, wastage, emissions, etc.

Mitigation: There is a regulatory compliance review mechanism in place to combat this risk. The Company also engages specialist consultants to be updated on the latest changes in regulations.

Risk #7: Data security risk: Sharing technological expertise with partners presents risk to data security from cyber-attacks, loss of data and damage to reputation.

Mitigation: The Company has in place firewalls, data encryptions, regular data back-ups and specific quality certified processes in place to manage this risk.

Risk #8: Currency risk: Owing to the global exposure of the business, foreign currency fluctuation poses a significant threat to the Company.

Mitigation: The Company periodically and proactively ensures management of its margins against foreign exchange movements.

Risk #9: Technology risk: Obsolescence is a big challenge for technology business given rapid pace of development.

Mitigation: The culture of innovation is inherent in the Company's DNA. The Company makes significant investments in building capabilities and undertakes skill development programmes to keep abreast the latest technological trends.

8 Continuing disclosure requirement

The option grantee post allotment shall be given access to copies of all documents that are sent to the members of the Company. This shall include the annual accounts of the company and the accompanying explanatory statements. However, the option grantee will not be entitled to attend and vote in the meetings till actual allotment of equity shares.

PART C: SALIENT FEATURES OF THE SCHEME

This part contains the salient features of the employee stock option scheme of the company including the conditions regarding vesting, exercise, adjustment for corporate actions, and lapse of vested options.

9 Plan objectives

The objectives of the AXISCADES ESOP 2018 – Series 1 (or the “Plan” or “Scheme”) are as follows:

- introduce a long term incentive tool to motivate and retain talent
- align key employee’s interest with that of the shareholders
- provide wealth creation opportunities to critical employees

10 Definitions and Interpretations

10.1 Definitions

In this document, the following expressions including their grammatical variations or cognate expressions shall, where the context so admits, have the following meaning:

- **ABANDONMENT** means the termination of employment contract without any due notice by the employee or due to a long leave without authorization from the employer
- **APPLICABLE LAW** means the legal requirements relating and as applicable to Employee Stock Option Schemes, including, without limitation The Companies Act, 2013, as amended, the Securities and Exchange Board of India Act, 1992, as amended, the guidelines and regulations issued by the Securities and Exchange Board of India including Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all relevant tax, securities, exchange control or corporate laws of India or any relevant jurisdiction or of any stock exchange on which the shares are listed or quoted
- **BOARD/ BOARD OF DIRECTORS** means the Board of Directors of the Company for the time being and re-constituted and/or re-structured from time to time during the existence of this Plan
- **COMPANIES ACT** means the Companies Act, 2013 for the time being in force and as amended from time to time
- **COMPANY** means AXISCADES Technologies Limited, incorporated in India on **24th August 1990** its successors and assigns.

- ***COMPANY POLICY/ TERMS OF EMPLOYMENT*** means the Company's policies for employees and the terms of employment as contained in the employment letter and the company handbook, which includes provisions for securing confidentiality, non-compete and non-poaching of other employees and customers.
- ***CORPORATE ACTION*** means and includes one of the following actions:
 - a change in the capital structure of the company as a result of reclassification of shares, splitting up of the face value of shares, sub-division of shares, issue of bonus shares, issue of rights shares, conversion of shares into other shares or securities and any other change in the rights or obligations in respect of shares
 - the merger, de-merger, spin-off, consolidation, amalgamation, sale of business or other reorganization of the company (except to a subsidiary) in which the shares are converted into or exchanged for:
 - a different class of securities of the company; or
 - any securities of any other issuer; or
 - cash; or
 - other property
 - The sale, lease or exchange of all or substantially whole of the assets/ undertaking of the company to any other Company or entity (except the subsidiary)
 - The adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up
- ***CONTRACT*** The contract that regulates the relationship between the company and the option grantee following the exercise of the option right according to the scheme
- ***DIRECTOR*** means a member of the Board of the Company.
- ***DISABILITY*** shall mean "Disability" as defined in any applicable agreement between the grantee and the Company or if there is no such agreement or Disability is not defined therein, then a grantee's becoming physically or mentally incapacitated so that he is therefore reasonably expected to be unable to perform his duties to the Company which he was able to perform immediately before occurrence of such disability, as determined by compensation committee based on the production of authenticate medical certificate from a Recognized body identified by the Board.
- ***ELIGIBILITY CRITERIA*** means the criteria as may be determined from time to time by the Compensation Committee for granting the employee stock options to the employees.
- ***EMPLOYEE*** except in relation to issue of sweat equity shares, means:
 - a) An employees as designated by the Company who is exclusively working in India or out of India;
 - b) Directors 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

For this clause, Permanent Employee of the Company means an employee who is in the payroll of the Company and not serving probation or notice period at the time of grant of option.

Following persons are not eligible:

- a. an employee who is a Promoter or belongs to the Promoter Group;
- b. a Director who either by himself or through his relatives or through any Body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company;

The Board or the Compensation Committee will determine the specific employees or class of employees who will be eligible for award of stock options based on the performance criteria.

- **EMPLOYER COMPANY** means the Company.
- **EXECUTIVE DIRECTOR** means the Executive Director of the Company including the managing director of the company appointed from time to time.
- **EXERCISE** in relation to options means, the tendering by an employee, of an application for the issue of shares, pursuant to the options vested in him under the Grant and the Plan accompanied by the Exercise Price payable for the shares
- **EXERCISE DATE** means the date on which an employee of the Company elects to exercise the vested options
- **EXERCISE PERIOD** in relations to the Options means the period commencing from the date of vesting and ending on the date till which the options can be exercised. The option right owner shall also have the right to defer the decision of exercise till any time prior to the end of the exercise period, after which the options shall lapse.
- **EXERCISE PRICE** means the price payable by the employee for exercising the Option granted to him in pursuance of this Plan
- **GRANT** means, individually or collectively, issue of Options to employees under the Plan
- **GRANTEE** means an Employee who has been granted Stock Options pursuant to the Plan where the context so requires includes his/her legal heirs and/or designated beneficiary

GRANT DATE means the date on which compensation committee approves the grant

Explanation – For accounting purposes, the grant date will be determined in accordance with applicable accounting standards

- **Independent Director** means an Independent Director within the meaning of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 as prescribed by Securities Exchange Board of India (SEBI), as applicable
- **LAPSE** means the time at which the option grantee will no longer have the right to exercise the options and the options will be available for being re-granted at a future date
- **LONGLEAVE** means a period of unpaid leave, greater than 30 days, sought by the employee and approved by the employer

- **MARKET PRICE** 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 such 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

- **NOMINATION AND REMUNERATION COMMITTEE** (“Compensation Committee”) means the committee constituted by the Board of Directors as provided under regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time to administer the AXISCADES ESOP 2018 - Series 1.
- **OPTION OR STOCK OPTION** means a right but not an obligation granted to an Employee to subscribe for shares or any Resultant Shares of the Company in pursuance of the Plan at a pre-determined price and upon such terms and conditions.
- **OPTION AGREEMENT** means a written agreement entered into between the Company and an Employee with respect to an Option, a Grant to such employee, and on such terms and conditions as stipulated in this Plan and as may be suggested/recommended by the Compensation Committee from time to time
- **PLAN / SCHEME** means the **AXISCADES ESOP 2018 – SERIES 1** as set out herein and as amended or modified from time to time
- **PROMOTER** means: as defined under regulation 2(1)(za) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended.
- **PROMOTER GROUP** means as defined under regulation 2(1)(zb) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended.
- **RELEVANT DATE** means
 - i. in the case of grant, the date of the meeting of the Compensation 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 by the employee;
- **RESULTANT SHARES** means the equity shares issued in lieu of shares of the Company on any Change in Capital Structure or on any Corporate Action as mentioned in this Plan
- **RETIREMENT** means retirement as per the Company Policy / Terms of Employment
- **SEBI Act** means the Securities and Exchange Board of India Act, 1992 as amended and includes all regulations and clarifications issued there under.

- **SEBI (SBEB) Regulations** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and includes all regulations and clarifications issued there under.
- **SECURITIES** means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956
- **SHARE** means fully paid equity shares of the company having face value of Rs. 5 each per share and the securities convertible into equity shares and shall include American Depository Receipts (ADR), Global Depository Receipts (GDR), or other depository receipts representing underlying equity shares or securities convertible into equity shares and where the context so requires shall include the Resultant shares
- **TENURE OR GRANT TENURE** means the period from approval of grant date till the period in which the vested options can be exercised, during which period the grant is effective
- **UNVESTED OPTION** means an option in respect of which the relevant vesting conditions have not been satisfied and as such, the option grantee has not become eligible to exercise the option
- **VESTED OPTION** means an option in respect of which the relevant vesting conditions have been satisfied and the option grantee has become eligible to exercise the option
- **VESTING** means the process by which the employee is given the right to apply for shares of the Company against the option granted to him in pursuance of the Plan
- **VESTING CONDITIONS** means the conditions subject to which the option granted would vest in an option grantee
- **VESTING DATE** in relation to option means the earliest date on which the options are vested to an employee.
- **VESTING PERIOD** means the period during which the vesting of the option granted to the employee in pursuance of the Plan and subject to the Vesting Conditions takes place

The definitions as given in this Clause are for the purposes of interpretation of this Plan only and should not be used for any other purpose.

10.2 Interpretations

In this document, unless otherwise stated or intention appears:

- The singular includes the plural and vice versa
- The word person includes an individual, a firm, a body corporate or any other authority as per the context
- Any word or expression importing the masculine or feminine genders only shall be taken to include all genders

10.3 Clause Headings

The Clause headings are for information only and shall not affect the construction of this document.

10.4 References

- A reference to a clause or schedule is respectively a reference to a clause or schedule of this document. The Schedules, if any, to this document shall for all purposes form part of this document.
- Reference to any Act, Rules, Regulations, Statutes or Notifications/Circulars/Press Notes shall include any statutory modification, substitution or re-enactment thereof

11 Implementation

1. The Plan shall be implemented by the Compensation Committee under the policy and framework laid down by the Company and/or Board of Directors of the Company. Any amendments, variations, modifications and alterations to the Plan would be subject to the approval of the shareholders of the Company and in conformity with Applicable Laws.
2. The company shall be entitled to vary the terms of the schemes to meet any regulatory requirement without seeking shareholders' approval by special resolution

The issuance of shares will be under the guidance, advice and direction of the Compensation Committee constituted under this Plan.

12 Effective date of the plan and tenure of Grant

12.1 Effective dates

The Plan shall come into force from 1 April 2018 subject to the approval of shareholders of the company in general meeting.

12.2 Termination

If any Stock Options granted under the Plan are terminated under the provisions of Clause 25, such options shall be available for further award under the Plan.

12.3 Tenure

The tenure of each grant shall include the period from the date of approval of the grant till the end of the exercising period of the last tranche in the grant.

Any stock options, which remain unexercised after the tenure of the grant, would automatically be deemed to be lapsed and/or ineffective.

13 Administration and Compensation Committee

13.1 Administration of plan

The plan shall be administered by the Compensation Committee with the guidelines as outlined in Clause 11 of the Plan document above and will be in compliance with the terms of the plan and applicable law, as would be prevailing from time to time. These are in addition to other express powers and authorizations conferred by the plan to the Compensation Committee.

All decisions, determinations and interpretations with respect to, connected with or arising out of or related the plan shall be within the sole discretion of the Compensation Committee. Any such decisions shall be final, conclusive and binding upon all persons including the company, any participants, shareholders and any employees

13.2 Compensation Committee

- a) Compensation Committee consists of such directors in accordance with sec 178 of Companies Act 2013 for administration and superintendence, including formulating of terms and conditions of the Plan.
- b) The Board may increase the size of the Compensation Committee by appointing additional members, remove existing members (with or without cause) and appoint new members in substitution thereof and fill vacancies howsoever caused,
- c) All the decisions of the Compensation Committee shall be taken by simple majority. Any member of the Compensation Committee to whom any matters relating to the Plan relate to or who has an interest in such matters shall not vote on such matters.

13.3 Powers

The Compensation Committee shall have the power to formulate the detailed terms and conditions of the schemes which shall, inter alia, include the following provisions:

- a) the quantum of options per employee and in aggregate under a scheme;
- b) the choice of method and determination of the exercise price of options subject to conforming to the accounting policies as per Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- c) the conditions under which options may vest in employees and may lapse in case of termination of employment for misconduct;
- d) the exercise period within which the employee can exercise the options and that options would lapse on failure to exercise the same within the exercise period;
- e) the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;

- f) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- g) the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, inter alia, be taken into consideration by the Compensation Committee:
 - 1. the number and price of options shall be adjusted in a manner such that total value to the employee of the options remains the same after the corporate action;
 - 2. the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the employee(s) who is granted such options;
- h) the grant, vesting and exercise of options in case of employees who are on Long Leave;
- i) the procedure for cashless exercise of options, if any
- j) to amend, alter, vary or modify any other terms of the Plan subject to the approval of the Board &/or shareholder's as may be required.
- k) The Compensation Committee shall frame suitable policies and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
 - SEBI (Prohibition of Insider Trading) Regulations, 2015; and
 - Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 as amended from time to time by any employee or the company.

The members of the Compensation Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board of Directors subject to such rules and regulations as may be in force. The Board may further provide that the Compensation Committee shall exercise certain powers only after consulting the Board of Directors of the Company, as the case may be.

13.4 Liability of Members of the Compensation Committee

No member of the Compensation Committee shall be personally liable for any decision or action made in good faith with respect to the Plan.

The Compensation Committee members or invitees shall, however, abstain from participating in and deciding matters that directly affect their individual ownership interests under the Plan.

14 Grant of Options

14.1 Grant Limits

- The Compensation Committee may from time to time make Grants to one or more Employees, determined by it to be eligible for participation in the Plan in accordance with the provisions of Clause 22 of the Plan. Shares shall be deemed to have been issued under the Plan only to the extent actually issued and delivered pursuant to a Grant. The aggregate

number of shares which may be issued under the plan shall be adjusted in the same manner as equity shares in case of any corporate action(s).

- The Executive Director may recommend to the board and the Compensation Committee to grant option rights to any employee, other than himself, who satisfies the conditions of the granting of the option right
- The Grant shall be in writing and shall specify the number of options granted, the price payable for exercising the options, the date/s on which some or all of the Options shall be eligible for vesting, fulfillment of the performance and other conditions, etc. if any, subject to which vesting shall take place and other terms and conditions thereto.
- The option shall not be transferable and can be exercised only by the employees
- The total number of option rights granted shall not, at any time, exceed 15,10,381 (Fifteen Lakh Ten Thousand Three Hundred and Eighty-One only).
- The option right that is abandoned, lapsed or expires without being exercised by the option right owner in accordance with this program shall not be taken into consideration upon calculation of the maximum provided for in the preceding paragraph.

14.2 Shares offered

The shares to be offered pursuant to a Grant shall be from the authorized share capital of AXISCADES Technologies Limited.

14.3 Structure of the plan

The Company has set aside 15,10,381 (Fifteen Lakh Ten Thousand Three Hundred and Eighty-One only) shares from the authorized capital for the purpose of this Plan. Each Option entitles the Grantee thereof to apply for and be allotted one equity share of the Company at the Exercise Price.

14.4 Grant Plan

All employees who are eligible as per Clause 22 of the Plan shall be granted options on the date they become eligible under the Plan. However, the Compensation Committee has the sole discretion in granting options even if the employees do not meet one or more of the eligibility criteria given in Clause 22.

14.5 Grant Criteria

All eligible employees will be granted options by the Compensation Committee on the basis of some or all of the following criteria, as and when they apply:

- Level and role of the employee;
- Tenure with the organization;

- Such other factors as the Compensation Committee may decide from time to time on the recommendation of the board, including qualifications, contribution towards the growth of the Company and other functional and managerial factors

15 Vesting of Options

15.1 Vesting plan

The vesting period for the grant shall be decided by the Compensation Committee

For eligible employees as identified by the Compensation Committee and at their sole discretion, vesting of the options shall take place over a maximum of 5 (five) years from the date of grant. If any Long Leave (as defined in clause 10 of the Plan) is taken by the employee, then the duration of this leave will be added to the vesting period. The Compensation Committee may waive of the Long Leave duration.

The employee shall return the signed Option agreement within two weeks to the Company to notify his/ her acceptance from the date of being officially notified of options being granted to him.

Notwithstanding anything to the contrary in this Plan, the Compensation Committee may be entitled to in its absolute discretion, to vary or alter the Vesting Date from employee to employee or for different grades of employees, as it may deem fit, as long as the same is not detrimental to the employee interests.

15.2 Exercise of unvested options

The Compensation Committee in its absolute discretion, may vary the terms and conditions of exercise of unvested options as it may deem fit, subject to the minimum lock-in conditions applicable at that time but will not extend the vesting date and/or period as communicated to the employee in the initial grant.

15.3 Acceleration of Vesting Period

Subject to the provisions of the applicable law, the Compensation Committee may, at its absolute discretion and on a case-by-case basis, provide for accelerated Vesting whereby, the date of Vesting is advanced to a date that is before the original Vesting date as specified in the Option Agreement, provided that in no event shall the Vesting period pursuant to such accelerated Vesting be shorter than one year from the date of grant.

16 Exercise of Options

16.1 Exercise plan

There shall be no lock-in after the options have vested. The Vested options would be eligible to be exercised from the Vesting Date itself subject to the opening of the exercise window. The option right owner shall exercise the options before the end of eight years from the Grant Date. The Shares arising

out of Exercise of Vested Options would not be subject to any lock-in-period after such Exercise, except as required by the then applicable law.

Notwithstanding any provisions to the contrary in this Plan, the Options must be exercised within 8 years from the date of grant.

16.2 Exercise price

The options will be issued at a predetermined exercise price (which will not be less than the Face value of the shares). The exercise price shall be decided by the Board or the Compensation Committee in line with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and any other applicable guidelines.

The Company may reprice the unexercised Options, if there is a fall in the share price in the market which renders the Grant price unattractive.

However, the Company will ensure that such repricing should not be detrimental to the interest of the employees and the approval of the shareholders of the Company in General Meeting has been obtained for such repricing.

16.3 Exercise Window

The optionee may Exercise his vested options anytime during the year in part or in whole after the applicable vesting date or on any dates as decided by the Compensation committee during the year subject to the Company Policy including Insider Trading Regulations and as per other Applicable Laws

16.4 Other aspects

- Notwithstanding anything contained elsewhere in the Plan, the Compensation Committee and/or the Board may, if the Exercise of Options within the Exercise period, is prevented by any law or regulation in force, defer or refuse to permit the Exercise of Options till such time as it is prohibited by the applicable laws or regulations and in such an event, the Company shall not be liable to pay any compensation or similar payment to the Employee for any loss suffered due to such refusal
- Provided further, that the Board shall have the power to cancel all or any of the Options granted under the Plan if so required under any law for the time being in force

17 Exit plan

17.1 Whilst in employment

The employee will be free to sell his allotted Shares in the open market, subject to any holding restrictions by SEBI, if any, at the time of the then applicable law.

17.2 Whilst not in employment

- The ex-employee will be free to sell his Shares in the open market, subject to any holding restrictions by SEBI, if any, at the time of the then applicable law.

18 Termination of employment

If a Grantee's employment with the Company terminates:

- For Cause, then all Options, vested (but not Exercised) or unvested, stand lapsed.

Cause shall mean, as determined by the Compensation Committee, which include but not limited to, (i) the engaging by the Employee in willful, reckless or grossly negligent misconduct which is determined by the Committee to be detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise, or (ii) the Employee's pleading guilty to or conviction of a felony (iii) theft, sexual harassment, fraud, misfeasance, breach of trust or wrongful disclosure of any secret or confidential information about the Company to any third party, or (iv) employment of the Employee in any other organization or provision of services by the Employee for any other organization while employed with AXISCADES Technologies Limited.
- Due to voluntary resignation on the part of the Grantee, all vested options have to be exercised within a period of 3 months from his last working day, post which they will be considered lapsed. All unvested options will lapse post the submission of resignation.
- On completion of his employment (or other service) due to Retirement or Superannuation, all vested options have to be exercised within a period of 12 months from his last working day or within 8 years from the date of grant whichever is earlier, post which they will be considered lapsed. In case of cessation of employment due to retirement or superannuation unvested options would continue to vest in accordance with the respective vesting schedules even after retirement or superannuation as determined by Compensation Committee.
- In the event of abandonment by an employee, all Options, vested (but not Exercised) or unvested, shall lapse.
- In event of termination of employment without a cause, all Options that are unvested, shall lapse as on the date of such termination
- For reasons other than those referred above in Clause 18 or Clause 19 below, the Compensation Committee will decide whether the vested options on the date of separation can be exercised by the employee or not, and such decision shall be final.

19 Death and Total & Permanent Disability

If a Grantee dies or becomes totally and permanently disabled while an employee of the Company, the granted Stock Options shall vest and can be exercised as below:

- In the event of death of an Employee while in employment with the Company, all the Options granted to him till such date and lying unvested shall vest with effect from the date of his/her death in the Beneficiary/ nominees of the deceased Employee. All the Vested Options shall be permitted to be exercised within a period of 12 months from the date of

death of the Employee or the expiry of the Exercise Period, whichever is earlier. Any Vested Options not Exercised within this aforesaid period shall lapse at the end of the aforesaid period.

- In the event that the termination of an Employee's employment with the Company is 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 till such date of permanent incapacitation and lying unvested, shall vest in him on that day. All the Vested Options shall be permitted to be exercised within a period of 12 months from the date of permanent incapacitation or the expiry of the Exercise Period, whichever is earlier. Any Vested Options not Exercised within this aforesaid period shall lapse at the end of the aforesaid period.

20 Non Assignability

The Option shall not be transferable or assignable by the Employee, otherwise than by will or the laws of descent and distribution and the Option shall be exercisable, during the Employee's lifetime, only by him or, during periods of legal disability, by his legal representative/inheritor. No Option shall be subject to execution, attachment or similar process. The Options granted shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner. If the option right owner tries to transfer or abandon or dispose of the option right or the rights relating thereto whether voluntarily or obligatorily, the said right(s) shall expire immediately.

21 Rights of an employee

21.1 Shareholder rights

Neither Employee, nor his successor, shall have any of the rights of a shareholder of the Company with respect to the Options until the shares are allotted by the company

21.2 Change of Employment within Company

Except as may be otherwise provided in this Plan, the Option granted hereunder shall not be affected by any change of employment so long as the employee continues to be employed by the Company, a holding company, associate company or a subsidiary of the Company.

21.3 Terms and conditions of Shares

All Shares acquired under the Plan will rank *pari passu* with all other Shares of the Company for the time being in issue. Dividend in respect of Shares allotted on Exercise of the Options shall be payable from the date of allotment.

22 Eligibility

A Stock Option Grant made pursuant to the Plan may be Granted only to an individual who, at the time of Grant,

- Is an employee of the Company and/or

- Has been identified as a key resource by the Compensation Committee based on factors such as performance, tenure, level, and role

The Compensation Committee however is authorized to change the eligibility criteria from time to time, subject to approval of the Board.

Each Grant shall be evidenced by a written instrument duly executed by or on behalf of the Company.

23 Stock Option/Grants

23.1 Stock Option Agreement

Each Option shall be evidenced by an Agreement between the Company and the Grantee, which shall contain such terms, and conditions as may be approved by the Compensation Committee. Each Agreement shall specify the effect of termination of employment, total and permanent disability, retirement or death on the exercisability of the Option and such other terms and conditions as the Compensation Committee may deem necessary.

Under each Agreement, a Grantee shall have the right to appoint any individual or legal entity in writing as his nominee under the Plan in the event of his death / total and permanent disability. Such designation may be revoked in writing by the Grantee at any time during the time of employment and a new nominee may be appointed in writing on the form provided by the Compensation Committee for such purpose. Such nominee shall be the only legal representative recognized by the Company/ the Compensation Committee as the inheritor of the Grantees option to the exclusion of all others.

23.2 Option period

The option period for the AXISCADES ESOP 2018 – Series 1 as specified by the Compensation Committee is eight years from the Grant Date. (clause 15 and 16 of the Plan)

23.3 Limitations on Exercise of Option

Any Option granted hereunder shall be exercisable at such times and under such conditions as determined by the Compensation Committee and as permissible under the terms of the Plan, which shall be specified in the Agreement evidencing the Option. An Option shall not, however, be exercised for fractional shares.

24 Change in Capital Structure or Corporate Action

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

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 or the Company to make or authorize any 'Corporate Action' including any issue of shares, debt or other securities having any priority or preference with respect to the Shares or the rights thereof, and with respect to pricing of the shares (shares may be issued at par or at any price as may be decided by the Board of Directors or the

Company which may be lower than the price at which stock option is / will be granted to the Employees, from time to time).

If there is a 'Corporate Action' before the Options granted under this Plan 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 the Options not exercised by him had been exercised by him before such 'Corporate Action' of the Company had taken place and the rights under the Options shall stand correspondingly adjusted.

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

- An increase in the number of Resultant Shares, be proportionately increased, and the Exercise Price, be proportionately reduced.
- 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.

25 Amendment or Termination of Plan

Subject to the provisions of the SEBI Regulations, the Board of Directors / Compensation Committee may from time to time amend, alter or terminate the Plan 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, to the extent possible, which would impair or prejudice the rights of the Employee without the consent of the concerned Employee.

Further, under the SEBI Regulations, the Company may by special resolution in a general meeting vary the terms of the ESOP offered pursuant to an earlier resolution of the shareholders but not yet Exercised by the employee provided that it is not prejudicial to the interests of the option holders.

Without prejudice to the above, the Board of Directors, without any reference to or consent of the Employee concerned, amend the Plan or Grant or any Agreement to comply with any laws, regulations or guidelines, which is or may hereinafter, become applicable to this Plan.

26 Listing

The shares arising pursuant to the AXISCADES Engineering ESOP 2018 – Series 1 shall be listed immediately upon exercise in all recognized stock exchanges where the securities of the Company are listed subject to compliance with applicable law.

27 Others

27.1 No right to a Grant

Neither the adoption of the Plan nor any action of the Compensation Committee shall be deemed to give an Employee any right to be granted an Option to purchase Shares, to receive a Grant or to any other rights hereunder except as may be evidenced by an Option Agreement duly executed on behalf of the Company, and then only to the extent of and on the terms and conditions expressly set forth therein.

27.2 No Employment Rights Conferred

Nothing contained in the Plan or in any Grant made hereunder shall (i) confer upon any Employee any right with respect to continuation of employment with the Company, or (ii) interfere in any way with the right of the Company to terminate his or her employment at any time.

27.3 No Restriction of Corporate Action

Nothing contained in the Plan shall be construed to prevent the Company from taking any corporate action which is deemed by the Company to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or any future Grant under the Plan. No Employee, beneficiary or other person shall have any claim against the Company as a result of such action.

27.4 Tax deduction at source

The Company shall have the right to deduct, in connection with all Grants, any taxes, if any, required by law to be deducted at source and to require any payments necessary to enable it to satisfy such obligations.

Upon giving not less than 07 days' notice to the employee to the amount of tax, the Company shall be empowered to sell such number of Shares as would be necessary to discharge the obligation in the respect of tax deduction at source and appropriate the proceeds thereof on behalf of the employee.

27.5 Confidentiality

The Employee shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the Plan, Grant, the Option Agreement or any connected matter. Any violation may result in cancellation of Grant or compulsory retransfer of Shares to a nominee as the Compensation Committee may deem fit without prejudice to the other action which may be taken in this regard

27.6 Insider Trading

The Employee shall ensure that there is no violation of:

- Insider Trading Regulations of the Country and/or the recognized stock exchange on which the shares of the Company are listed.
- Other applicable restrictions for prevention of Fraudulent and/or Unfair Trade Practices relating to the Securities Market.

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

27.7 New Plans

Nothing contained in the Plan shall be construed to prevent the company directly or through any trust settled by Company, from implementing any other new Employee Ownership Plan which is deemed by the Company to be appropriate or in its best interest, whether or not such other action would have any adverse impact on the Plan or any Grant made under the Plan.

27.8 Issues

In respect of any issues arising in respect of the Plan, the decision of the Board and/or the Compensation Committee shall be final and binding on all concerned.

27.9 Information to Employees

Grantees under the Plan shall receive financial statements annually regarding the Company during the period the Options are outstanding.

27.10 Any outflow under ESOP scheme

Any outflow for the company on any account including but not limited to any tax, cess, duty or levy (including Perquisite Value Tax) etc., as applicable from time to time at present or in future due to/under this Plan shall be recoverable from the concerned employee.

27.11 Governing Law

The Plan shall be construed in accordance with and subject to the laws of Republic of India and other applicable laws. The shares issued pursuant to this Scheme shall be governed by the Corporate and Securities Laws of the India and in a case where the Shares are listed on a stock exchange in a country other than India, the laws of the country/stock exchange in which the Shares are listed shall also apply.

The courts at Bangalore shall have the exclusive jurisdiction.

AXISCADES Technologies Limited

AXISCADES ESOP 2018 -Series 2

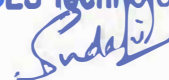


AXISCADES

Inspired Solutions. By Design

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AXISCADES Technologies Ltd



SONAL DUDANI
Company Secretary

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PART A: STATEMENT OF RISKS

All investments in shares or options on shares are subject to risk as the value of shares may go down or go up. In addition, employee stock options are subject to the following additional risks:

1 Concentration

The risk arising out of any fall in value of shares is aggravated if the employee's holding is concentrated in the shares of a single company.

2 Leverage

Any change in the value of the share can lead to a significantly larger change in the value of the options.

3 Illiquidity

The options cannot be transferred to anybody, and therefore the employees cannot mitigate their risks by selling the whole or part of their benefits before they are exercised.

4 Vesting

The options will lapse if the employment is terminated prior to vesting. Even after the options are vested, the unexercised options may be lapsed if the employee is terminated for cause as defined in Clause 18 – 'Termination of employment' of this plan.

PART B: INFORMATION ABOUT THE COMPANY

5 Profile of the company

AXISCADES Technologies Limited (AXISCADES / the Company) is a leading Product Engineering Solutions Company catering to the futuristic needs of Aerospace, Defence & Homeland Security, Heavy Engineering, Automotive & Industrial Products, Energy and Medical & Healthcare sectors. AXISCADES offers product engineering solutions across Design, Development and Lifecycle Support in the areas of mechanical engineering, embedded engineering, system integration, manufacturing engineering and aftermarket support.

AXISCADES is a partner to global OEMs in building safe, smart, sustainable and innovative solutions. Our solutions integrate the technical know-how, industry best practices and delivery excellence, by placing customer needs at the core of our business. The company's continuous endeavor is to deliver value to its customers through its strong talent of 1600 employees spread across 14 locations.

The Company was incorporated on 24th August 1990 and its shares are listed on two major bourses National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

6 Abridged financial information

Figures in Rupees

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Share Capital	99,955,705	99,955,705	136,101,265	136,101,265	188,950,950
Reserves	306,601,712	634,828,975	744,763,767	1,019,915,817	2,146,695,844
Loan Funds	45,785,250	269,361,173	255,373,701	244,037,295	247,202,820
Gross Block	102,248,902	534,636,579	473,637,980	577,259,817	651,057,734
Net Block (Fixed Assets)	75,463,964	268,308,148	228,606,320	220,387,569	214,417,850
Investments	267,735,487	232,564,184	225,150,526	225,150,526	1,423,240,998
Current Assets	123,740,402	673,535,529	781,836,349	1,130,061,327	1,086,143,657
Current Liabilities	61,686,357	324,269,259	223,007,464	384,126,999	265,165,725
Net Current Assets	62,054,045	349,266,270	558,828,885	745,934,328	820,977,932
Deferred Tax Assets (net)	12,461,832	32,544,254	22,328,798	21,245,303	29,589,975
Revenue (Net Sales)	545,423,767	1,810,889,333	1,884,475,623	2,350,396,735	2,319,797,570
Other income	2,319,402	20,427,093	11,236,294	29,605,493	74,851,337
Employee Costs	260,113,201	1,022,028,988	1,045,199,577	1,223,141,509	1,388,948,446
Other Manufacturing Expenses	1,863,995	7,314,630	8,227,075	5,892,725	3,161,716
Admin and Selling Exps	153,523,748	601,100,926	545,249,721	644,825,597	693,872,069
EBIDTA (Operating Profit)	132,242,225	200,871,882	297,035,544	506,142,397	308,666,676
Interest	11,161,839	27,126,145	14,801,739	11,961,411	9,930,821
EBDT	121,080,386	173,745,737	282,233,805	494,180,986	298,735,855
Depreciation	23,932,451	70,402,162	80,435,987	92,458,378	98,988,172
Exceptional items	-	-	29,708,236	5,928,000	4,532,641
PBT	97,147,935	103,343,575	172,089,582	395,794,608	195,215,042

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Tax	23,130,139	21,309,675	58,852,236	132,993,795	67,027,426
PAT (Before minority interest)	74,017,796	82,033,900	113,237,346	262,800,813	128,187,616
PAT (After minority interest)	74,017,796	82,033,900	113,237,346	262,800,813	128,187,616
Net Worth	406,557,417	734,784,680	880,865,032	1,156,017,082	2,335,646,794
Capital Employed	417,760,669	879,962,073	930,556,695	1,200,664,668	2,384,029,632
EPS (Basic) (Rs.)	3.71	4.11	4.49	9.67	3.39
ROE (%)	18.21	11.16	12.86	22.73	5.49
ROCE (%)	8.21	5.50	7.92	12.07	3.23

7 Risk factors

At the business and operational level, there are several risks that are inherent to any business. These are typically transactional in nature. These risks are managed through internal processes and controls. The entire risk profile of the Company is governed by well-structured risk management system that highlights important risks to the Board of directors for effective mitigation or management measures. Apart from that, there are certain broader risks that affect the Company's strategy

Risk #1: Global economic uncertainty: Economic uncertainties in leading markets, such as the U.S. and Europe, can impact spending patterns of the Company's clients and the demand for its services.

Mitigation: The Company is constantly looking to broad-base and diversify its business mix across geographies and verticals which allow it to minimize the impact in volatile times.

Risk #2: Increased competition: Aggressive competition can lead to pressure on pricing and vendor consolidation that can impact margins.

Mitigation: The Company is constantly expanding in service portfolio and value proposition to its clients. Significant investments are made in acquiring deep domain knowledge, a skilled workforce, strong delivery capabilities, and a solution-oriented sales process to maintain its competitive positioning.

Risk #3: Shift in visa policies: Higher immigration costs due to tougher application procedures can impact margins.

Mitigation: The Company is primarily focused on hiring local talent and the proportion of onsite employees on employment visas is negligible. Further, the Company evaluates its business mix and delivery model to mitigate the impact.

Risk #4: Integration risks in Mergers & Acquisitions: Inappropriate acquisitions or mismanaged integration may result in failure to achieve the strategic objectives of the acquisition.

Mitigation: The Company conducts extensive due diligence before any acquisition is made with cultural integration being one of the core parameters. There are well laid out post-merger plans and are periodically reviewed at the Board level.

Risk #5: Cost pressures: Increase in employee expenses and other operating expenses may create pressure on margins.

Mitigation: There is a continuous focus on increasing productivity and employee utilization. Offshoring of services is also explored wherever possible. There is a regular process of employee pyramid correction. To ensure organizational success, the Company thrives to maintain its talent pool by incorporating best employee practices.

Risk #6: Regulatory & compliance risk: Being a global company, the Company has to ensure a wide variety of legislative requirements are met with – environmental matters, employee welfare, safety, wastage, emissions, etc.

Mitigation: There is a regulatory compliance review mechanism in place to combat this risk. The Company also engages specialist consultants to be updated on the latest changes in regulations.

Risk #7: Data security risk: Sharing technological expertise with partners presents risk to data security from cyber-attacks, loss of data and damage to reputation.

Mitigation: The Company has in place firewalls, data encryptions, regular data back-ups and specific quality certified processes in place to manage this risk.

Risk #8: Currency risk: Owing to the global exposure of the business, foreign currency fluctuation poses a significant threat to the Company.

Mitigation: The Company periodically and proactively ensures management of its margins against foreign exchange movements.

Risk #9: Technology risk: Obsolescence is a big challenge for technology business given rapid pace of development.

Mitigation: The culture of innovation is inherent in the Company's DNA. The Company makes significant investments in building capabilities and undertakes skill development programmes to keep abreast the latest technological trends.

8 Continuing disclosure requirement

The option grantee post allotment shall be given access to copies of all documents that are sent to the members of the Company. This shall include the annual accounts of the company and the accompanying explanatory statements. However, the option grantee will not be entitled to attend and vote in the meetings till actual allotment of equity shares.

PART C: SALIENT FEATURES OF THE SCHEME

This part contains the salient features of the employee stock option scheme of the company including the conditions regarding vesting, exercise, adjustment for corporate actions, and lapse of vested options.

9 Plan objectives

The objectives of the “AXISCADES ESOP 2018 – Series 2” or the “Plan” or “Scheme” are as follows:

- introduce a long term incentive tool to motivate and retain talent
- align key employee’s interest with that of the shareholders
- provide wealth creation opportunities to critical employees

10 Definitions and Interpretations

10.1 Definitions

In this document, the following expressions including their grammatical variations or cognate expressions shall, where the context so admits, have the following meaning:

- **ABANDONMENT** means the termination of employment contract without any due notice by the employee or due to a long leave without authorization from the employer
- **APPLICABLE LAW** means the legal requirements relating and as applicable to Employee Stock Option Schemes, including, without limitation The Companies Act, 2013, as amended, the Securities and Exchange Board of India Act, 1992, as amended, the guidelines and regulations issued by the Securities and Exchange Board of India including Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all relevant tax, securities, exchange control or corporate laws of India or any relevant jurisdiction or of any stock exchange on which the shares are listed or quoted
- **BOARD/ BOARD OF DIRECTORS** means the Board of Directors of the Company for the time being and re-constituted and/or re-structured from time to time during the existence of this Plan
- **COMPANIES ACT** means the Companies Act, 2013 for the time being in force and as amended from time to time
- **COMPANY** means AXISCADES Technologies Limited, incorporated in India on 24th August 1990 its successors and assigns.

- **COMPANY POLICY/ TERMS OF EMPLOYMENT** means the Company's policies for employees and the terms of employment as contained in the employment letter and the company handbook, which includes provisions for securing confidentiality, non-compete and non-poaching of other employees and customers.
- **CORPORATE ACTION** means and includes one of the following actions:
 - a change in the capital structure of the company as a result of reclassification of shares, splitting up of the face value of shares, sub-division of shares, issue of bonus shares, issue of rights shares, conversion of shares into other shares or securities and any other change in the rights or obligations in respect of shares
 - the merger, de-merger, spin-off, consolidation, amalgamation, sale of business or other reorganization of the company (except to a subsidiary) in which the shares are converted into or exchanged for:
 - a different class of securities of the company; or
 - any securities of any other issuer; or
 - cash; or
 - other property
 - The sale, lease or exchange of all or substantially whole of the assets/ undertaking of the company to any other Company or entity (except the subsidiary)
 - The adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up
- **CONTRACT** The contract that regulates the relationship between the company and the option grantee following the exercise of the option right according to the scheme
- **DIRECTOR** means a member of the Board of the Company.
- **DISABILITY** shall mean "Disability" as defined in any applicable agreement between the grantee and the Company or if there is no such agreement or Disability is not defined therein, then a grantee's becoming physically or mentally incapacitated so that he is therefore reasonably expected to be unable to perform his duties to the Company which he was able to perform immediately before occurrence of such disability, as determined by compensation committee based on the production of authenticate medical certificate from a Recognized body identified by the Board.
- **ELIGIBILITY CRITERIA** means the criteria as may be determined from time to time by the Compensation Committee for granting the employee stock options to the employees.
- **EMPLOYEE** except in relation to issue of sweat equity shares, means:
 - a) An employees as designated by the Company who is exclusively working in India or out of India;
 - b) Directors 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
 - c) An employee as defined in clause (a) or (b) of a group company including subsidiary or its associate company, in India or outside India or of a holding company of the company.

Following persons are not eligible:

- a. an employee who is a Promoter or belongs to the Promoter Group;

b. a Director who either by himself or through his relatives or through any Body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company;

The Board or the Compensation Committee will determine the specific employees or class of employees who will be eligible for award of stock options based on the performance criteria.

- **EMPLOYER COMPANY** means the Company.
- **EXECUTIVE DIRECTOR** means the Executive Director of the Company including the managing director of the company appointed from time to time.
- **EXERCISE** in relation to options means, the tendering by an employee, of an application for the issue of shares, pursuant to the options vested in him under the Grant and the Plan accompanied by the Exercise Price payable for the shares
- **EXERCISE DATE** means the date on which an employee of the Company elects to exercise the vested options
- **EXERCISE PERIOD** in relations to the Options means the period commencing from the date of vesting and ending on the date till which the options can be exercised. The option right owner shall also have the right to defer the decision of exercise till any time prior to the end of the exercise period, after which the options shall lapse.
- **EXERCISE PRICE** means the price payable by the employee for exercising the Option granted to him in pursuance of this Plan
- **GRANT** means, individually or collectively, issue of Options to employees under the Plan
- **GRANTEE** means an Employee who has been granted Stock Options pursuant to the Plan where the context so requires includes his/her legal heirs and/or designated beneficiary
- **GRANT DATE** means the date on which compensation committee approves the grant

Explanation – For accounting purposes, the grant date will be determined in accordance with applicable accounting standards

- **Independent Director** means an Independent Director within the meaning of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 as prescribed by Securities Exchange Board of India (SEBI), as applicable.
- **LAPSE** means the time at which the option grantee will no longer have the right to exercise the options and the options will be available for being re-granted at a future date
- **LONG LEAVE** means a period of unpaid leave, greater than 30 days, sought by the employee and approved by the employer
- **MARKET PRICE** 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 such 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

- **NOMINATION AND REMUNERATION COMMITTEE** (“Compensation Committee”) means the committee constituted by the Board of Directors as provided under regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time to administer the AXISCADES ESOP 2018 - Series 2.
- **OPTION OR STOCK OPTION** means a right but not an obligation granted to an Employee to subscribe for shares or any Resultant Shares of the Company in pursuance of the Plan at a pre-determined price and upon such terms and conditions.
- **OPTION AGREEMENT** means a written agreement entered into between the Company and an Employee with respect to an Option, a Grant to such employee, and on such terms and conditions as stipulated in this Plan and as may be suggested/recommended by the Compensation Committee from time to time
- **PLAN / SCHEME** means the **AXISCADES ESOP 2018 – SERIES 2** as set out herein and as amended or modified from time to time
- **PROMOTER** means: as defined under regulation 2(1)(za) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended.
- **PROMOTER GROUP** means as defined under regulation 2(1)(zb) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended.
- **RELEVANT DATE** means
 - i. in the case of grant, the date of the meeting of the Compensation 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 by the employee;
- **RESULTANT SHARES** means the equity shares issued in lieu of shares of the Company on any Change in Capital Structure or on any Corporate Action as mentioned in this Plan
- **RETIREMENT** means retirement as per the Company Policy / Terms of Employment
- **SEBI Act** means the Securities and Exchange Board of India Act, 1992 as amended and includes all regulations and clarifications issued there under
- **SEBI (SBEB) Regulations** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and includes all regulations and clarifications issued there under

- **SECURITIES** means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956
- **SHARE** means fully paid equity shares of the company having face value of Rs. 5 each per share and the securities convertible into equity shares and shall include American Depositary Receipts (ADR), Global Depositary Receipts (GDR), or other depository receipts representing underlying equity shares or securities convertible into equity shares and where the context so requires shall include the Resultant shares
- **SUBSIDIARY COMPANY/IES** means Subsidiary company/ies of the Company, as defined in the Companies Act, 2013
- **TENURE OR GRANT TENURE** means the period from approval of grant date till the period in which the vested options can be exercised, during which period the grant is effective
- **UNVESTED OPTION** means an option in respect of which the relevant vesting conditions have not been satisfied and as such, the option grantee has not become eligible to exercise the option
- **VESTED OPTION** means an option in respect of which the relevant vesting conditions have been satisfied and the option grantee has become eligible to exercise the option
- **VESTING** means the process by which the employee is given the right to apply for shares of the Company against the option granted to him in pursuance of the Plan
- **VESTING CONDITIONS** means the conditions subject to which the option granted would vest in an option grantee
- **VESTING DATE** in relation to option means the earliest date on which the options are vested to an employee.
- **VESTING PERIOD** means the period during which the vesting of the option granted to the employee in pursuance of the Plan and subject to the Vesting Conditions takes place

The definitions as given in this Clause are for the purposes of interpretation of this Plan only and should not be used for any other purpose.

10.2 Interpretations

In this document, unless otherwise stated or intention appears:

- The singular includes the plural and vice versa
- The word person includes an individual, a firm, a body corporate or any other authority as per the context
- Any word or expression importing the masculine or feminine genders only shall be taken to include all genders

10.3 Clause Headings

The Clause headings are for information only and shall not affect the construction of this document.

10.4 References

- A reference to a clause or schedule is respectively a reference to a clause or schedule of this document. The Schedules, if any, to this document shall for all purposes form part of this document.
- Reference to any Act, Rules, Regulations, Statutes or Notifications/Circulars/Press Notes shall include any statutory modification, substitution or re-enactment thereof

11 Implementation

1. The Plan shall be implemented by the Compensation Committee under the policy and framework laid down by the Company and/or Board of Directors of the Company. Any amendments, variations, modifications and alterations to the Plan would be subject to the approval of the shareholders of the Company and in conformity with Applicable Laws.

- i. 2. The company shall be entitled to vary the terms of the schemes to meet any regulatory requirement without seeking shareholders' approval by special resolution.

The issuance of shares will be under the guidance, advice and direction of the Compensation Committee constituted under this Plan.

12 Effective date of the plan and tenure of Grant

12.1 Effective dates

The Plan shall come into force from 1 April 2018 subject to the approval of shareholders of the company in general meeting.

12.2 Termination

If any Stock Options granted under the Plan are terminated under the provisions of Clause 25, such options shall be available for further award under the Plan.

12.3 Tenure

The tenure of each grant shall include the period from the date of approval of the grant till the end of the exercising period of the last tranche in the grant.

Any stock options, which remain unexercised after the tenure of the grant, would automatically be deemed to be lapsed and/or ineffective.

13 Administration and Compensation Committee

13.1 Administration of plan

The plan shall be administered by the Compensation Committee with the guidelines as outlined in Clause 11 of the Plan document above and will be in compliance with the terms of the plan and applicable law, as would be prevailing from time to time. These are in addition to other express powers and authorizations conferred by the plan to the Compensation Committee.

All decisions, determinations and interpretations with respect to, connected with or arising out of or related the plan shall be within the sole discretion of the Compensation Committee. Any such decisions shall be final, conclusive and binding upon all persons including the company, any participants, shareholders and any employees

13.2 Compensation Committee

- a) Compensation Committee consists of such directors in accordance with sec 178 of Companies Act 2013 for administration and superintendence, including formulating of terms and conditions of the Plan.
- b) The Board may increase the size of the Compensation Committee by appointing additional members, remove existing members (with or without cause) and appoint new members in substitution thereof and fill vacancies howsoever caused,
- c) All the decisions of the Compensation Committee shall be taken by simple majority. Any member of the Compensation Committee to whom any matters relating to the Plan relate to or who has an interest in such matters shall not vote on such matters.

13.3 Powers

The Compensation Committee shall have the power to formulate the detailed terms and conditions of the schemes which shall, inter alia, include the following provisions:

- a) the quantum of options per employee and in aggregate under a scheme;
- b) the choice of method and determination of the exercise price of options subject to conforming to the accounting policies as per **Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021**;
- c) the conditions under which options may vest in employees and may lapse in case of termination of employment for misconduct;
- d) the exercise period within which the employee can exercise the options and that options would lapse on failure to exercise the same within the exercise period;
- e) the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;

- f) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- g) the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, inter alia, be taken into consideration by the Compensation Committee:
 - 1. the number and price of options shall be adjusted in a manner such that total value to the employee of the options remains the same after the corporate action;
 - 2. the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the employee(s) who is granted such options;
- h) the grant, vesting and exercise of options in case of employees who are on Long Leave;
- i) the procedure for cashless exercise of options, if any
- j) to amend, alter, vary or modify any other terms of the Plan subject to the approval of the Board &/or shareholder's as may be required.
- k) The Compensation Committee shall frame suitable policies and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
 - SEBI (Prohibition of Insider Trading) Regulations, 2015; and
 - Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 as amended from time to time by any employee or the company.

The members of the Compensation Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board of Directors subject to such rules and regulations as may be in force. The Board may further provide that the Compensation Committee shall exercise certain powers only after consulting the Board of Directors of the Company, as the case may be.

13.4 Liability of Members of the Compensation Committee

No member of the Compensation Committee shall be personally liable for any decision or action made in good faith with respect to the Plan.

The Compensation Committee members or invitees shall, however, abstain from participating in and deciding matters that directly affect their individual ownership interests under the Plan.

14 Grant of Options

14.1 Grant Limits

- The Compensation Committee may from time to time make Grants to one or more Employees, determined by it to be eligible for participation in the Plan in accordance with the provisions of Clause 22 of the Plan. Shares shall be deemed to have been issued under the Plan only to the extent actually issued and delivered pursuant to a Grant. The aggregate

number of shares which may be issued under the plan shall be adjusted in the same manner as equity shares in case of any corporate action(s).

- The Executive Director may recommend to the board and the Compensation Committee to grant option rights to any employee, other than himself, who satisfies the conditions of the granting of the option right
- The Grant shall be in writing and shall specify the number of options granted, the price payable for exercising the options, the date/s on which some or all of the Options shall be eligible for vesting, fulfillment of the performance and other conditions, etc. if any, subject to which vesting shall take place and other terms and conditions thereto.
- The option shall not be transferable and can be exercised only by the employees
- The total number of option rights granted shall not, at any time, exceed 41,53,548 (Forty One Lakh Fifty Three Thousand Five Hundred and Forty-Eight only).
- The option right that is abandoned, lapsed or expires without being exercised by the option right owner in accordance with this program shall not be taken into consideration upon calculation of the maximum provided for in the preceding paragraph.

14.2 Shares offered

The shares to be offered pursuant to a Grant shall be from the authorized share capital of AXISCADES Technologies Limited..

14.3 Structure of the plan

The Company has set aside 41,53,548 (Forty One Lakh Fifty Three Thousand Five Hundred and Forty-Eight only) shares from the authorized capital for the purpose of this Plan. Each Option entitles the Grantee thereof to apply for and be allotted one equity share of the Company at the Exercise Price.

14.4 Grant Plan

All employees who are eligible as per Clause 22 of the Plan shall be granted options on the date they become eligible under the Plan. However, the Compensation Committee has the sole discretion in granting options even if the employees do not meet one or more of the eligibility criteria given in Clause 22.

14.5 Grant Criteria

All eligible employees will be granted options by the Compensation Committee on the basis of some or all of the following criteria, as and when they apply:

- Level and role of the employee;
- Tenure with the organization;
- Such other factors as the Compensation Committee may decide from time to time on the recommendation of the board, including qualifications, contribution towards the growth of the Company and other functional and managerial factors

15 Vesting of Options

15.1 Vesting plan

The vesting period for the grant shall be decided by the Compensation Committee

For eligible employees as identified by the Compensation Committee and at their sole discretion, vesting of the options shall take place over a maximum of 4 (four) years from the date of grant. If any Long Leave (as defined in clause 10 of the Plan) is taken by the employee, then the duration of this leave will be added to the vesting period. The Compensation Committee may waive of the Long Leave duration.

The employee shall return the signed Option agreement within two weeks to the Company to notify his/ her acceptance from the date of being officially notified of options being granted to him.

Notwithstanding anything to the contrary in this Plan, the Compensation Committee may be entitled to in its absolute discretion, to vary or alter the Vesting Date from employee to employee or for different grades of employees, as it may deem fit, as long as the same is not detrimental to the employee interests.

15.2 Exercise of unvested options

The Compensation Committee in its absolute discretion, may vary the terms and conditions of exercise of unvested options as it may deem fit, subject to the minimum lock-in conditions applicable at that time but will not extend the vesting date and/or period as communicated to the employee in the initial grant.

15.3 Acceleration of Vesting Period

Subject to the provisions of the applicable law, the Compensation Committee may, at its absolute discretion and on a case-by-case basis, provide for accelerated Vesting whereby, the date of Vesting is advanced to a date that is before the original Vesting date as specified in the Option Agreement, provided that in no event shall the Vesting period pursuant to such accelerated Vesting be shorter than one year from the date of grant.

16 Exercise of Options

16.1 Exercise plan

There shall be no lock-in after the options have vested. The Vested options would be eligible to be exercised from the Vesting Date itself subject to the opening of the exercise window. The option right owner shall exercise the options before the end of eight years from the Grant Date. The Shares arising out of Exercise of Vested Options would not be subject to any lock-in-period after such Exercise, except as required by the then applicable law.

Notwithstanding any provisions to the contrary in this Plan, the Options must be exercised within 8 years from the date of grant.

16.2 Exercise price

The options will be issued at a predetermined exercise price (which will not be less than the Face value of the shares). The exercise price shall be decided by the Board or the Compensation Committee in line with **Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021** and any other applicable guidelines.

The Company may reprice the unexercised Options, if there is a fall in the share price in the market which renders the Grant price unattractive.

However, the Company will ensure that such repricing should not be detrimental to the interest of the employees and the approval of the shareholders of the Company in General Meeting has been obtained for such repricing.

16.3 Exercise Window

The optionee may Exercise his vested options anytime during the year in part or in whole after the applicable vesting date or on any dates as decided by the Compensation committee during the year subject to the Company Policy including Insider Trading Regulations and as per other Applicable Laws

16.4 Other aspects

- Notwithstanding anything contained elsewhere in the Plan, the Compensation Committee and/or the Board may, if the Exercise of Options within the Exercise period, is prevented by any law or regulation in force, defer or refuse to permit the Exercise of Options till such time as it is prohibited by the applicable laws or regulations and in such an event, the Company shall not be liable to pay any compensation or similar payment to the Employee for any loss suffered due to such refusal
- Provided further, that the Board shall have the power to cancel all or any of the Options granted under the Plan if so required under any law for the time being in force

17 Exit plan

17.1 Whilst in employment

The employee will be free to sell his allotted Shares in the open market, subject to any holding restrictions by SEBI, if any, at the time of the then applicable law.

17.2 Whilst not in employment

- The ex-employee will be free to sell his Shares in the open market, subject to any holding restrictions by SEBI, if any, at the time of the then applicable law.

18 Termination of employment

If a Grantee's employment with the Company terminates:

- For Cause, then all Options, vested (but not Exercised) or unvested, stand lapsed.
Cause shall mean, as determined by the Compensation Committee, which include but not limited to, (i) the engaging by the Employee in willful, reckless or grossly negligent misconduct which is determined by the Committee to be detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise, or (ii) the Employee's pleading guilty to or conviction of a felony (iii) theft, sexual harassment, fraud, misfeasance, breach of trust or wrongful disclosure of any secret or confidential information about the Company to any third party, or (iv) employment of the Employee in any other organization or provision of services by the Employee for any other organization while employed with AXISCADES Technologies Limited.
- Due to voluntary resignation on the part of the Grantee, all vested options have to be exercised within a period of 3 months from his last working day, post which they will be considered lapsed. All unvested options will lapse post the submission of resignation.
- On completion of his employment (or other service) due to Retirement or Superannuation, all vested options have to be exercised within a period of 12 months from his last working day or within 8 years from the date of grant whichever is earlier, post which they will be considered lapsed. In case of cessation of employment due to retirement or superannuation unvested options would continue to vest in accordance with the respective vesting schedules even after retirement or superannuation as determined by Compensation Committee
- In the event of abandonment by an employee, all Options, vested (but not Exercised) or unvested, shall lapse.
- In event of termination of employment without a cause, all Options that are unvested, shall lapse as on the date of such termination
- For reasons other than those referred above in Clause 18 or Clause 19 below, the Compensation Committee will decide whether the vested options on the date of separation can be exercised by the employee or not, and such decision shall be final.

19 Death and Total & Permanent Disability

If a Grantee dies or becomes totally and permanently disabled while an employee of the Company, the granted Stock Options shall vest and can be exercised as below:

- In the event of death of an Employee while in employment with the Company, all the Options granted to him till such date and lying unvested shall vest with effect from the date of his/her death in the Beneficiary/ nominees of the deceased Employee. All the Vested Options shall be permitted to be exercised within a period of 12 months from the date of death of the Employee or the expiry of the Exercise Period, whichever is earlier. Any Vested Options not Exercised within this aforesaid period shall lapse at the end of the aforesaid period.
- In the event that the termination of an Employee's employment with the Company is 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 till

such date of permanent incapacitation and lying unvested, shall vest in him on that day. All the Vested Options shall be permitted to be exercised within a period of 12 months from the date of permanent incapacitation or the expiry of the Exercise Period, whichever is earlier. Any Vested Options not Exercised within this aforesaid period shall lapse at the end of the aforesaid period.

20 Non Assignability

The Option shall not be transferable or assignable by the Employee, otherwise than by will or the laws of descent and distribution and the Option shall be exercisable, during the Employee's lifetime, only by him or, during periods of legal disability, by his legal representative/inheritor. No Option shall be subject to execution, attachment or similar process. The Options granted shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner. If the option right owner tries to transfer or abandon or dispose of the option right or the rights relating thereto whether voluntarily or obligatorily, the said right(s) shall expire immediately.

21 Rights of an employee

21.1 Shareholder rights

Neither Employee, nor his successor, shall have any of the rights of a shareholder of the Company with respect to the Options until the shares are allotted by the company

21.2 Change of Employment within Company

Except as may be otherwise provided in this Plan, the Option granted hereunder shall not be affected by any change of employment so long as the employee continues to be employed by the Company, a holding company, associate company or a subsidiary of the Company.

21.3 Terms and conditions of Shares

All Shares acquired under the Plan will rank *pari passu* with all other Shares of the Company for the time being in issue. Dividend in respect of Shares allotted on Exercise of the Options shall be payable from the date of allotment.

22 Eligibility

A Stock Option Grant made pursuant to the Plan may be Granted only to an individual who, at the time of Grant,

- Is an employee of the Company and/or
- Has been identified as a key resource by the Compensation Committee based on factors such as performance, tenure, level, and role

The Compensation Committee however is authorized to change the eligibility criteria from time to time, subject to approval of the Board.

Each Grant shall be evidenced by a written instrument duly executed by or on behalf of the Company.

23 Stock Option/Grants

23.1 Stock Option Agreement

Each Option shall be evidenced by an Agreement between the Company and the Grantee, which shall contain such terms, and conditions as may be approved by the Compensation Committee. Each Agreement shall specify the effect of termination of employment, total and permanent disability, retirement or death on the exercisability of the Option and such other terms and conditions as the Compensation Committee may deem necessary.

Under each Agreement, a Grantee shall have the right to appoint any individual or legal entity in writing as his nominee under the Plan in the event of his death / total and permanent disability. Such designation may be revoked in writing by the Grantee at any time during the time of employment and a new nominee may be appointed in writing on the form provided by the Compensation Committee for such purpose. Such nominee shall be the only legal representative recognized by the Company/ the Compensation Committee as the inheritor of the Grantees option to the exclusion of all others.

23.2 Option period

The option period for the AXISCADES ESOP 2018 – Series 2 as specified by the Compensation Committee is eight years from the Grant Date. (clause 15 and 16 of the Plan)

23.3 Limitations on Exercise of Option

Any Option granted hereunder shall be exercisable at such times and under such conditions as determined by the Compensation Committee and as permissible under the terms of the Plan, which shall be specified in the Agreement evidencing the Option. An Option shall not, however, be exercised for fractional shares.

24 Change in Capital Structure or Corporate Action

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

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 or the Company to make or authorize any 'Corporate Action' including any issue of shares, debt or other securities having any priority or preference with respect to the Shares or the rights thereof, and with respect to pricing of the shares (shares may be issued at par or at any price as may be decided by the Board of Directors or the Company which may be lower than the price at which stock option is / will be granted to the Employees, from time to time).

If there is a 'Corporate Action' before the Options granted under this Plan 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 the Options not exercised by him had been exercised by him before such 'Corporate Action' of the Company had taken place and the rights under the Options shall stand correspondingly adjusted.

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

- An increase in the number of Resultant Shares, be proportionately increased, and the Exercise Price, be proportionately reduced.
- 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.

25 Amendment or Termination of Plan

Subject to the provisions of the SEBI Regulations, the Board of Directors / Compensation Committee may from time to time amend, alter or terminate the Plan 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, to the extent possible, which would impair or prejudice the rights of the Employee without the consent of the concerned Employee.

Further, under the SEBI Regulations, the Company may by special resolution in a general meeting vary the terms of the ESOP offered pursuant to an earlier resolution of the shareholders but not yet Exercised by the employee provided that it is not prejudicial to the interests of the option holders.

Without prejudice to the above, the Board of Directors, without any reference to or consent of the Employee concerned, amend the Plan or Grant or any Agreement to comply with any laws, regulations or guidelines, which is or may hereinafter, become applicable to this Plan.

26 Listing

The shares arising pursuant to the AXISCADES ESOP 2018 – Series 2 shall be listed immediately upon exercise in all recognized stock exchanges where the securities of the Company are listed subject to compliance with applicable law.

27 Others

27.1 No right to a Grant

Neither the adoption of the Plan nor any action of the Compensation Committee shall be deemed to give an Employee any right to be granted an Option to purchase Shares, to receive a Grant or to any other rights hereunder except as may be evidenced by an Option Agreement duly executed on behalf of the Company, and then only to the extent of and on the terms and conditions expressly set forth therein.

27.2 No Employment Rights Conferred

Nothing contained in the Plan or in any Grant made hereunder shall (i) confer upon any Employee any right with respect to continuation of employment with the Company, or (ii) interfere in any way with the right of the Company to terminate his or her employment at any time.

27.3 No Restriction of Corporate Action

Nothing contained in the Plan shall be construed to prevent the Company from taking any corporate action which is deemed by the Company to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or any future Grant under the Plan. No Employee, beneficiary or other person shall have any claim against the Company as a result of such action.

27.4 Tax deduction at source

The Company shall have the right to deduct, in connection with all Grants, any taxes, if any, required by law to be deducted at source and to require any payments necessary to enable it to satisfy such obligations.

Upon giving not less than 07 days' notice to the employee to the amount of tax, the Company shall be empowered to sell such number of Shares as would be necessary to discharge the obligation in the respect of tax deduction at source and appropriate the proceeds thereof on behalf of the employee.

27.5 Confidentiality

The Employee shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the Plan, Grant, the Option Agreement or any connected matter. Any violation may result in cancellation of Grant or compulsory retransfer of Shares to a nominee as the Compensation Committee may deem fit without prejudice to the other action which may be taken in this regard

27.6 Insider Trading

The Employee shall ensure that there is no violation of:

- Insider Trading Regulations of the Country and/or the recognized stock exchange on which the shares of the Company are listed.
- Other applicable restrictions for prevention of Fraudulent and/or Unfair Trade Practices relating to the Securities Market.

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

27.7 New Plans

Nothing contained in the Plan shall be construed to prevent the company directly or through any trust settled by Company, from implementing any other new Employee Ownership Plan which is deemed by the Company to be appropriate or in its best interest, whether or not such other action would have any adverse impact on the Plan or any Grant made under the Plan.

27.8 Issues

In respect of any issues arising in respect of the Plan, the decision of the Board and/or the Compensation Committee shall be final and binding on all concerned.

27.9 Information to Employees

Grantees under the Plan shall receive financial statements annually regarding the Company during the period the Options are outstanding.

27.10 Any outflow under ESOP scheme

Any outflow for the company on any account including but not limited to any tax, cess, duty or levy (including Perquisite Value Tax) etc., as applicable from time to time at present or in future due to/under this Plan shall be recoverable from the concerned employee.

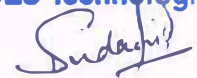
27.11 Governing Law

The Plan shall be construed in accordance with and subject to the laws of Republic of India and other applicable laws. The shares issued pursuant to this Scheme shall be governed by the Corporate and Securities Laws of the India and in a case where the Shares are listed on a stock exchange in a country other than India, the laws of the country/stock exchange in which the Shares are listed shall also apply.

The courts at Bangalore shall have the exclusive jurisdiction.

Certified True Copy

AXISCADES Technologies Ltd



SONAL DUDANI
Company Secretary