

## OSWAL PUMPS LIMITED

### OSWAL PUMPS EMPLOYEE STOCK OPTION PLAN – 2024

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For Oswal Pumps Ltd.

*[Signature]*

Director

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## 1. Name of the Plan

This Plan shall be termed as the "Oswal Pumps Employee Stock Option Plan 2024" ("**Plan**" or "**Scheme**"). The Plan has been approved by the Board of Directors ("**Board**") of Oswal Pumps Limited ("**Company**") in its meeting held on 27<sup>th</sup> August, 2024 and by the Shareholders of the Company through Special Resolution in the Extra Ordinary General Meeting held on 27<sup>th</sup> August, 2024. The Plan shall be effective from 27<sup>st</sup> August, 2024 (herein after referred to as the "**Effective Date**").

This document sets out the terms and conditions of the Plan under which the Options (*defined below*) are being Granted and allotted to the Employees (*defined below*) of the Company.

## 2. Purpose of the Plan

The Company has structured this Plan for all its Employees (*defined below*).

The objectives of the Plan are to:

- Attract and retain Employees (*defined below*);
- Recognize and reward Employees for both their past achievements and future contributions;
- Encourage Employees to help drive the company's growth and profitability;
- Link personal wealth creation to organizational wealth creation;
- Foster a culture of Employee ownership; and
- To lower the attrition rate of the Company by providing additional deferred rewards to Employees.

This purpose is sought to be achieved through the grant of Options (*defined below*) of the Company to Employees (*defined below*) of the Company as decided by the Committee (*defined below*) from time to time.

## 3. Definitions

In this Plan, except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against. Further, unless the context otherwise requires, words denoting the masculine gender shall include the feminine gender and words denoting the singular shall include the plural and vice versa. The terms not defined in this Plan shall have the meaning as defined in the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**"), the Securities Contracts (Regulation) Act, 1956, the Companies Act, 2013 and the rules and regulations issued thereunder ("**Companies Act**"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**") and the SEBI SBEB Regulations, or in any statutory modifications or re-enactments thereof, as the case may be.



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*For and on behalf of the Company*  


- 3.1 **"Acceptance Form"** shall mean the form that the Grantee (*defined below*) has to submit indicating his/her acceptance of the offer made to him/her to participate in the Plan.
- 3.2 **"Aggregate Exercise Price"** shall mean Exercise Price (*defined below*) plus any taxes due from the Grantee (*defined below*) as per Clause 9 of the Plan.
- 3.3 **"Applicable Laws"** shall mean all applicable laws, rules, regulations, statutes, bye-laws, orders, ordinances, notifications, guidelines, protocols, treaties, policies, directions, writs, injunctions, judgements, awards, decrees or official directive of any court of competent authority relating to Employee Stock Options by whatever name called, including and without limitation to the Companies Act, SEBI Act 1992, the SEBI SBEB Regulations, the SEBI LODR Regulations and includes any statutory modification or re-enactments thereof and relevant tax, securities, exchange control or other applicable law of India or of any relevant jurisdiction or of any recognized stock exchange on which the Shares are listed or quoted.
- 3.4 **"Beneficiary"** means the person or persons, who is/are entitled by the will of the Grantee (*defined below*) to receive the benefits specified in the Plan, the legal heirs of the Grantee (*defined below*), if the Grantee (*defined below*) dies intestate and includes the Grantee's (*defined below*) executors or administrator, if no other beneficiary is designated and able to act under the circumstances and, subject to Applicable Law, such other persons as may be added from time to time to the class of beneficiaries by notice in writing and by the nomination form in the exercise of any powers conferred under the Plan or any other agreements forming part thereof.
- 3.5 **"Board"** means the board of directors of the Company (*defined below*) and where the context so requires, includes the Board of Directors of any subsidiary of the Company.
- 3.6 **"Company"** shall mean Oswal Pumps Limited.
- 3.7 **"Corporate Action"** shall have the meaning as given in Clause 26.3 of this Plan.
- 3.8 **"Committee"** means the Nomination and Remuneration Committee of the Company constituted in terms of section 178 of Companies Act and regulation 19 of SEBI LODR Regulations and which is designated as Compensation Committee for the purpose of, inter-alia, administration and superintendence of this Scheme
- 3.9 **"Eligibility criteria"** means the criteria as maybe determined from time to time by the Committee for granting Options (*defined below*) to the Employees

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### 3.10 "Employee" means

- (i) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (ii) a director of the Company, whether a whole time director or not, including a non-executive director; or
- (iii) an employee as defined in sub-clauses (i) or (ii), of the subsidiary of the company,

but does not include:

- (a) an employee who is a promoter or a person belonging to the promoter group; or
- (b) An Independent Director
- (c) a director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company

Provided however that prior to listing of Shares on the stock exchanges, "employees" shall have the meaning assigned to such term under the Companies Act.

- 3.11 **"Exercise"** means making of an application by the Grantee to the Company for allotment of Shares to him/her pursuant to conversion of any or all of the Options vested in pursuance of this Plan.
- 3.12 **"Exercise Date"** means the date on which the Grantee carries out the Exercise of Grant.
- 3.13 **"Exercise Period" / "Purchase Period"** means the time period; after Vesting during which the Grantee can carry out the Exercise in pursuance of the Plan.
- 3.14 **"Exercise Price"** means the price payable by the Grantee for Exercising the Options in pursuance of the Plan, which shall be determined by the Committee.
- 3.15 **"General Meeting"** means a general meeting (and includes an extraordinary general meeting) of the Shareholders of the Company held in accordance with the Articles of Association of the Company and the Applicable Laws.
- 3.16 **"Grant"** means the process by which the Company grants Options to the Grantee, as per the terms and conditions of the Plan.
- 3.17 **"Grant Date"** means the date on which the Grant is made by the Committee under the Plan.
- 3.18 **"Grant Letter"** means the letter by which the Grant is communicated to the Grantee.
- 3.19 **"Grantee"** shall mean an Employee (including his/her Beneficiary where the context so requires) whom the Committee, at its sole discretion, has identified for making an offer of

*For Oswal Pumps Ltd.*  
*V. K. Bhatia*

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Grant as per the terms and conditions of the Plan and who has signed his acceptance thereof by way of an agreement in accordance with the terms and conditions of the Plan.

- 3.20 **"Independent Director"** means a director of the Company, subsidiary company or holding company of the Company, associate of the Company or a group company of the Company, within the meaning of Section 149(6) of the Companies Act read with the regulation 16(1)(b) of the SEBI LODR Regulations.
- 3.21 **"Lapsed Option"** means (i) the unvested options; or (ii) options which are vested but not exercised by the Grantee within the Exercise Period.
- 3.22 **"Lock-in Period"** means the period during which a Grantee, who becomes a member of the Company upon allotment of Shares pursuant to a valid Exercise, shall be barred from selling or otherwise transferring such Shares.
- 3.23 **"Long Leave"** means leave taken by the Employee for more than 30 days, which has been approved by the Company.
- 3.24 **"Misconduct"** means any of the following:
- committing of any act of misconduct warranting termination under law; or
  - conduct which in the reasonable opinion of the Committee amounts to a serious breach by a Grantee of the obligation of trust and confidence to the Company; or
  - a finding by the Committee that an employee has committed any material or consistent breach of any of the terms or conditions of employee service agreement including any willful neglect of or refusal to carry out any of his duties or to comply with any instruction given to him by the Board [or the Senior Management; or
  - being convicted of any criminal offence (other than an offence under any road traffic legislation for which a penalty of imprisonment cannot be imposed); or being disqualified from holding office in the Company or any other company under any legislation or to be disqualified or disbarred from membership of, or be subject to any serious disciplinary sanction by, any regulatory body within the industry, which undermines the confidence of the Committee in the individual's continued employment; or
  - having acted or attempted to act in any way which in the opinion of the Committee has brought or could bring the Company or any other Group member into disrepute or discredit; or
  - breach of any Company policies/ terms of employment; or
  - anything not included above but defined in the Company rules or employee handbook or employment agreement
- 3.25 **"Option" or "Stock Option" or "Employee Stock Option"** means a right but not an obligation granted to a Grantee to subscribe to a specified number of Shares on the occurrence of Vesting of such Option(s) in accordance with this Plan;



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- 3.26 **"Permanent Disability"** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee, on a permanent basis, from performing any specific job, work or task, which said Employee was capable of performing immediately before such disablement.
- 3.27 **"Plan"** or **"Scheme"** shall mean the Oswal Pumps Employee Stock Option Plan 2024 and shall include any alterations, amendments, additions, deletions, modifications, or variations made by the Committee thereof from time to time.
- 3.28 **"Promoter"** shall mean the promoter of the Company or the subsidiary company, having the meaning ascribed to it under Regulation 2(1) (oo) of the SEBI ICDR Regulations.
- 3.29 **"Promoter Group"** shall mean the promoter of the Company or of the subsidiary of the Company, having the meaning ascribed to under Regulation 2(1) (pp) of the SEBI ICDR Regulations.
- 3.30 **"Relative"** shall have the meaning ascribed to it in Regulation 2(1) (gg) of the SEBI SBEB Regulations.
- 3.31 **"Rights Shares"** means offering of Shares to the existing Shareholders who hold subscription rights or pre-emptive rights that entitle them to buy newly issued Shares at a discount from the price at which they will be offered to the other Shareholders.
- 3.32 **"SEBI SBEB Regulations"** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- 3.33 **"Senior Management"** shall mean the senior management of the Company, subsidiary company or holding company of the Company, associate of the Company or a group company of the Company, having have the meaning ascribed to it in Regulation 2(1) (bbbb) of the SEBI ICDR Regulations.
- 3.34 **"Shares"** means equity shares of the Company.
- 3.35 **"Share Capital"** means the share capital of the Company.
- 3.36 **"Shareholder"** means the registered holder of a Share in the Share Capital of the Company.
- 3.37 **"Stock Option Agreement"** means a written agreement between the Grantee and the Company, confirming the grant of Options and evidencing the terms and conditions as stipulated in this Plan.
- 3.38 **"Subsidiary"** shall mean a subsidiary of the Company, from time to time within the meaning of Companies Act.



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- 3.39 **"Superannuation Age"** shall mean an age for retirement, which would be 60 years or any other age as may be determined by the Committee from time to time.
- 3.40 **"Terms of Employment"** means the Company's policies for employees and the terms of employment as contained in the Employment Letter and the Company's policies in force from time to time, which include but are not restricted to provisions for securing confidentiality, non-compete and non-poaching of other Employees and customers, as may be applicable
- 3.41 **"Termination Date"** means the date of termination of employment of the Employee with the Company.
- 3.42 **"Unvested Option"** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Grantee has not become eligible to exercise the Option.
- 3.43 **"Vesting"** means the process by which an Employee is given the right to apply for Shares of the Company pursuant to the Options granted to him under the Scheme.
- 3.44 **"Vesting Condition"** means any condition subject to which the options granted would vest in an Grantee.
- 3.45 **"Vesting Period"** means the period during which the vesting of the Employee Stock Option granted to the Employee, in pursuance of the Plan takes place.
- 3.46 **"Vested Option"** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Grantee has become eligible to exercise the Option.
- 3.47 **"Vesting Schedule"** means the Schedule as specified in the Grant Letter as per which Options will vest to the Grantee

## Construction:

- The headings/subheadings/titles/subtitles are only for the sake of convenience and shall not be interpreted to restrict or otherwise affect the meaning or import of the Clauses, which shall be interpreted solely in light of the contents thereof.
- Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form.
- The term 'including' shall mean 'including without limitation', unless otherwise specified.
- Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.



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- f) Any word which is not defined under the Scheme shall be interpreted in line with SEBI Regulations.

#### 4. Authority and Ceiling

- 4.1 The maximum number of Options that may be granted under this Plan shall not be more than 292,595 (Two Lakh Ninety Two Thousand Five Hundred and Ninety Five Only) Options with each Option being convertible into 1 (one) Share, of the Company, in accordance with terms and conditions of this Plan and the respective Grant Letters issued to Employees. Any further issuance of the options by the Board as per any new plan, as approved by the Shareholders of the Company, shall rank *pari-passu* with the Options issued as per this Plan. It is expressly clarified that the maximum number of Shares that may be issued pursuant to exercise of all Options granted to the Grantees under this Plan shall not exceed 5% of share capital of the Company or such other limit as may be prescribed under Applicable Laws. The Committee, subject to obtaining necessary approvals, reserves the right to increase or reduce such number of Shares as it deems fit, in accordance with the Applicable Laws.
- 4.2 If an Employee Stock Option is forfeited, expires, lapses or cancelled due to any other reason, it shall become available for future Grants, subject to compliance with all Applicable Laws. The Committee will have powers to re-grant such options.
- 4.3 Where Shares are issued consequent upon Exercise of an Employee Stock Option under the Plan, the maximum number of Options and consequently, Shares that can be further issued under Plan as referred to in Clause 4.1 above will stand reduced to the extent of such Shares issued.
- 4.4 In case of a consolidation where the face value of the shares is increased above Rs.10/-, the maximum number of shares available for being granted under the Plan shall stand modified accordingly, so as to ensure that the cumulative face value (No. of shares X Face value per share) prior to such consolidation remains unchanged after the share consolidation.
- 4.5 In case of a share-split where the face value of the shares is reduced below Rs.10/-, the maximum number of shares available for being granted under the Plan shall stand modified accordingly, so as to ensure that the cumulative face value (No. of shares X Face value per share) prior to such split remains unchanged after the share split.
- 4.6 The Committee shall make fair and reasonable adjustment to the number of Options (including the maximum number of Options to be issued under this Plan) and to the Exercise Price in case of corporate actions as defined in Clause 26.3 in accordance with Applicable Laws.

In this regard the following shall be taken into consideration by the Committee:



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*[Signature]*

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- i The number (including the maximum number of Options to be issued under this Plan) and / or the price of the Options shall be adjusted in a manner such that the total value of the Options to the Grantee remains the same before and after such corporate action;
- ii For this purpose, global best practices in this area including the procedures followed in India and abroad shall be considered; and
- iii The Vesting Period and the Exercise Period shall be left unaltered as far as possible to protect the rights of the Grantee.

## 5. Eligibility

- 5.1 The Plan covers all Employees as defined in Clause 3.10 hereinabove who are in employment with the Company or any of the Subsidiary of the Company at the time of grant.
- 5.2 The Committee shall decide which of the Employees shall be granted Options under the Plan and accordingly, the Committee would offer the Options to the identified Employees to the extent permissible under Applicable Laws.
- 5.3 In determining the Eligibility Criteria of an Employee to receive Options as well as in determining the number of Options to be granted to any Employee, the discretion of the Committee shall be absolute.

## 6. Administration of the Plan

- 6.1 Subject to the Applicable Laws and framework laid down by the Board, the Plan shall be administered by the Committee. The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Plan. The Committee may correct any defect, omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or desirable, in accordance with Applicable Laws. Provided that any such action of the Committee shall not be prejudicial to the interests of the Employees.
- 6.2 Any decision of the Committee, as the case may be in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Grantee and/ or Grantees and their Beneficiaries). The Company/ Board/Committee shall not be liable for any action or determination made in good faith with respect to the Plan or any Shares granted there under.
- 6.3 The Committee shall, inter alia, do the following, subject to the terms of the Articles of Association, powers vested by the Board and Applicable Laws:
  - (i) Determine from time to time the Eligibility Criteria of the Employee for being covered in the Scheme;

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*Director*

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- (ii) Determine from time to time the quantum of Shares to be Granted under the Plan per Grantee and in aggregate subject to the ceiling specified in Clause 4.1;
- (iii) Prescribe the Vesting Period and Vesting criteria, which may differ from Employee to Employee;
- (iv) Determine the Exercise Period within which the Grantee should Exercise the Grant failing which the offer would lapse;
- (v) Determine the conditions under which Grants made to the Grantee may lapse in case of termination for misconduct;
- (vi) Determine the right of a Grantee to Exercise all the Grants at one time or various points in time within the Exercise Period;
- (vii) Determine the Lock-in Period for the Shares if any and any adjustments to the Lock-in Period on the happening of certain events such as death, disability, superannuation, termination with Cause, other terminations, corporate actions etc;
- (viii) Determine the procedure for making a fair and reasonable adjustment to the number of Grants and to the Exercise Price in case of corporate actions as defined hereinabove;
- (ix) Determine the financial assistance, if any, to be given to Employees for Exercise of the Grants subject to compliance with Applicable Laws;
- (x) Determine the Grant and Exercise of Grants in case of Employees who are on long leave;
- (xi) Approve forms of agreement for use under the Plan;
- (xii) Approve the Exercise Price and the valuation methodology of Options under the Plan;
- (xiii) Determine the number of Shares and/ or the Exercise Price;
- (xiv) Determine the procedure of sale or transfer of Shares;
- (xv) Take any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the Plan or the administration or interpretation thereof;
- (xvi) Administer and reconcile any inconsistency in the Plan;
- (xvii) Determine the procedure for buy-back of Shares issued upon Exercise, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
  - 1. permissible sources of financing for buy-back;
  - 2. any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
  - 3. limits upon quantum of specified securities that the Company may buy-back in a financial year
- (xviii) Variation of terms of the Options subject to compliance with Applicable laws; and
- (xix) Perform such other functions and duties as may be required under the Applicable Laws.

*For Oswal Pumps Ltd.*

*[Signature]*

Director

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## 7. Grant

- 7.1 Subject to the number of Options as provided in Clause 4.1 of the Plan, a Grant to any particular Employee may be made more than once under the Plan.
- 7.2 The Committee may, at its sole discretion, make a Grant to a Grantee in accordance with the terms and conditions of the Plan and to the extent permissible under the Articles of Association of the Company and Applicable Laws.
- 7.3 The Grant by the Committee to the Grantee shall be made in writing and communicated to the Grantee by a Grant Letter. The Grant Letter will include details of the number of Options being offered, the number of Shares that shall be allotted to the Grantee upon Exercise of the Options, the Exercise Price, the Exercise Period, the terms of Vesting and such other details that the Committee considers appropriate. The Grantee shall submit his/her acceptance to the Committee by submitting the Acceptance Form within seven days of the date of receipt of the Grant Letter. If Grantee fails to submit Acceptance Form within specified time then such Options shall be deemed to have been rejected by the Grantee.
- 7.4 A Stock Option Agreement shall be entered into by and between the Company and the Grantee who has communicated his acceptance in the manner specified in Clause 7.3 above. The Agreement shall contain the mutual rights and obligations of both the Parties along with other terms and conditions as stipulated in this Plan
- 7.5 The Committee shall grant Options to one or more Grantees, in accordance with the terms and conditions of the Scheme for the time being in force and subject to his/her employment terms or his/her continuity in the employment, and other parameters as set out by the Committee. No amount shall be payable by the Grantee at the time of grant of Options.
- 7.6 The maximum number of Options that can be granted to identified Employees in aggregate during any one year shall not exceed 1% of the issued capital of the Company or such other limit as may be prescribed under Applicable Laws at the time of grant of Options. The Committee may decide to grant such number of Options, in aggregate, equal to or exceeding 1% of the issued capital of the Company or such other limit as may be prescribed under Applicable Laws to identified Employees during any one year, subject to the separate approval of the shareholders in a general meeting by way of a special resolution.
- 7.7 Unless agreed otherwise between the Company and any Grantee and subject to the Corporate Action(s) (as defined hereinabove) taken by the Company, if any, the grant of 1 (One) Option to a Grantee under this Scheme shall entitle the holder of the Option to apply for 1 (One) Share in the Company upon payment of Exercise Price.

For Oswal Pumps Ltd.  
*[Signature]*  
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- 7.8 Subject to Clause 12.1 of the Plan, a Grant made under the Plan shall be personal to the Grantee and shall not be transferable to any other person or entity in any manner whatsoever.

## 8. Vesting

- 8.1 Subject to continued employment with the Company, the Vesting schedule and specific Vesting Conditions subject to which Vesting would take place shall be decided by the Committee and would be specified in the Grant Letter issued to the Grantee at the time of Grant. However, it is expressly clarified that no Option so granted shall vest before one year has passed from the date of Grant.
- 8.2 The Grantee shall not have the right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of the Options granted to him/her, till the Shares are issued upon the exercise of the Options.
- 8.3 Subsequent to the date of Vesting, the Grantee shall Exercise the Vested Options on or before the Exercise Date.
- 8.4 Period of long leave shall not be included in determining the vesting period in the event the Employee is on a sabbatical. However, the Committee at its discretion, may include the period of long leave in determining the vesting period. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the vesting period unless otherwise determined by the Committee.
- 8.5 The Committee may from time to time specify the maximum vesting period for the Options.

## 9. Exercise

- 9.1 The Exercise Price of the Options at the time of Exercise shall be determined by the Committee, which shall be communicated to the Grantee in the Grant Letter.
- 9.2 Subject to Clause 12 of the Plan, the Grantee may exercise Vested Options within the Exercise Period. Such Exercise may be of all Vested Options or part of the Vested Options, subject to Clause 9.3 of the Plan.
- 9.3 For the purposes of the Plan, the Exercise Period for the Vested Options shall be as follows
- Any time after the Vesting Date; and
  - In the event of resignation or termination of employment, on or before the last day in employment, subject to the Options having Vested.

However, the Committee at its discretion may offer differential Exercise Period, which may vary from Employee to Employee.

For Oswal Pumps Ltd.

*[Signature]*  
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Solar | Domestic | Agriculture | Industrial  
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# Oswal Pumps Ltd.



An ISO 9001 Certified Company

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CIN No: U74999HR2003PLC124254

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- 9.4 The Exercise shall take place at the time and place designated by the Committee and by executing such documents as may be required under the Applicable Laws to pass a valid title of the relevant Shares to the Grantee, free and clear of any liens, encumbrances and transfer restrictions subject to the terms and conditions of the Plan.
- 9.5 A Grant shall be deemed to be validly exercised only when the Committee receives a duly completed written or electronic notice of the Exercise, the Aggregate Exercise Price (in accordance with the Plan) and such other duly completed and signed documents as may be considered necessary by the Committee to lawfully execute/enforce various provisions of the Plan, including but not limited to those provided under Clause 12 and Clause 15 of the Plan.
- 9.6 On Exercise, the Grantee may subscribe to acquire the Shares and the Company shall allot the Shares to the Grantee or, the Beneficiary, in conditions as defined in Clause 12.1 [or, if so, requested in writing by the Beneficiary, to the Beneficiary jointly with another person, provided the Company is satisfied that all conditions of the Plan and Applicable Law have been complied with.
- 9.7 The Committee shall endeavor, subject to Applicable Laws, to ensure that the process of allotment of Shares to the Grantee, who has validly exercised his/her Grants, are completed in the immediate next meeting of the Committee, on the receipt of a valid exercise form.
- 9.8 Notwithstanding anything else contained in this Plan, if the Grantee does not Exercise his/her Vested Options within the time specified in Clause 9.3 read with Clause 12 of the Plan, such Vested Options shall be automatically forfeited and stand cancelled.
- 9.9 The Company, at its sole discretion and subject to Applicable Laws, may provide or arrange financial assistance to the extent as permitted under the Applicable Laws and in any mode or manner it deems fit, to enable the Grantee to Exercise Vested Options within the Exercise Period.
- 9.10 The Aggregate Exercise Price shall be paid in full upon the Exercise of the Grants. Payment must be made by one of the following methods:
- cheque, banker's cheque or demand draft issued in the name of the Company as the Committee may specify; or
  - remittance directly from the Grantee's bank to the bank account of the Company (wire transfer) as the Committee may specify; or
  - recovery from the immediately succeeding salary payment in case of the Employees; or
  - any combination of such methods of payment or any other method acceptable to the Committee at its sole discretion.

For Oswal Pumps Ltd.  
*[Signature]*  
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## 10. Allotment of Shares pursuant to Exercise

- 10.1 On receipt of application(s) complete in all respects and the payment of the Aggregate Exercise Price and subject to completion of all applicable procedures with respect to Exercise as per Clause 9 of the Plan, the Company shall make an allotment of Shares within a reasonable time from the receipt of the Aggregate Exercise Price. Prior to the allotment of Shares and pursuant to a valid Exercise, the Grantee shall be required to sign such papers as may be considered necessary by the Committee to lawfully execute/enforce various provisions of the Plan including but not limited to those provided in Clause 12 and Clause 15 of the Plan.
- 10.2 Upon allotment of the Shares, the Grantees shall become members of the Company.

## 11. Tenure

- 11.1 The Plan shall continue in effect unless terminated by the Committee subject to compliance with Applicable Laws or upon exercise of all Options granted under the Plan. Any such termination of the Plan shall not affect Options already granted and such Grants shall remain in full force and effect as if the Plan had not been terminated unless mutually agreed otherwise between the Grantees and the Company.

## 12. Termination of Employment


### 12.1 On death of the Grantee:

In the event of death of a Grantee, the rights (including the Options already allotted in pursuance of this Plan) and obligations of the deceased Grantee, under the Plan, shall be automatically transferred to the Beneficiary of the deceased Grantee on that day. All the Unvested Options granted to such deceased Grantee till the date of his/her death shall on that date vest in the Beneficiary of the deceased Grantee. The Beneficiary shall be permitted to Exercise the Vested Options within the Exercise Period and in accordance with other terms and conditions of the Plan as applicable to the deceased Grantee. Any Grants not exercised within the aforesaid period(s) shall automatically lapse and stand forfeited at the end of the aforesaid period(s).

### 12.2 On Permanent Disability of the Grantee:

In case the employee suffers a permanent incapacity while in employment, all the options granted to him/her as on the date of permanent incapacitation, shall vest in him/her on that day. In such event, the Grantee will be permitted to Exercise Vested Options within the Exercise Period and in accordance with other terms and conditions of the Plan. Any Grants not exercised within the aforesaid period(s) shall automatically lapse and stand forfeited at the end of the aforesaid period(s).

For Oswal Pumps Ltd.



Director

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## 12.3 On attainment of superannuation age

In case the service of the Grantee with the Company is terminated due to retirement on attaining Superannuation Age, the Grantee will be permitted to Exercise the Vested Options before expiry of the Exercise Period and in accordance with other terms and conditions of the Plan; and the Unvested Options shall continue to vest, and be Exercised, in accordance with Clause 8 and 9, respectively. Any Grants not exercised within the aforesaid period(s) shall automatically lapse and stand forfeited at the end of the aforesaid period(s).

## 12.4 On account of Misconduct

In case the employment of a Grantee with Company is terminated for any Misconduct, all Grants made to the Grantee including Vested but unexercised Options; along with the Unvested Options shall stand forfeited and get automatically cancelled on such Termination Date. However, the Committee shall have the right to waive the forfeiture wholly or partly at its sole discretion.

## 12.5 On Resignation

In case the employment of the Grantee with the Company is terminated by way of resignation, all unvested Options shall stand forfeited and get automatically cancelled with effect from the date of submission of resignation notice to the Company. All Vested Options, as on the date of submission of resignation notice shall be exercisable before expiry of the Exercise Period and in accordance with other terms and conditions of the Plan.

## 12.6 Other terminations

In case the employment of the Grantee with the Company is terminated for any other reason, other than as set out in Clauses 12.1 through 12.5 above, the Committee shall decide the terms of Exercise of the Vested Options as on the Termination Date. All unvested Options, as on the Termination Date, shall stand forfeited and get automatically cancelled with effect from the Termination Date.

## 13. Lapse of Options

- 13.1 Save as provided in Clause 12 hereinabove, an Option shall lapse automatically and shall not be exercisable (to the extent not already exercised) upon the expiry of the Exercise Period or the date of commencement of winding up of the Company whichever is earlier and the Grantee shall have no right over such lapsed or cancelled Options.

For Oswal Pumps Ltd.

*Vishal Gupta*

Director

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## 14. Non-transferability of Grants

- 14.1 Save as provided in Clause 12 of the Plan, the Grants made under the Plan are personal to the Grantee. The Grants cannot be assigned, alienated, pledged, attached, hypothecated, sold, or otherwise transferred or encumbered by the Grantee except by will or by the laws of descent, to the extent permitted under the Applicable Law, and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void and unenforceable against the Company.

## 15. Transferability of Shares

- 15.1 Subject to the conditions under this Plan and compliance with Applicable Laws, the Shares allotted under this Plan shall be freely transferrable.

## 16. Lock-in

- 16.1 Subject to compliance with Applicable Laws, the Shares allotted upon Exercise of Options shall not have any lock in.

## 17. Rights of a Grantee as Shareholder

- 17.1 The rights of a Shareholder shall be conferred upon the Grantee only upon a valid Exercise of Option(s) and the resultant issue of Shares by the Company. Upon the allotment of the Shares, the Grantee shall become member of the Company and shall be entitled to all rights of a member including voting rights, receipt of dividend, etc. The Grantee shall, at all times, be bound by, and observe, the terms of the Articles of Association of the Company and Applicable Laws as an ordinary shareholder of the Company.

## 18. Beneficiary Designation

- 18.1 Each Grantee under the Plan may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit under the Plan is to be delivered in case of his/her death before he/she receives all of such benefit. Each such nomination which revokes all prior nominations by the same Grantee, shall be in a form prescribed by the Company and shall be effective only when filed by the Grantee in writing with the Company during the Grantee's lifetime.

## 19. Tax Implications

- 19.1 All Exercises made under the Plan shall be subject to tax deduction at source (TDS) as per the Applicable Laws.

*For Oswal Pumps Ltd.*  
*V. A. Gupta*  
Director

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- 19.2 The Grantee or Beneficiary is liable to make good to the Company any tax, paid or payable by the Company, as per the Applicable Laws in respect of any Grant/ Exercise/allotment of Shares made under the Plan.
- 19.3 Notwithstanding anything else contained in this Plan, no Shares there from, as the case may be, shall be allotted to the Grantee/Beneficiary on Exercise of Grants, under this Plan unless any tax or other levy directly imposed on the Company as a result of the said transaction has been recovered to the satisfaction of the Company.
- 19.4 The tax obligations, if any, arising to the Grantee at the time of exercise of options or transfer of Shares acquired under the Plan (including any obligation arising on account of change in tax laws) shall be the sole responsibility of the Grantee/Beneficiary.

## 20. Modification of Plan

The Committee may, pursuant to a special resolution, passed at a General Meeting at any time and from time to time:

- 20.1 Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Plan or all or any of the rights and obligations of the Grantees, in respect of Options Granted but not yet Exercised by the Employees, subject to such alteration not being prejudicial to the interests of the Grantee;
- 20.2 Subject to such alteration not being prejudicial to the interests of the Grantee, formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Grantees separately and each of such sets of special terms and conditions shall be restricted in its applications to such Grantees.

## 21. General Risks

- 21.1 Participation in the Plan shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the equity and the risks associated with the investments is that of the Grantee alone. The existence of the Plan and the Grants made hereunder shall not in any way affect the right or the power of the Board or the Shareholders of the Company to make or authorize any change in the capital structure, including any issue of shares, debt or other securities having any priority or preference with respect to the shares or the rights thereof or from making any corporate action which is deemed to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or any Grant made under the Plan. No Employee or other person shall have any claim against the Company as a result of such action.

For Oswal Pumps Ltd.  
*Vijay Gupta*  
Director

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## 22. Governing Law and Jurisdiction

- 22.1 This Plan and all agreements thereunder shall be governed by and construed in accordance with the Applicable Laws.
- 22.2 The Courts of Karnal, Haryana, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this Plan.
- 22.3 Nothing in this clause will however limit the right of the Company to bring proceedings against the Employee in connection with this Plan:
  - (i) in any other court of competent jurisdiction; or
  - (ii) concurrently in more than one jurisdiction.
- 22.4 The Grantee agrees and acknowledges that the Grantee has read a copy of the Plan. Any term of the Plan that is contrary to the requirement of the Applicable Laws or any other Applicable Laws or other Indian regulations shall not apply to the extent it is contrary.
- 22.5 If any of the provisions mentioned in this Plan are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and binding on the parties to the fullest extent permitted by law.

## 23. Regulations and Approvals

- 23.1 The Grant and the obligation of the Company to allot Shares with respect to such Grants shall be subject to the Applicable Laws and rules and regulations made thereunder and obtaining all such approvals from governmental agencies as may be deemed necessary or appropriate by the Committee.
- 23.2 Subject to the provisions of Clause 20 hereinabove, the Committee may make such changes to the Plan as may be necessary or appropriate to comply with the rules and regulations of any government authority.
- 23.3 The implementation of the Plan, the offer of the Grants and the issuance of any Shares under this Plan shall be subject to the procurement by the Company and the Grantees/Beneficiaries of all approvals and permits required by any regulatory authorities having jurisdiction over the Plan, the Grants and the Shares issued pursuant thereto. The Grantees/Beneficiaries under this Plan will, if requested by the Committee, provide such assurances and representations to the Company or the Board, as the Committee may deem necessary or desirable to ensure compliance(s) with all Applicable Laws and other legal and accounting requirements.

For Oswal Pumps Ltd.

*[Signature]*  
Director

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## 24. Notices and Correspondence

- 24.1 Any notice required to be given by a Grantee to the Company or the Committee or any correspondence to be made between a Grantee and the Company or the Committee may be given or made to the Company at the registered office of the Company, or to the Committee, as may be notified by the Company in writing.
- 24.2 Any notice required to be given by the Company or the Committee to a Grantee or any correspondence to be made between the Company or the Committee and a Grantee shall be given or made by the Company or the Committee on behalf of the Company at the address provided by the Grantee in his/her Acceptance Form.

## 25. Indemnification

- 25.1 To the fullest extent permitted by law, the Company shall indemnify and hold harmless the members of the Board and Committee from and against any and all liabilities, costs and expenses incurred by such persons as a result of any act or omission to act in connection with the performance of such person's duties, responsibilities and obligations under the Plan, other than such liabilities, costs and expenses as may result from the gross negligence, willful misconduct or criminal acts of such persons.

## 26. Miscellaneous

- 26.1 No right to a Grant: Neither the adoption of the Plan, nor any action of the Board or Committee shall be deemed to give an Employee any right to a Grant to acquire Shares or to any other rights hereunder except as may be evidenced by the Grant Letter, and then only to the extent of and on the terms and conditions expressly set forth therein, or in the Plan as the case may be.
- 26.2 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/her employment at any time, or (iii) afford the Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his/her office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 26.3 Corporate actions: In the event the Company is involved (i) in a Plan for merger, demerger, reconstitution, consolidation, dissolution, liquidation or reorganization, exchange of Shares, share swaps, sale of all or substantially all of the assets of the Company or a transaction similar thereto having material impact on the business of the Company, (ii) any stock dividend, stock split, reverse stock split, stock combination, rights issue, bonus issues or other changes in the capital structure of the Company or (iii) any other event which in the judgment of the Committee necessitates action of making a fair and

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*[Signature]*

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reasonable adjustment to the number of Grants and/or Exercise Price, (hereinafter referred to as **"Corporate Actions"**) such adjustment shall be made in a manner that the Committee considers prudent and reasonable. In all such corporate actions, the Committee, while taking into consideration the global best practices in this area including the procedures followed by the derivate markets in India and abroad, shall ensure that the Exercise Price shall be left unaltered as far as possible to protect the rights of the Grantee. However, the decision of the Committee on whether such action is necessary and the extent of such action by the Committee shall be final and binding.

- 26.4 Adherence to Applicable Laws: The Grantee shall comply with all Applicable Laws.
- 26.5 Disclosure requirements: The Board shall make all the relevant disclosures in the Director's report in relation to the Plan as may be required under the Applicable Laws. The Company shall endeavour to provide to the Grantees all developments in the Company that it considers relevant and material with respect to the Plan.
- 26.6 Accounting Methods: The Company shall follow and confirm to the applicable accounting standards and policies issued by the Institute of Chartered Accountants of India from time to time and any other Applicable Laws.
- 26.7 This Plan shall not confer on any person any legal or equitable rights against the Company or the Board or Committee directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Board or the Committee.
- 26.8 The Company shall bear the costs of establishing and administering this Plan, including any costs of the Company's auditors or any independent financial adviser in relation to the preparation of any confirmation by them or provision of any other service in relation to this Plan.
- 26.9 The Grantee shall comply with the Applicable Laws, as well as any code of conduct or such similar policy procedure or system formulated or adopted by the Committee and communicated to the Grantee from time to time. Any violation of the Applicable Laws or code of conduct may result in cancellation of the Grants, in the manner set out in this Plan, as well as subject the Grantee to disciplinary action at the discretion of the Company.
- 26.10 The Company shall maintain a Register of Options Granted as per the Companies Act.
- 26.11 The Grantee is encouraged to make considered judgment and seek adequate information /clarifications essential for appropriate decision.
- 26.12 The inability of the Company to obtain approval from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance of any Options hereunder shall relieve and wholly discharge the Company from any and all liability in respect of the failure to issue such Options.



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- 26.13 Neither the existence of this Scheme nor the fact that an individual has on any occasion been granted an Option shall give such individual any right, entitlement or expectation that he/she has or will in future have any such right, entitlement or expectation to participate in this Scheme by being granted an Option on any other occasion.
- 26.14 The Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he/she may suffer by reason of being unable to exercise an Option in whole or in part except as provided in this Plan.
- 26.15 This Plan is purely at the discretion of the Company.
- 26.16 Breach of any of the terms of the Plan by the Employee shall entitle the Committee to refuse to grant further options extend any other benefit to such defaulting Employee, without incurring any liability to the Employee in this regard.
- 26.17 This Plan constitutes the entire document in relation to its subject matter and supersedes all prior agreements and understandings whether oral or written with respect to such subject matter.

## 27. Confidentiality

Grantees must keep the details of the Plan and all other documents in connection thereto strictly confidential and must not disclose the details with any of his/her peer, colleagues, or with any employee and/or associate of the Company or that of its affiliates. In case Grantee is found in breach of this Confidentiality Clause, the Company has un-disputed right to terminate any Agreement and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this Confidentiality Clause shall be final, binding and cannot be questioned by Grantee. In case of non-adherence to the provisions of this clause, the Committee will have the authority to deal with such cases as it may deem fit.

The Grantee agrees that the Company may be required to disclose information of the Grantee during the process of implementation of the Plan or while availing services relating to ESOP consulting, advisory services or ESOP Management services and/or for any other reason, including in connection with a public offering of its Shares. The Grantee hereby accords his/her consent that such confidential information regarding his Option entitlements may be disclosed by the Company, including to its officers, professional advisors, agents and consultants.

## 28. Severability

If any of the provisions mentioned in this Plan are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and binding on the parties to the fullest extent permitted by Applicable Law.

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*[Signature]*  
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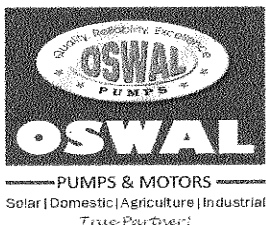
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# Oswal Pumps Ltd.



An ISO 9001 Certified Company

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CIN No: U74999HR2003PLC124254

URL : [www.oswalpumps.com](http://www.oswalpumps.com)

Email : [info@oswalpumps.com](mailto:info@oswalpumps.com)

## 29. Set-off

The Shares allotted under the Plan shall be subject to set-off or counterclaim of amounts owed by the Grantee to the Company/Board, to the extent permitted under the Applicable Laws.

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*[Signature]*  
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