

INSOLARE ENERGY LIMITED

**INSOLARE ENERGY LIMITED - Employee Stock Option
Plan 2026**

(“ESOP 2026”/ “Plan”)

Registered Office: Office No. 501 to 505, Altimus, Nr. Blue
Dart., B/h. Torrent Pharma Office, Off. Ashram Road, Riverfront
(West), Ashram Road P.O, Ahmedabad, Gujarat - 380009, India

CIN: U45206GJ2008PLC155375

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1. Name, Objective and Term of the Plan

- 1.1 This employee stock option plan shall be called the ‘**InSolare Energy Limited - Employee Stock Option Plan 2026**’ (“**ESOP 2026**”/ “**Plan**”).
- 1.2 The objectives of the Plan are:
1. To **incentivize** the key employees for their association with the Company, with a focus on rewarding early employees and long-term contributors in alignment with the sustained performance of the Company;
 2. To **attract, retain, and reward** key talent of the Company, by recognizing high performance and motivating them to align their individual contributions with the Company’s long-term business goals and vision, thereby contributing to overall corporate growth and profitability;
 3. To enable employees to become **co-owners**, thereby not only fostering a sense of ownership and alignment with shareholder interests but also allowing them to participate in and benefit from future wealth creation arising from the Company’s success.
- 1.3 The Plan is established with effect from 15th April 2026 on which the shareholders of the Company have approved the Plan and it shall continue to be in force until
- (i) its termination by the Board as per provisions of Applicable Law, or
 - (ii) the date on which all of the Options available for issuance under the Plan have been issued and exercised,
- whichever is earlier.
- 1.4 The Plan has been formulated in accordance with the provisions of the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014 issued thereunder, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“**SBEB Regulations**”), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, each as amended and all other applicable regulations and provision of law for the time being in force and shall be subject to any modifications or amendments or re-enactments thereof.

2. Definitions and Interpretation

2.1 Definitions

- i. “**Applicable Laws**” means every law relating to Employee Stock Options, to the extent applicable, including and without limitation to the Companies Act, all relevant regulations of the Securities and Exchange Board of India particularly in connection with or after Listing, including Securities and Exchange Board of India Act 1992, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“**ICDR Regulations**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“**SBEB Regulations**”), each as amended and enacted from time to time read with all circulars and notifications issued thereunder and all the relevant tax, securities, foreign exchange control or corporate laws or amendments thereof including any circular, notification issued thereunder by regulatory authorities of India or of any relevant jurisdiction or of any Stock Exchange on which the Shares may be listed or quoted.

- ii. **“Articles”** means Articles of Association of the Company as amended from time to time.
- iii. **“Associate Company”** shall have the same meaning as defined under section 2(6) of the Companies Act, 2013 and shall include any present or future Associate Company of the Company as determined under the Companies Act 2013.
- iv. **“Board”** means the Board of Directors of the Company.
- v. **“Company”** means InSolare Energy Limited, a company registered in India under the provisions of the Companies Act, 1956 having CIN: U45206GJ2008PLC155375 and having its registered office at Office No. 501 to 505, Altimus, Nr. Blue Dart., B/h. Torrent Pharma Office, Off. Ashram Road, Riverfront (West), Ashram Road P.O, Ahmedabad - 380009, Gujarat, India.
- vi. **“Companies Act”** means the Companies Act, 2013 read with rules issued thereunder from time to time and includes any statutory modifications or re-enactments thereof.
- vii. **“Company Policies/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 requiring a desired level of performance, securing confidentiality, non-compete and non-poaching of other Employees and customers.

Explanation: Before listing, for this clause, the Company includes its Subsidiary Company(ies) and its Holding Company.

Post Listing, for this clause, the Company includes its Subsidiary Company, its Associate Company(ies), in India or outside India or Holding Company of the Company to the extent Employees of the Subsidiary Company(ies), Associate Company(ies) and Holding Company of the Company are covered.

- viii. **“Committee”** means the Nomination and Remuneration Committee of the Board, as constituted, or reconstituted from time to time under the provisions of Applicable Law entrusting supervision and administration of Plan.

Provided that post Listing, the Nomination and Remuneration Committee of the Board, as constituted or reconstituted from time to time under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI LODR Regulations”**), as amended from time to time and having such powers as specified under the SBEB Regulations read with powers specified in this Plan.

- ix. **“Current Shareholder”** means a person whether a natural individual or a corporate entity, who holds Shares at the relevant point of time.
- x. **“Director”** means a director appointed to the Board of the Company.
- xi. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee for granting the Options to the Employees.
- xii. **“Employee”** means

Before Listing :-

- i. a permanent employee of the Company working in India or out of India; or
- ii. a Director of the Company, whether a whole-time director or not; or
- iii. an employee as defined in clauses (i) an employee as defined in clause (a) or (b) of a Subsidiary, in India or outside India, or of a Holding Company of the Company.

but excludes

- a. an employee who is a Promoter or belongs to the Promoter Group; and
- 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.
- c. an Independent Director.

Post Listing, the term “Employee” subject to the requirements of Applicable Laws, to the extent applicable, 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 who is not a Promoter or member of the Promoter Group; or
- iii. an employee as defined in sub clause (a) or (b), of a Group Company, including Subsidiary Company or its Associate Company, in India or outside India, or of a Holding Company of the Company.

but does not include

- a. an employee who is a Promoter or a person belonging to the Promoter Group; or
- b. a Director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Shares of the Company; or
- c. an Independent Director.

- xiii. **“Employee Stock Option” or “Option”** means an option granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the Shares underlying the Option at a pre-determined price.
- xiv. **“ESOP 2026” or “Plan”** means the ‘**InSolare Energy Limited - Employee Stock Option Plan 2026**’ under which the Company is authorized to grant Options to the Employees.
- xv. **“Exercise”** of an Option means an application by an Option Grantee to the Company for issue of the Shares underlying the Options vested in them, in pursuance of this Plan, in accordance with the procedure laid down by the Company for exercise of Options.
- xvi. **“Exercise Period”** means such time period commencing after Vesting within which the Employee shall have the right to Exercise the Options vested in him/her in pursuance of the Plan.
- xvii. **“Exercise Price”** means the price payable by an Option Grantee in order to Exercise the Options granted to him/her in pursuance of the Plan.

- xxiii. **“Fair Market Value”** means the value of a Share of the Company as determined by an independent valuer, as required by Applicable Law for the time being in force and appointed by the Company from time to time.

Provided that after Listing, the term ‘Fair Market Value’ shall refer to “Market Price” within the meaning of the SBEB Regulations.

- xix. **“Grant”** means the process by which the Company issues Options to the Employees under the Plan.

- xx. **“Grant Date”** means the date on which the Committee approves the grant.

Explanation: For accounting purposes, the Grant Date will be determined in accordance with applicable accounting standards.

- xxi. **“Grant Letter”** means the formal communication in writing as regards to Grant made by the Company to the Employee containing specific details, terms and conditions of the Options.

- xxii. **“Group” or “Group Company”** means two or more companies which, directly or indirectly, are in position to-

- i. Exercise twenty-six percent, or more of the voting rights in the other company; or
- ii. Appoint more than fifty percent of the members of the board of directors in the other company; or
- iii. Control the management or affairs of the other company.

- xxiii. **“Holding Company”** shall have the meaning ascribed to such term in the Companies Act.

- xxiv. **“Independent Director”** shall have the same meaning assigned to it under Section 149(6) of the Companies Act 2013 and the SEBI LODR Regulations.

- xxv. **“Liquidity Event”** means any event or transaction as approved by the Board as a liquidity event for the purposes of this Plan from time to time, which more particularly includes the following events:

- a. Strategic Sale;
- b. Offer for purchase by an investor;
- c. Listing; and
- d. any other event, which the Board may designate as a liquidity event for the purpose of the Plan.

- xxvi. **“Listing”** means the listing of the Company’s Shares on any recognized Stock Exchange pursuant to an Initial Public Offering as per the Applicable Laws.

Explanation: Initial Public Offering shall have the same meaning assigned to it under the ICDR Regulations.

- xxvii. **“Long Leave”** means such period of absence from active service as may be categorized as long leave under the Company Policies (including but not limited to sabbatical, study leave, or extended unpaid leave), or any other period as may be determined by the Committee, in its sole discretion.

xxviii. **“Market Price”** means the latest available closing price on the recognized Stock Exchange on which the Shares of the Company are listed on the date immediately prior to the Relevant Date.

Explanation: In the case of Shares listed on more than one recognized Stock Exchange, then the closing price on the recognized Stock Exchange where the highest trading volume on the said date shall be considered as the Market Price.

xxix. **“Misconduct”** means any of the following acts of commission or omissions by an Employee in addition to any provisions prescribed in the offer or terms of employment amounting to violation or breach of terms of employment as determined by the Committee after giving the Employee an opportunity of being heard:

- a. dishonest statements or acts of an Employee, with respect to the Company;
- b. any misdemeanor involving moral turpitude, deceit, dishonesty, or fraud committed by the Employee;
- c. gross negligence, misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company;
- d. breach by the Employee of any terms of his employment agreement or the Company’s policies or other documents or directions of Company or any Applicable Law, regulations, or legal obligations;
- e. participating or abetting a strike in contravention of any law for the time being in force;
- f. misconduct as provided under the labor laws after following the principles of natural justice; or
- g. any other terms and conditions as notified by the Committee from time to time.

xxx. **“Options”** means Employee Stock Options as defined under the Plan.

xxxi. **“Option Grantee”** means an Employee having a right but not an obligation to Exercise the Options and shall deem to include nominee/ legal heir of such Option Grantee in case of death of Option Grantee to the extent provisions of the Plan is applicable.

xxxii. **“Permanent Incapacity”** means any disability of whatsoever nature, be it physical, mental, or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work, or task which the said Employee was capable of performing immediately before such disablement, as determined by the Committee based on a certificate of a medical expert identified by the Committee.

xxxiii. **“Promoter”** shall have the same meaning as defined under Section 2(69) of the Companies Act and/or the ICDR Regulations as applicable, as may be amended or re-enacted from time to time.

xxxiv. **“Promoter Group”** shall have meaning as defined in the ICDR Regulations.

xxxv. **“Relevant Date”** means any of the following dates as the context requires:

- a. in the case of Grant, the Grant Date; or
- b. in the case of Exercise, the date on which the notice of Exercise is given to the Company by the Option Grantee.

xxxvi. **“Retirement”** means retirement or superannuation as per the rules of the Company Policies.

- xxxvii. “**Secretarial Auditors**” means a company secretary in practice appointed by a company under Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit pursuant to Regulation 24A of the SEBI LODR Regulations.
- xxxviii. “**Share(s)**” means equity shares of the Company of face value of **Rs. [2]/- (Rupees two only)** each fully paid-up including the equity shares arising out of the Exercise of Options granted under the Plan.
- xxxix. “**Stock Exchange**” means National Stock Exchange of India Limited, BSE Limited, or any other recognized Stock Exchange in India on which the Company’s Shares are listed or to be listed in future.
- xl. “**Strategic Sale**” means sale of Shares held by the Current Shareholders in one or more transactions, to any individual(s), entity(ies) or group(s) other than the Promoter or Promoter Group of more than 50% (fifty percentages) of the voting power in the Company and involving change of control over the affairs of the Company or in the constitution of the Board.
- Provided that** sale of Shares by the Current Shareholder(s) among themselves, to any of their immediate relatives being spouse, son, daughter, and parent, or to any company over which such selling Current Shareholder(s) have control, shall not qualify as Strategic Sale.
- xli. “**Subsidiary Company**” shall have the same meaning as defined under Section 2(87) of the Companies Act.
- xlii. “**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.
- xliii. “**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.
- xliv. “**Vesting**” means the process by which the employee becomes entitled to receive the benefit of a grant made to him/her in pursuance of the Plan.
- xlv. “**Vesting Condition**” means any condition subject to which the Options granted would vest in an Option Grantee.
- xlvi. “**Vesting Period**” means the period during which the Vesting of the Option granted to the Option Grantee, in pursuance of the Plan takes place.

2.2 Interpretation

In this Plan, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;

- d) words importing a gender include any other gender; and
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.
- f) the terms defined above shall for the purposes of this Plan have the meanings herein specified and terms not defined above shall have the meanings as defined in the Companies Act or Applicable Law including the SBEB Regulations, as the context requires. Reference to any act, rules, statute or notification shall include any statutory modifications, substitution or re-enactment thereof.

3. Authority and Ceiling

- 3.1 The shareholders of the Company have vide their special resolution dated **15th April, 2026** approved the Plan authorizing the Committee to grant not exceeding **58,85,292 (fifty eight lakh eighty five thousand two hundred and ninety two)** Options to the eligible Employees under the Plan in one or more tranches, from time to time, which in aggregate shall be exercisable into not more than **58,85,292 (fifty eight lakh eighty five thousand two hundred and ninety two)** Shares, with each such Option conferring a right upon the Employees to apply for one Share in the Company in accordance with the terms and conditions as may be decided under the Plan.
- 3.2 The maximum number of Options under the Plan that may be granted to each Employee vary depending upon the designation and the appraisal/ assessment process, however, per Grant shall not exceed **5,88,500 (five lakh eighty eight thousand and five hundred)** and in aggregate (taking into account all Grants) shall not exceed **29,42,646 (twenty nine lakh forty two thousand six hundred and forty six)** Options at the time of grant of Options under the Plan.

Provided that, prior approval of shareholders by way of special resolution shall be obtained in case the Grant of Options to any identified Employee, during any one year, is equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant.
- 3.3 If an Option expires, lapses, or becomes un-exercisable due to any reason, it shall be brought back to the Options pool as mentioned in sub-clause 3.1 and shall become available for future Grants, subject to compliance with the provisions of the Applicable Law.
- 3.4 Where Shares are issued pursuant to the exercise of Options under the Plan, the maximum number of Shares specified under sub-clause 3.1 shall be reduced by the number of Shares so issued.
- 3.5 In case of a Share split or consolidation, if the revised face value of the Share is less or more than the current face value as prevailing on the date of coming into force of this Plan, the maximum number of Shares available for being granted under the Plan as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (No. of Shares X Face value per Share) prior to such Share split or consolidation remains unchanged after such Share split or consolidation.
- 3.6 In case of fresh Grant of Options after Listing, the Company shall obtain prior approval from the shareholders of the Company by way of ratification of the Plan, by passing a special resolution in a general meeting.

4. Administration

- 4.1 The Plan shall be administered by the Committee of the Company. All questions of interpretation of the Plan shall be determined by the Committee, and such determination shall be final and binding upon all persons having an interest in the Plan or in any Option issued thereunder. Neither the Company nor the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Options granted thereunder.
- 4.2 The Committee shall, in accordance with this Plan and Applicable Law, determine the following:
- (a) The Eligibility Criteria for Grant of Option to the Employees;
 - (b) The quantum of Options to be granted to the eligible Employees, subject to the ceilings as specified in sub-clauses 3.1 and 3.2;
 - (c) The terms and conditions subject to which the Options granted would vest in the Option Grantee;
 - (d) The Exercise Period within which Employees can Exercise their Vested Options and that the Options would lapse on failure to Exercise the same within the Exercise Period;
 - (e) The conditions under which Option vested in Employees may lapse in case of termination or resignation;
 - (f) The right of an Employee to Exercise all the Options, vested in him/her at one time or at various points of time within the exercise period;
 - (g) Obtaining permissions from, making periodic reports to regulatory authorities, as may be required and ensuring compliance with all guidelines applicable in this regard;
 - (h) 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 Committee:
 - i. the number and price of Options shall be adjusted in a manner such that total value of the Options in the hands of the Option Grantee remains the same after such corporate action; and
 - ii. the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Option Grantees.
 - (i) The procedure and terms for the Grant, Vesting and Exercise of Options in case of Option Grantees who are on a long leave;
 - (j) Formulate suitable policies and procedures to ensure that there is no violation of Applicable Law, in relation to this Plan by the Company and the Employees;
 - (k) Approve forms, writings and/or agreements for use in pursuance of the Plan; and
 - (l) The procedure for funding the Exercise of Options, as permitted under the Applicable Law.
 - (m) The procedure for buy-back of Options granted under the Plan if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
 - i. permissible sources of financing for buy-back;
 - ii. any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
 - iii. limits upon quantum of Options that the Company may buy-back in a financial year.
- 4.3 Post Listing, the Committee shall frame suitable policies and procedures to ensure that there is no violation of any securities laws including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the 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 or any statutory modification or re-enactment of these regulations by the Company or any of its Employees, as applicable.

5. Eligibility and Applicability

5.1 Only Employees within the meaning of this Plan are eligible for being Granted Options under the Plan. The specific Employees to whom the Option would be Granted and their Eligibility Criteria shall be determined by the Committee at its sole discretion.

5.2 Before Listing, the Plan shall be applicable to the Company or its Subsidiary Company(ies), if any and the Holding Company and its Employees.

Post Listing, the Plan shall be applicable to the Company or its Group Company including Subsidiary Company(ies) or its Associate Company, if any and the Holding Company and its Employees.

5.3 The broad criteria for review and selection may include parameters like designation, tenure, performance during the previous years, future potential, and contribution or impact towards strategic growth, etc. However, for new joiners, the broad criteria for selection shall be basis prior work experience, applicable skills, designated job role or such other factors as determined by the Committee.

6. Grant and Acceptance of Grant

6.1 Grant of Options

- (a) Grants contemplated under the Plan shall be made on such day and month as decided by the Committee at its sole discretion.
- (b) Each Grant of Options under the Plan shall be made in writing by the Company to the eligible Employees by way of Grant Letter containing specific details of the Grant, and disclosure requirements, as prescribed under Applicable Law and will specify the number of Options to which the Option Grantee is entitled, the Exercise Price, method of payment, the Closing Date of accepting the offer, Vesting date(s), Vesting Condition(s) and such other details as the Committee may specify.

6.2 Acceptance of the Grant

- (a) Any eligible Employee intending to accept the Grant made under this Plan must give his/her acceptance of the Grant in the prescribed communication mode, on or before the Closing Date which shall not be more than **30 days** from the Grant Date, as specified in the Letter of Grant.
- (b) Upon receipt of the acceptance by the Company in the prescribed communication mode, the eligible Employee will become an Option Grantee. Failure to give such acceptance before the specified date shall result in rejection of the Grant unless the Committee determines otherwise.
- (c) No amount is payable by the Option Grantee at the time of Grant and until Exercise of Vested Options.

6.3 Any eligible Employee who fails to deliver the signed acceptance of the Grant Letter on or before the Closing Date, shall be deemed to have rejected the Grant unless the Committee determines otherwise. No amount is payable by the Option Grantee at the time of Grant and Vesting.

7. Vesting Schedule and Vesting Conditions

- 7.1 Options granted under the Plan shall vest not earlier than minimum period of **1 (One) year** and not later than maximum period of **4 (Four) years** from the date of Grant. The Committee at its discretion may grant Options specifying Vesting Period ranging between minimum and maximum period as afore stated.

Provided that in the event of death or Permanent Incapacity of an Employee, the minimum Vesting Period of 1 (one) year shall not be applicable and in such instances, the Options shall Vest on the date of death or Permanent Incapacity, as the case may be.

Provided further that in case where Options are granted by the Company under the Plan in lieu of Option held by a person under a similar Plan in another company (“**Transferor Company**”) which has merged, demerged, arranged or amalgamated with the Company, the period during which the Option granted by the Transferor Company were held by him/her shall be adjusted against the minimum Vesting Period required under this Sub-clause and shall be subject to compliance with the Applicable Laws.

Provided further that post Listing, in case of Retirement, all the Unvested Options as on the date of Retirement would continue to Vest in accordance with the original vesting schedules even after the Retirement in accordance with the Company’s Policies and provisions of the then prevailing Applicable Laws.

- 7.2 Vesting of Option would be subject to Option Grantee continuing to be an Employee as on the date of Vesting and thus the Options would Vest essentially on passage of time. In addition to this, the Committee shall have the power to prescribe achievement of performance condition(s)/target(s) being corporate or individual or otherwise with a predefined threshold for Vesting as deemed appropriate for each Option Grantee, subject to satisfaction of which the Options would vest.
- 7.3 As a prerequisite for a valid Vesting, an Option Grantee is required to be in employment, on the date of Vesting and must neither be serving his notice for termination of employment/ service, nor be subject to any disciplinary proceedings pending against him/her on such date of Vesting. In case of any disciplinary proceedings against any Option Grantee, the relevant Vesting shall be kept in abeyance until disposal of the proceedings and such Vesting shall be determined accordingly. In case of termination from employment/ service due to Misconduct, the provisions of serial number 2 in the table given in sub-clause 8.2 of the Plan shall apply.
- 7.4 The Vesting dates, Vesting Schedule and Vesting Condition(s) in respect of the Options granted under the Plan shall be determined by the Committee and may vary from an Employee to Employee or any class thereof and / or in respect of the number or percentage of Options to be vested and would be outlined in the document given to the Option Grantee at the time of Grant of Options.

7.5 Vesting of Options in case of Option Grantee on Long Leave

The period of Long Leave shall not be considered in determining the Vesting Period in the event the Option Grantee is on a sabbatical. 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.

7.6 Acceleration of Vesting in certain cases

- (a) Prior to Listing, and subject to elapse of minimum Vesting Period of 1(One) year from the Grant Date:

- i. The Committee shall have the power to accelerate Vesting of any or all Unvested Options in connection with or upon happening of any Liquidity Event.
- ii. The Committee may determine the terms and conditions of acceleration of Vesting including quantum or percentage of Unvested Options entitled for accelerated Vesting, considering any parameter at its sole discretion such as tenure of the Option Grantees, period elapsed from the Grant Date and any other aspect.
- iii. The Options remaining unvested as on date of meeting of the Committee considering the proposal for such acceleration, may at the discretion of the Committee be deemed to vest with effect from that date or from such other date as the Committee may determine.

In case, after approval of acceleration of Vesting of Unvested Options by the Committee, there occurs no Liquidity Event, on consideration of which the Committee would have approved such acceleration, such non-occurrence shall lead to automatic cancellation of such accelerated Vesting as if such proposal was never considered nor approved by the Committee as a result of which such Unvested Options shall be subject to normal Vesting schedule.

- (b) Post Listing, this Sub-clause shall defunct.

8. Exercise

8.1 Exercise Price

- (a) **Before Listing**, the Exercise Price per Option shall be determined by the Committee which shall not be less than the face value of the Shares and shall not exceed the Fair Market Value of the Shares as on Grant Date.

Post Listing, the Exercise Price per Option as determined by the Committee, shall not be less than the face value of the Shares and shall not exceed the Market Price of the Shares as on Grant Date.

- (b) The specific Exercise Price shall be intimated to the Option Grantee in the Grant Letter at the time of Grant.
- (c) Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company or by electronic mode through banking channels such as National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), Immediate Payment Service (IMPS) or in such other manner as the Committee may decide.

8.2 Exercise Period

- (a) **Exercise Period while in employment:**

Before Listing, the Vested Options can be exercised by the Option Grantees only in connection with or upon the happening of a Liquidity Event and within such period as prescribed by the Committee from time to time.

Post Listing, the Exercise Period in respect of the Vested Option shall be subject to a maximum period of **4 (Four) years** from the date of Vesting of Options or such shorter period as may be prescribed by the Committee at the time of Grant. The Option Grantees can Exercise all or part of the Vested Options within the Exercise Period.

(b) **Exercise in case of separation from employment/ service:**

The Options can be exercised by the Option Grantee as under :

S. No.	Events of separation	Before Listing	Post Listing
1	Resignation / termination (other than due to Misconduct)	All the Vested Options as on date of resignation/ termination shall be exercised by the Option Grantee only in connection with/upon happening of Liquidity Event . All the Unvested Options as on date of resignation/ termination shall stand cancelled with effect from last date of payroll / termination notice.	All the Vested Options as on date of resignation or termination shall be exercisable by the Option Grantee before his/her “ last working day of employment” or “Exercise Period”, whichever is earlier. All Unvested Options as on date of resignation or termination shall stand cancelled with effect from last date of payroll / termination notice.
2	Separation/ Termination due to Misconduct	All the Vested Options and all the Unvested Options shall stand cancelled with effect from the date of such termination notice.	All the Vested Options and all the Unvested Options shall stand cancelled with effect from the date of such termination notice.
3	Retirement	All the Vested Options as on date of Retirement shall be exercised by the Option Grantee only in connection with/upon happening of Liquidity Event . All Unvested Options as on the date of Retirement shall stand cancelled from the date of such Retirement unless otherwise determined by the Committee.	All the Vested Options as on date of Retirement shall be exercisable within 12 (Twelve) months from the date of Retirement or Exercise Period, whichever is earlier. All Unvested Options as on the date of Retirement would continue to vest in accordance with the original vesting schedules even after the Retirement in accordance with the Company’s Policies, if any, and provisions of the then prevailing Applicable Law. Such aforesaid Vested Options, if any, can be exercised within a period of 12 (Twelve) months from the date of such Vesting.

S. No.	Events of separation	Before Listing	Post Listing
4	Death	<p>All the Vested Options as on date of death shall be exercised by the deceased Option Grantee's nominee or legal heirs only in connection with/upon happening of Liquidity Event.</p> <p>All the Unvested Options as on date of death shall vest immediately and can be exercised by the deceased Option Grantee's nominee or legal heirs only in connection with/upon happening of Liquidity Event.</p>	<p>All the Vested Options as on date of death shall be exercisable by the legal heir/ nominee of such deceased Option Grantee within 12 (Twelve) months from the date of death of the Option Grantee.</p> <p>All the Unvested Options as on date of death shall vest immediately in the Option Grantee's nominee or legal heir and can be exercisable within a period of 12 (Twelve) months from the date of death of the Option Grantee.</p>
5	Permanent Incapacity	<p>All the Vested Options as on date of incurring Permanent Incapacity can be exercised by the Option Grantee only in connection with/upon happening of Liquidity Event.</p> <p>All the Unvested Options as on date of incurring Permanent Incapacity shall vest immediately and can be exercised by the Option Grantee only in connection with/upon happening of Liquidity Event.</p>	<p>All Vested Options may be exercised by the Option Grantee within 12 (Twelve) months from the date of incurring Permanent Incapacity.</p> <p>All the Unvested Options as on date of incurring such incapacity shall vest immediately with effect from such event to the Option Grantee and can be exercisable within a period of 12 (Twelve) months from the date of incurring Permanent Incapacity.</p>
6	<p style="text-align: center;">Before Listing, Transfer/ Deputation to / from Company to / from Subsidiary Company(ies) /Holding Company</p> <p style="text-align: center;">Post Listing, transfer / deputation to / from Company to / from Group Company including Subsidiary Company(ies) or its Associate Company</p>	<p>In the event that an Option Grantee is transferred or deputed prior to vesting or exercise of Options, the vesting and exercise of Options to Option Grantee shall continue, as per the terms of Grant, even after the transfer or deputation and shall be governed in accordance with this policy.</p>	

S. No.	Events of separation or its Holding Company	Before Listing	Post Listing
7	Other Reasons Apart from those mentioned above	<p>The Committee will decide whether the Vested Options can be exercised by the Option Grantee or not, and such decision shall be final.</p> <p>All Unvested Options on the last working day of the Option Grantee shall stand cancelled from such date unless otherwise required by the Applicable Laws.</p>	<p>The Committee will decide whether the Vested Options can be exercised by the Option Grantee or not, and such decision shall be final.</p> <p>All Unvested Options on the last working day of the Option Grantee shall stand cancelled from such date unless otherwise required by the Applicable Laws.</p>

- (c) **Show cause notice or inquiry against Option Grantee:** In the event that a show cause notice or an enquiry is being or has been initiated against the Option Grantee by the Company (whether during the employment or post termination of employment), then all Options (Unvested Options and Vested Options) granted to the Option Grantee shall be kept in abeyance and the Option Grantee will not be permitted to Exercise any rights in respect thereof, until otherwise determined by the Committee

8.3 Procedure of Exercise

The Options shall be deemed to be exercised when an Option Grantee makes an application in writing to the Company or by any other means as decided by the Committee including through any online portal / platform, for obtaining Shares against the Options vested in him/her, subject to payment of Exercise Price, applicable taxes and compliance of other requisite conditions of Exercise and upon subsequent allotment of Shares pursuant to such application.

8.4 Lapse of Options

The Options not exercised within the prescribed Exercise Period shall lapse and the Option Grantee shall have no right over such lapsed or cancelled Options, which shall immediately get added back to the Options pool.

9. Liquidity Events

9.1 Strategic Sale¹:

- (a) Notwithstanding anything contained elsewhere in this Plan, in case prior to Listing, to facilitate the Strategic Sale within the meaning of this Plan, the Current Shareholders

¹ Clause 9.1 of the Plan shall not be applicable post-Listing.

shall have the right/option of drag-along of any or all the Shares underlying the Vested Options of the Option Grantees. However, this drag-along shall be on terms not less favorable than those of the sale of the Shares held by the Current Shareholders as more particularly mentioned hereunder.

- (b) The Current Shareholders desiring to Exercise their rights stated sub-clause (a) above shall deliver a written notice ("**Notice**") to each Option Grantee setting out the salient feature of the Strategic Sale and details of the terms and conditions including number of Shares to be dragged-along, price per Share, the manner and mode of transfer of Shares.
- (c) Option Grantees shall Exercise the Vested Options to meet the drag-along obligation as set out in the Notice. The new Shares arising out of the Exercise of Vested Options pursuant to the Notice shall be offered by the Option Grantee. However, in case the Option Grantee chooses not to Exercise, such number of Vested Options as specified for Exercise in the Notice shall lapse on expiry of specified Exercise Period.
- (d) Each Option Grantee shall take all necessary and desirable actions in connection with the completion of the Strategic Sale, including executing agreements and instruments and taking other actions as may be reasonably necessary to provide the representations, warranties, indemnities, covenants, conditions and other provisions and agreements, as the case may be, required to complete the Strategic Sale.
- (e) If an Option Grantee fails for any reason to take any of the actions described above particularly after the allotment of Shares upon Exercise of Options, he/she shall be deemed to have appointed any Company Director nominated by the Company as his/her attorney, on his/her behalf and in his/her name, with full power, to execute, complete and deliver any document or instrument or to take any other action, including to receive the proceeds of the sale and to give good quittance for the sale price in order to complete the Strategic Sale. The Option Grantee shall confirm and ratify the acts of such Company Director acting as his attorney under this Sub-clause.

9.2 Offer of purchase by an investor²

- (a) Prior to Listing, any individual, entity, or group ("**Investor**") who intends to subscribe the Shares of the Company and/ or acquire Shares from the Current Shareholder(s), shall have the right to make an offer ("**Offer**") to the Option Grantees having Vested Options yet to be exercised.
- (b) The Investor shall intimate its/his/their intention of such Offer to the Board along with details namely the salient features of the Offer and details of the terms and conditions including, maximum number of Vested Options that may be exercised, the Exercise Period within which such Vested Options must be exercised to take part in the Offer, maximum number of Shares intended to be purchased, and purchase consideration thereof.
- (c) The purchase consideration shall not be lesser than the consideration which the Investor would be paying for subscription or acquisition of Shares, whichever is higher.
- (d) The Board shall intimate the details of such Offer to the Option Grantees individually.

² Clause 9.2 of the Plan shall not be applicable post-Listing.

- (e) Option Grantees may at their discretion participate in this offer. In case an Option Grantee has expressed his interest for the offer, shall take all necessary and desirable actions in connection with the purchase, including executing agreements and instruments and taking other actions as required for completing the purchase.
- (f) If an Option Grantee fails for any reason to take any of the actions described above particularly after the allotment of Shares upon Exercise of Options, he/she shall be deemed to have appointed any Company Director nominated by the Company as his/her attorney, on his/her behalf and in his/her name, with full power, to execute, complete and deliver any document or instrument or to take any other action, including to receive the proceeds of the sale and to give good quittance for the sale price in order to complete the Strategic Sale. The Option Grantee shall confirm and ratify the acts of such Company Director acting as his attorney under this Sub-clause.

9.3 Listing or an Initial Public Offering

- (a) In connection with or upon Listing of Shares, the Option Grantees can Exercise their Vested Options within the specific Exercise Period notified by the Committee at its discretion.
- (b) Post Listing, the Option Grantee can sell Shares in the secondary market or otherwise any time in accordance with Applicable Laws and Company policy, subject to any restriction on the transferability of Shares as per Applicable Laws.

10. Cash Settlement of Vested Options

- 10.1 Prior to Listing, the Board at its discretion shall have the right, without any obligation, to prescribe for cash settlement of any or all the unexercised Vested Options held by the Option Grantees by way of cash payment.
- 10.2 **Determination of settlement amount:**
The settlement amount shall be determined at the time of settlement at such price as the Board may consider deemed to be appropriate on a case-to-case basis.
- 10.3 **Procedure for Cash Settlement:**
The Option Grantees shall be required to surrender their Vested Options within a specified period by the Board as a prerequisite for cash settlement.
- 10.4 Upon remittance of cash, all rights associated with the surrendered Vested Options, including the right to exercise, shall be considered fully settled and extinguished with immediate effect.
- 10.5 Post Listing, this Clause 10 shall defunct.

11. Lock-in of Shares

The Shares allotted upon Exercise shall be freely transferable and shall not be subject to any lock-in period restriction after such allotment, except as required under the Applicable Law, including that under the ICDR Regulations, or code of conduct framed, if any, by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015 as applicable.

12. Restriction on transfer of Options

- 12.1 The Options shall not be directly or indirectly pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 12.2 The Options shall not be directly or indirectly transferable to any person except in the event of death of the Option Grantee, in which case provisions at sub-clause 8.2(b) would apply.
- 12.3 No person other than the Option Grantee shall be entitled to Exercise the Option except in the event of the death of the Option Grantee holder, in which case provisions at sub-clause 8.2(b) would apply.
- 12.4 In the event that an Employee who has been granted benefits under a Plan, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing company, prior to the Vesting or Exercise, the treatment of Options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Employee.

13. Other Terms and Conditions**13.1 Listing of Shares**

In case of Listing, the Board is authorized to do such acts, deeds and things including but not limited to amendment of this Plan to make the Plan compliant of any Applicable Law prevailing at that time.

- 13.2 The Option Grantee shall not have a right to receive any dividend or to vote or in any manner enjoy the benefits of a Shareholder in respect of Options granted, till Shares underlying such Options are allotted on Exercise of such Option.
- 13.3 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus Shares, rights Shares, dividend, voting, etc.) in respect of any Shares covered by the Grant unless the Option Grantee exercises the Option and becomes a registered holder of the Shares of the Company.
- 13.4 If the Company issues bonus or rights Shares, the Option Grantee will not be eligible for the bonus or rights Shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with sub-clause 4.2(h) of the Plan.

14. Deduction/Recovery of Tax

- 14.1 The liability of paying taxes, if any, in respect of Options granted pursuant to this Plan and the Shares issued pursuant to Exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employees of Company working abroad, if any.
- 14.2 The Company shall have the right to deduct from the Option Grantee's salary or recover any tax that is required to be deducted or recovered under the Applicable Law. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.

- 14.3 The Company shall have no obligation to allot Share(s) until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

15. Authority to vary terms

- 15.1 The Board may, if it deems necessary, vary the terms of the Options granted under the Plan not yet exercised by the Employees, subject to compliance with the requirements of the Applicable Law and approval of the shareholders by a special resolution in a general meeting in such manner that such variation is not detrimental to the interest of the Employees. The notice for passing special resolution for variation of terms of the Plan shall disclose full of the variation, the rationale therefore, and the details of the employees who are beneficiaries of such variation.

Provided that post Listing, the Company shall be entitled to vary the terms of the Plan to meet any regulatory requirement without seeking shareholders' approval by way of a special resolution.

- 15.2 The Company may also re-price the Options which are not exercised, whether or not they have vested, if Plan is rendered unattractive due to fall in the value of the Shares, provided that the Company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantee and approval of the shareholders by way of a special resolution has been obtained for such re-pricing.

16. Miscellaneous

- 16.1 Government Regulations

This Plan shall be subject to all Applicable Law, and approvals from government authorities. The Grant and the allotment of Shares under this Plan shall also be subject to the Company requiring Employees to comply with all Applicable Law.

- 16.2 Inability to obtain authority

The inability of the Company to obtain authority from any regulatory body having jurisdiction over the Company, or under any Applicable Law, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company from any and all liability in respect of the failure to issue or sell such Shares.

- 16.3 Neither the existence of this Plan 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 has or will in future have any such right, entitlement or expectation to participate in this Plan by being granted an Option on any other occasion.

- 16.4 The rights granted to an Option Grantee upon the grant of an Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

- 16.5 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to Exercise an Option in whole or in part.

- 16.6 Participation in the Plan shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the market price of the Shares and the risks associated with the investments are those of the Option Grantee alone.

17. Certificate from Secretarial Auditors

Upon Listing, the Board shall at each annual general meeting place before the shareholders a certificate from the secretarial auditors of the Company that the Plan has been implemented in accordance with the SBEB Regulations and in accordance with the resolution of the Company in the general meeting. The Board shall also make the requisite disclosures of the Plan, in the manner specified under the SBEB Regulations and Companies Act.

18. Notices

18.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this Plan shall be in writing. The communications shall be made by the Company in any one or more of the following ways:

- i. Sending communication(s) to the address of the Option Grantee available in the records of the Company; and/ or
- ii. Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; and/ or
- iii. Emailing the communication(s) to the Option Grantee at the official email address provided if any by the Company during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

18.2 All notices of communication to be given by an Option Grantee to the Company in respect of Plan shall be sent to the address mentioned below:

Designation : Company Secretary & Compliance Officer
Address :501-505, 5th Floor, Altimus, Near Dinesh Hall, Behind Sales India,
Navrangpura, Ahmedabad – 380009
E-mail : investors@insolare.com

19. Nomination

The Option Grantee has to nominate a person as his nominee. The nominee in case of death or legal incapacity of Option Grantee shall be the legal representative recognized by the Company as the inheritor of the Option Grantee in respect of all rights and liabilities for the purposes of this Plan.

20. Accounting and Disclosures

20.1 The Company shall follow the rules/regulations applicable to accounting of Options with reference to fair value as on date of Grant.

20.2 The rules/regulations to be followed shall include but not limited to the IND AS/ Guidance Note on Accounting for employee share-based payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other appropriate authority, from time to time, including the disclosure requirements prescribed therein.

20.3 After Listing, the Company shall comply with the accounting and disclosure requirements as prescribed under Regulation 15 of the SBEB Regulations.

21. Governing Laws

- 21.1 The terms and conditions of the Plan shall be governed by and construed in accordance with the laws of India including the Income Tax Laws and Foreign Exchange Laws mentioned below.
- 21.2 **Income Tax Laws**
The provisions of the Income Tax Act, 1961 and Rules made thereunder as amended and enacted from time to time shall be applicable in respect of taxability of Employees and the Company arising out of any transaction in the Options.
- 21.3 **Foreign Exchange Laws**
In case any Options are granted to any Employee being resident outside India belonging to the Company, the provisions of the Foreign Exchange Management Act, 1999 and Rules or Regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed in connection with grant, vest, Exercise of Options and allotment of Shares thereof.

22. Jurisdiction

- 22.1 The Courts in Ahmedabad, Gujrat shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this Plan.
- 22.2 Nothing in this sub-clause will however limit the right of the Company to bring proceedings against any Employee in connection with this Plan:
- (i) in any other court of competent jurisdiction; or
 - (ii) con-currently in more than one jurisdiction.

23. Severability

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

24. Confidentiality

- 24.1 An Option Grantee 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 peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this confidentiality clause, the Company has undisputed 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 Option Grantee. In case of non-adherence to the provisions of this clause, the Board shall have the authority to deal with such cases as it may deem fit.
- 24.2 On acceptance of the grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Plan or while availing any consulting or

advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need-to-know basis.
