

ACME SOLAR HOLDINGS LIMITED

ACME Employee Stock Option Plan 2024

(“ESOP 2024”/ “Scheme”)

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1. Name, Objectives and Term of the Scheme

- 1.1 This employee stock option plan shall be called as ‘**Acme Employee Stock Option Plan 2024** (“**ESOP 2024**” / “**Scheme**”).
- 1.2 The primary objectives of the Scheme are to reward the Employees for their association, dedication and contribution to the goals of the Company. The Company intends to use this Scheme to attract and retain the key talents by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The Company views employee stock option scheme as a long-term incentive tool that would assist in aligning Employees interest with that of the shareholders and enable the Employees not only to become co-owners, but also to create wealth out of such ownership in future.
- 1.3 The Scheme is established with effect from June 27, 2024 (as amended on October 08, 2024 and October 17, 2024) on which the shareholders of the Company have approved it and shall continue to be in force until (i) its termination by the Board or Committee as per provisions of Applicable Laws, or (ii) the date on which all of the Options available for issuance under the Scheme have been issued and exercised, whichever is earlier.

2. Definitions and Interpretations

In this Scheme, unless the context clearly indicates a contrary intention, the following words or expressions shall have the meaning assigned herein:

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. “**Bad Leaver**” means a Participant who is a Leaver as a result of: (a) dismissal for Cause; or (b) voluntary termination of employment or resignation from employment other than as set out in the definition of “Good Leaver”.

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

v. **“Cause”** means:

a) act of dishonesty, fraud, theft, material misrepresentation, or engagement in gross misconduct, willful negligence or gross negligence, committed by an employee including without limitation, conduct of a felonious or criminal nature, conduct involving moral turpitude, corruption, forgery, incurring excessive personal debts, absence from duty without permission, embezzlement, or misappropriation of assets of the Company or any other conduct considered by the Board deterrent to the Company; or

b) repetition or continuance or attempt of any breach or act of committing breach of an employee's obligations under an employment agreement executed between the employee and the Company or under any applicable policies of the Company, including breach of standards adopted by the Company (or any of its subsidiaries), governing behaviour and conduct, professional independence or conflict of interest, after written notice of such violation and reasonable opportunity to be heard having been given to him by the Board of Directors; or

c) breach or violation of any statutory duty owed to the Company or any of its affiliates that remains uncured (if the Committee determines that such breach can be cured) after 10 business days after a written demand for cure is delivered to Participant by the Committee or an authorized representative thereof; or

d) constant or gross insubordination or disobedience, or other inappropriate behavior with co-employees and/or customers;

e) such wilful or intentional misconduct (whether on or outside work) which falls into such disrepute that in the reasonable opinion of the Board, the employee's continued employment will or would reasonably be expected to bring the Company or any of its affiliates into disrepute or materially prejudice interest of the Company or any of its affiliates, or any member of the strategic investor or is unbecoming of a person entrusted with the status, responsibilities and confidence of Participant; or

f) inability to perform [Participant's] duties to the satisfaction of the Committee or to Participant's reporting manager; or

g) an order made by a court of competent jurisdiction disqualifying him/her from acting as an employee of the Company; or

h) misrepresentation with respect to details relating to educational qualifications, prior work experience, prior reputation in relation to his/her earlier employment and information in relation to any criminal proceedings;

i) any willful misfeasance or other willful act or omission which is detrimental to the businesses or reputation of the Company or its affiliates; or

j) wilful failure to perform [Participant's] duties that continues beyond 10 business days after a written demand for substantial performance is delivered to Participant by the Committee or an authorized representative thereof. Provided however, subject to the afore-stated conditions not having been met, failure of the Participant to achieve performance targets, key

k) performance indicators or key requirement areas shall not constitute 'Cause' for the purpose of this Scheme. Further, the acts under this clause that constitute Cause are merely indicative and do not comprise an exhaustive list of acts of misconduct which may result in the immediate termination of Participant's employment. The Board shall have the right to determine any other acts that may amount to Cause in relation to Participant.

l) habitual influence of drugs or alcohol during the performance of his/her services or, while under the influence of such drugs or alcohol, engages in inappropriate conduct that directly or indirectly causes or would reasonably be expected to cause, material harm to the Company or its affiliates.

vi. **"Closing Date"** means the last date on which the grant of Options by the Company to an eligible Employee can be accepted. In case the last date is a non-working day, then the closing date shall be on the next working day.

vii. **"Committee"** means the Nomination and Remuneration Committee as constituted by the Board for administration and superintendence of the ESOP 2024 until Listing and thereafter, it shall be designated as Compensation Committee having such members of the Board as provided under Regulation 19 of the LODR Regulations.

viii. **"Companies Act"** means the Companies Act, 2013 read with the rules made thereunder, and includes any statutory modifications or re-enactments thereof.

ix. **"Company"** means **ACME Solar Holdings Limited**, a company incorporated under the provisions of the Companies Act, 1956 bearing **CIN: U40106HR2015PLC102129** and having its registered office at **Plot No. 152, Gurugram, Haryana India, 122002**.

x. **"Company Policies/ Terms of Employment"** mean the Company's policies for Employees and the terms of employment as contained in the appointment letter, which includes provisions requiring a desired level of performance, securing confidentiality, non-compete and non-poaching of other Employees and customers.

Company policies/ terms of employment of Subsidiary Company(ies) or Holding Company as regards an Option Grantee on the payrolls of such Subsidiary Company(ies) or Holding Company shall be deemed to be "Company Policies/ Terms of Employment" for such Option Grantee.

xi. **"Current Shareholder"** means a person whether a natural individual or a corporate entity,

who holds Shares at the relevant point of time.

- xii. **“Director”** means a member of the Board of the Company.
- xiii. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee for granting the Options to the Employees.
- xiv. **“Employee”** means

before Listing, the term “Employee” subject to the requirements of Applicable Laws, to the extent applicable, means –

- a. a permanent employee of the Company who has been working in India or outside India; or
- b. a Director of the Company, whether a whole time Director or not; or
- c. 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:

- (i) an employee who is a Promoter or a person belonging to the Promoter Group;
- (ii) a Director who either himself or through his/her relative or through any body corporate, directly or indirectly, holds more than 10% (Ten per cent) of the issued equity shares of the Company; and
- (iii) An Independent Director.

Post Listing, the term “Employee” subject to the requirements of Applicable Laws, to the extent applicable, means –

- a. an employee as designated by the Company, who is exclusively working in India or outside India; or
- b. 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
- c. 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

- (i) an employee who is a Promoter or a person belonging to the Promoter Group; or
- (ii) a Director who, either himself or through his/her relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company; or
- (iii) an Independent Director.

- xv. **“Employee Stock Option”** means an option given to the Employees, the benefit or right, but not an obligation, to purchase or to subscribe at a future date, Shares of the Company at a pre-determined price in accordance with ESOP 2024.

- xvi. **“Exercise”** of an Option means expression of an intention by an Option Grantee to the Trust to purchase the Shares underlying the Options vested in him, in pursuance of the ESOP 2024, in accordance with the procedure laid down by the Company/Trust for exercise of such Vested Options.
- xvii. **“Exercise Period”** means such period commencing after Vesting within which the Employee should Exercise the Vested Options.
- xviii. **“Exercise Price”** means the price approved by the Committee and payable by an Option Grantee in order to Exercise the Vested Options in pursuance of the ESOP 2024 and as specified in the Grant Letter.
- xix. **“Fair Market Value”** means the value of a Share of the Company as determined by an independent valuer, as required by Applicable Laws 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.

- xx. **“Good Leaver”** means a Participant who is a Leaver as a result of: (a) retirement at retirement age under terms of employment; (b) death; (c) permanent ill-health or permanent incapacity preventing continued employment, as determined by the Board in accordance with this Scheme; (d) redundancy; or (e) separation other than for Cause as may be determined by the Board. Provided that an Employee who is a Good Leaver at his/ her cessation date may be characterized as a Bad Leaver, if the Employee breaches the terms of any confidentiality or non-compete, non-solicit, non-disparagement provisions of his employment contract or any other agreement between him and the Company (or any of its subsidiaries) from time to time.
- xxi. **“Grant”** means the process by which the Company issues Options to the Employees under ESOP 2024.
- xxii. **“Grant Date”** means the Grant date as mentioned in the Grant Letter or any such date which may be determined by the Committee as the Grant date.
- xxiii. **“Grant Letter”** shall mean a written letter issued by the Company to an Option Grantee, governing the terms and conditions of Grant, Vesting and Exercise of the Options.
- xxiv. **“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.

xxv. "**Holding Company**" shall have the same meaning as defined under Section 2(46) of the Companies Act.

xxvi. "**Independent Director**" means a Director within the meaning of Section 149(6) of the Companies Act.

Post Listing, the term Independent Director shall have the same meaning as defined under the LODR Regulations.

xxvii. "**Leaver**" means an Employee who has ceased to be employed by the Company.

xxviii. "**Liquidity Event**" means any event or transaction as approved by the Board as a liquidity event for the purposes of this Scheme from time to time, which more particularly includes Listing.

xxix. "**Listing**" means the listing of the Company's Shares on any recognized Stock Exchange as per the Applicable Laws.

xxx. "**Long Leave**" means paid or unpaid period of leave in which a person does not report to their job but is still employed with the company. Period of Long leave shall be as per the company's leave policy.

xxxi. "**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 Stock Exchange where the highest trading volume on the said date shall be considered.

xxxii. "**Merchant Banker**" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, who is registered under Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).

xxxiii. "**Misconduct**" means any of the following acts or omissions by an Employee in addition to the Company's internal policies/ terms of employment amounting to violation or breach 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; or
- b. any misdemeanor involving moral turpitude, deceit, dishonesty, or fraud committed by the Employee; or
- c. gross negligence, misconduct, or insubordination of the Employee in connection with the performance of his/her duties and obligations towards the Company; or
- d. participating or abetting a strike in contravention of any law for the time being in force; or
- e. misconduct as provided under the labour laws after following the principles of natural justice.

- f. misconduct will include solicitation of other employees (including approaching current employees for employment outside the Company) within six months of the separation from the Company.

xxxiv. **“Options”** means Employee Stock Options as defined under the ESOP 2024.

xxxv. **“Option Grantee”** means an Employee who has been granted an Option in pursuance of the ESOP 2024 and has accepted such Grant as per provisions of the Scheme and shall deem to include nominee/ legal heir of an Option Grantee in case of his/her death to the extent the provisions of the Scheme are applicable to such nominee/ legal heir.

xxxvi. **“Participant”** means an Employee(s) of the Company who is/are eligible to participate under the Scheme.

xxxvii. **“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.

xxxviii. **“Promoter”** shall have the same meaning as defined under Section 2(69) of the Companies Act.

Post Listing, the term “Promoter” defined hereinabove shall have meaning as defined in the ICDR Regulations.

xxxix. **“Promoter Group”** means (a) an immediate relative of the Promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); (b) persons whose Shareholding is aggregated for the purpose of disclosing ‘shareholding of the promoter group’ in the offer document or prospectus issued or to be issued by the Company.

Post Listing, the term “Promoter Group” shall have the same meaning assigned to it under the ICDR Regulations.

xl. **“Relevant Date”** means any of the following dates as the context require:

- 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.

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

xlii. **“Secretarial Auditor”** means a company secretary in practice appointed by the 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 LODR Regulations.

xliii. **“Shares”** means equity shares of the Company fully paid-up.

- xliv. **“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.
- xlv. **“Subsidiary Company”** means any present or future subsidiary company of the Company as defined in Section 2(87) of the Companies Act.
- xlvi. **“Trust”** means **‘ACME Employees Welfare Trust, to be set up by the Company** for the benefit of the Employees and which may from time to time administer ESOP 2024 and hold cash, purchase/hold/sell/transfer Shares or other securities of the Company for the purposes of the ESOP 2024.
- xlvii. **“Trustee”** shall mean the person/ entity appointed as a trustee under the trust deed of the Trust to manage the affairs of the Trust.
- xlviii. **“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.
- xlix. **“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.
- i. **“Vesting”** means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of the ESOP 2024.
- ii. **“Vesting Condition”** means the condition prescribed if any subject to satisfaction of which the Options granted would vest in an Option Grantee.
- iii. **“Vesting Period”** means the period during which the Vesting of the Option granted to the Option Grantee, in pursuance of the ESOP 2024, takes place.

2.2 **Interpretation**

In this Scheme, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant for 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 in ESOP 2024 shall have the meanings herein specified and terms not defined in ESOP 2024 shall have the meanings as defined in the Applicable Laws as the context requires. Reference to any Act, Rules, Regulations, Statute or Notification shall include any amendments, statutory modifications, substitution or re-enactment thereof.

3. Authority and Ceiling

- 3.1 **The shareholders of the Company by way of special resolution dated June 27, 2024; October 08, 2024 and October 17, 2024** approved the Scheme, authorizing the Committee to grant not exceeding **1,56,66,237 (One Crore Fifty Six lakh Sixty Six Thousand Two Hundred Thirty Seven)** Options to the Employees in one or more tranches, from time to time, which in aggregate shall be, exercisable into not more than **1,56,66,237 (One Crore Fifty Six lakh Sixty Six Thousand Two Hundred Thirty Seven)** Shares, with each such Option conferring a right upon the Employees to apply for one Share in the Company to be transferred by the Trust upon Exercise thereof, in accordance with the terms and conditions as may be decided under the Scheme.
- 3.2 The Trust shall subscribe the aforesaid Shares by the Company which shall be used by the Trust for transferring the same to the Option Grantee at the time of Exercise of their Vested Options and upon payment of the Exercise Price together with the applicable taxes, in due compliance with the Applicable Laws.
- 3.3 The maximum number of Options under Scheme that may be granted to each Employee per Grant and in aggregate shall not exceed the total pool size as stated in clause 3.1 at the time of Grant of Option.
- 3.4 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 all Applicable Laws.
- 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 Scheme, the maximum number of Shares available for being issued under ESOP 2024 as specified in paragraph 3.1 above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares X face value per Share) prior to such Share split or consolidation remains unchanged after such Share split or consolidation.
- 3.6 Where Shares are transferred by the Trust consequent upon Exercise of an Option under the Scheme, the maximum number of Shares that can be issued under the Scheme as referred to in Sub-clause 3.1 above shall stand reduced to the extent of such Shares issued.
- 3.7 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.

- 3.8 Post the Listing, the Company shall not make any fresh Grant which involves allotment or transfer of shares to its Employees under the Scheme unless the Scheme is in conformity with the SBEB Regulations and ratified by its shareholders.

4. Supervision and Administration

4.1 Supervision

- i. The Scheme shall be administered by the Committee. All questions of interpretation of the Scheme or any Options granted thereunder shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Scheme or in any Options issued thereunder. Neither the Company nor the Committee shall be liable for any action or determination made in good faith with respect to ESOP 2024 or any Options granted thereunder.
- ii. The Committee shall, in accordance with this Scheme and Applicable Laws, determine the following:
 - (a) The quantum of Options or benefits as the case may be, to be granted under the Scheme per Employee and in aggregate, subject to the ceiling as specified in Sub-clause 3.1 and 3.2;
 - (b) The Eligibility Criteria for Grant of Option to the Employees;
 - (c) Terms and conditions in respect of Grant, Vesting and Exercise of Options by the Employees which may be different for different Employees or classes thereof falling in the same tranche of Grant of Options under the Scheme;
 - (d) The Exercise Period within which the Employee should Exercise the Option and that Option would lapse on failure to Exercise the Option within the Exercise Period;
 - (e) The specified time period within which the Employee shall Exercise the Vested Option in the event of termination or resignation of an Employee;
 - (f) The right of an Employee to Exercise all the Options vested in him at one time or at various points of time within the Exercise Period;
 - (g) The procedure for making a fair and reasonable adjustment to the number of Options and/or to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration by the Committee:
 - (i) the number and the Exercise Price of Options shall be adjusted in a manner such that total value of the Options remain the same before and 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.
 - (h) The procedure and terms for the Grant, Vesting and Exercise of Option in case of Employees who are on long leave;
 - (i) The conditions under which Option vested in Employees may lapse in case of termination of employment for Misconduct;

- (j) The treatment of Options held by an Employee in case of suspension/termination of services or in case of any pending inquiries;
- (k) Any matter relating to the Trust and aspects of administration of the Scheme by the Trust;
- (l) The procedure for buy back of specified securities {as defined under the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018}, granted under the Scheme if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
 - a) permissible sources of financing for buy-back;
 - b) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
- (m) limits upon quantum of Options that the Company may buy-back in a financial year. The procedure for funding the Exercise of Option, if required;
- (n) Take any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the Scheme or the administration or interpretation thereof;
- (o) Approve forms, writings and/or agreements for use in pursuance of the Scheme; and
- (p) Take any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the Scheme or the administration or interpretation thereof, or as may be required under Applicable Laws.

4.2 **Administration**

- i. The Scheme shall be administered by the Trust to the extent aspects of such administration are delegated by the Board as per the requirements of the Applicable Laws.
- ii. The Trust shall be governed subject to following terms and conditions:
 - a. It shall not deal in derivatives and shall undertake only such transactions as permitted under the deed of Trust read with the provisions of the Applicable Laws;
 - b. The Trustees appointed or re-appointed from time to time shall be such persons as being not disqualified as prescribed under the Applicable Laws; and
 - c. The Trustees shall not vote in respect of the Shares held by the Trust.

The Trustees while administering Scheme shall abide by the provisions contained therein, terms of the Grant, Vesting and Exercise as decided by the Board and shall ensure compliance of the provisions of the Applicable Laws at all times in connection with dealing with the Shares of the Company including but not limited to maintenance of proper books of account, records and documents as prescribed

- iii. 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 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 Scheme are eligible for being granted Options under the Scheme. The specific Employees to whom the Option would be granted and their Eligibility Criteria shall be determined by the Committee.
- 5.2 The Scheme shall be applicable to the Company or any successor Company thereof, Subsidiary(ies) and Holding Company of the Company and the Employees of the Company and its Subsidiary Company(ies) and/or Holding Company to the extent the Options granted under the Scheme, as determined by the Committee at its sole discretion.

Provided that in case of any Grant to the Employees of the Subsidiary and/or Holding Company, the Company shall obtain prior approval of the shareholders of the Company by way of a special resolution.

- 5.3 Appraisal process for determining the eligibility of the Employees will be based on designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Committee at its sole discretion, from time to time.

6. Grant and Acceptance of Grant

6.1 Grant of Options

- (a) Grants contemplated under the Scheme shall be made as and when determined by the Committee.
- (b) Each Grant of Option under the Scheme 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 Laws and will specify the number of Options to which the Grantee is entitled, the Exercise Price, Vesting Conditions 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 Scheme 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 date of the Grant, 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 a Grantee. Failure to give such acceptance before the

specified date shall result in rejection of the Grant unless the Committee determines otherwise.

(c) While acceptance of Grant, no amount is payable by the Employees.

7. Vesting Schedule/ Conditions

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

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

7.2 Vesting of Options 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 may also specify certain performance criteria subject to satisfaction of which the Options would vest. An Option Grantee who has tendered his/her resignation and is serving the notice period after resignation, such notice period shall not be considered for Vesting and all the Unvested Options as on date of resignation shall be cancelled forthwith.

7.3 As a prerequisite for a valid Vesting, a Grantee must not be subject to any disciplinary proceedings involving moral turpitude pending against him on such date of Vesting. In case of any such disciplinary proceedings against any Grantee, the relevant Vesting shall be kept in abeyance until disposal of the proceedings. In case of reinstatement, Vesting shall happen as if there was no abeyance. In case of termination from employment/ service, the provisions of serial number 2 in the table given in Sub-clause 8.2 of the Scheme shall apply.

7.4 The specific Vesting Conditions subject to which Vesting would take place shall be communicated to each Option Grantee individually in the letter issued at the time of Grant.

7.5 Subject to the Applicable Laws, and unless the Committee decides otherwise, no Options shall vest in a Participant, if such Participant:

(a) carries on or engages in, directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, any business which competes directly or indirectly

with the whole or any part of the business carried on by the Company or any activity related to the business carried on by the Company; or

(b) is a Bad Leaver;

(c) is a Good Leaver but:

- (i) he/she is in breach of his/her employment contract or Company's policies; or
- (ii) he/she has subsequently become or been recharacterized as a Bad Leaver. The decision of the Committee/ Company in this regard shall be final and conclusive and cannot be called in question by the Participant.

For the sake of clarity, the restriction contained in this Clause shall not apply to any investment held as a portfolio by the Participant or any activity/ business carried out by the Participant pursuant to his/her duties as an employee or director of the Company and shall not apply to the Nominee of the Participant.

7.6 Neither the Participant nor any person entitled to exercise Participant's rights in the event of death of the Participant shall be entitled to claim or receive any dividend and right to vote, or in any manner enjoy the benefits as a shareholder of the Company in respect of the Options granted/ vested, till such time as the Shares are allotted pursuant to a valid Exercise of the Options in favor of such Participant or such person.

7.7 Vesting of Options in case of Employees on long leave

The period of leave shall not be considered in determining the Vesting Period in the event the Employee is on a sabbatical. In all other events including approved earned leave, maternity leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Committee.

7.8 Acceleration of Vesting in certain cases

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.
- (iv) 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.

Provided that in case any or all accelerated Vested Options are exercised by the Option Grantee prior to communication of cancellation of acceleration, there shall not be any cancellation or reversal of acceleration of Vesting to the extent such Vested Options are exercised.

7.9 **No Vested Option shall be exercisable in its fractional form**

Provided that in the event of Exercise of Options resulting in fractional equity shares, the Committee shall be entitled to round off the number of equity shares to be issued to the nearest whole number, and the Exercise Price shall be accordingly adjusted. All equity shares issued and allotted consequent to Exercise of Options shall rank pari passu with the then existing equity shares.

8. Exercise

8.1 **Exercise Price**

- a. The Exercise Price per Option shall be determined by the Committee which shall not be less than the face value and shall not be more than the Fair Market Value of the Share as on the Grant Date. The specific Exercise Price shall be intimated to the Option Grantee in the Grant Letter at the time of Grant.

Post Listing, the Exercise Price per Option shall be as determined by the Committee and as set out in the Grant Letter and shall not be less than the face value of the Shares and may be up to the Market Price of the Shares, as on the Grant Date.

- b. Exercise of the Vested Options shall take place at the time and place designated by the Company/ the Committee/ Board and by executing such documents as may be required under the Applicable Laws or by the Company/ the Board/ Committee to pass a valid title of the relevant Shares to the participant/ nominee, free and clear of any liens, encumbrances and transfer restrictions save for those set out therein.
- c. A Vested Option shall be deemed to be validly exercised only when the Company/ Committee/ Board or any other person ratified by the Company/ Committee/ Board receives written and signed notice of Exercise ('Exercise Form') from the participant/ beneficiary and a confirmation that the aggregate Exercise Price (in accordance with the Scheme) has been received from the Participant, if applicable.
- d. The aggregate Exercise Price shall be paid in full to the Company adjusted upon the Exercise of the Vested Options. Payment must be made by one of the following methods:
 - (i) cheque or demand draft issued in the name of the Company as the Committee may

- specify; or
- (ii) remittance directly from the participant's bank to the bank account of the Company (wire transfer) as the Committee may specify; or
 - (iii) recovery from the immediately succeeding salary payment of the employee; or
 - (iv) any combination of such methods of payment or any other method acceptable to the Board/ Committee at its sole discretion; or
 - (v) Any other mode to be prescribed by the Board/ Committee.
- e. The Company/ Committee/ Board shall endeavor to ensure that the process of allotment of Shares to the participant who has validly exercised his/her Vested Options is completed within reasonable time from the time of receiving the Exercise form by the Committee.
 - f. Upon completion of a valid Exercise of Options as laid out above and upon receiving confirmation/ direction from the Committee, the Company shall allot the Shares to the participant/ beneficiary/ nominee.
 - g. At the time of allotment of Shares, pursuant to a valid Exercise, the participant/ nominee will be required to sign such papers as may be considered necessary by the Committee to lawfully execute/ enforce various provisions of the Scheme.
 - h. Only upon allotment of the Shares, the Participants/ Nominees shall become members of the Company. The Shares to be allotted shall rank pari-passu in all respects with the outstanding Shares of the Company.
 - i. Payment of the Exercise Price shall be made by cheque, demand draft, recognized electronic mode to the account of the Company, or in such other mode and manner as the Committee may decide from time to time in terms of Applicable Laws.

8.2 Exercise Period

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

Prior to 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 Board from time to time.

Post Listing, The Exercise Period in respect of the Vested Option shall be subject to a maximum period of **5 (Five) years** from the date of Vesting of Options. The Grantees can exercise all or part of the Vested Options within the Exercise Period.

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

Exercisability of the Vested Options shall be as under:

S. No.	Events of Separation	Prior to Listing	Post Listing

1	<p>Resignation/ Termination (other than due to Misconduct or being specified as a Bad leaver)</p>	<p>All the Vested Options as on date of resignation/ termination shall be exercised by the Option Grantee within 60 days from his/her last working day with the Company.</p> <p>All the Unvested Options as on date of resignation/ termination shall stand cancelled with effect from date of such resignation/ termination.</p>	<p>All the Vested Options as on date of resignation or termination shall be exercisable by the Option Grantee before his/her last working day with the Company.</p> <p>All Unvested Options as on date of resignation or termination shall stand cancelled with effect from date of such resignation/ termination.</p>
2	<p>Separation/ Termination due to Misconduct or being specified as a Bad leaver</p>	<p>All the Vested Options and all the Unvested Options shall stand cancelled with effect from the date of such termination.</p>	<p>All the Vested Options and all the Unvested Options shall stand cancelled with effect from the date of such termination.</p>
3	<p>Retirement</p>	<p>All the Vested Options as on date of Retirement shall be exercised by the Option Grantee within 60 days from his/her last working day with the Company.</p> <p>All Unvested Options on the date of Retirement shall stand cancelled with effect from the date of such Retirement</p>	<p>All Vested Options as on date of such Retirement shall be exercised by the Option Grantee as per the Exercise Period mentioned in Clause 8.2 (a).</p> <p>All Unvested Options as on the date of Retirement would continue to Vest in accordance with the original vesting schedules even after the Retirement unless otherwise determined by the Committee in accordance with the Company's Policies and provisions of the then prevailing Applicable Law. Such Vested Options shall be exercised within 3 (Three) months from the date of such Vesting.</p>
4	<p>Death</p>	<p>All the Vested Options as on date of death shall be exercised by the deceased Option Grantee's nominee or legal heirs within 60 days from his/her demise.</p> <p>All the Unvested Options as on date of death shall vest forthwith and can be exercised by the deceased Option Grantee's nominee or legal heirs in</p>	<p>All the Vested Options as on date of death shall be exercised by the deceased Option Grantee's nominee or legal heirs as per Clause 8.2 (a) above or within 24 (Twenty-four) months after the date of death, whichever is later.</p> <p>All the Unvested Options as on date of death shall vest forthwith and shall be exercised by the deceased</p>

		the same manner prescribed for Vested Options.	Option Grantee's nominee or legal heirs in the same manner prescribed for Vested Options herein above.
5	Permanent Incapacity	<p>All the Vested Options as on date of incurring Permanent Incapacity can be exercised by the Option Grantee within 60 days from his/her last working day with the Company.</p> <p>All the Unvested Options as on date of incurring Permanent Incapacity shall vest forthwith and can be exercised by the Option Grantee in the same manner as prescribed for Vested Options.</p>	<p>All the Vested Options as on date of incurring Permanent Incapacity shall be exercised by the Option Grantee as per Clause 8.2 (a) above or within 24 (Twenty-four) months after the date of incurring such Permanent Incapacity, whichever is later.</p> <p>All the Unvested Options as on date of incurring Permanent Incapacity shall vest forthwith and can be exercised by the Option Grantee in the same manner as prescribed for Vested Options herein above.</p>
6	Transfer / deputation from/ to the Subsidiary and Holding Company and Post Listing also includes Group and Associate Company	<p>In case of Vested Options, the Exercise Period to remain the same as per the terms of the Grant.</p> <p>In case of subsequent separation, treatment of Vested Options shall be as per applicable circumstance mentioned in this table.</p> <p>In the case of Unvested Options, Vesting schedule and Exercise Period to remain same as per the terms of the Grant.</p> <p>In case of subsequent separation, treatment of Unvested Options shall be as per applicable circumstance mentioned in this table.</p>	<p>In case of Vested Options, the Exercise Period to remain the same as per the terms of the Grant.</p> <p>In case of subsequent separation, treatment of Vested Options shall be as per applicable circumstance mentioned in this table.</p> <p>In the case of Unvested Options, Vesting schedule and Exercise Period to remain same as per the terms of the Grant.</p> <p>In case of subsequent separation, treatment of Unvested Options shall be as per applicable circumstance mentioned in this table.</p>
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>

8.3 Procedure of Exercise

The Vested Options can be exercised by the Option Grantees by a written application to the Trust in the format as may be prescribed in due course keeping in view the administrative and/ or the legal requirements prevailing at that time.

8.4 Right to prescribe for cashless Exercise of Options

The Committee is entitled to specify such procedures and mechanisms for the purpose of implementing the cashless Exercise of Options as may be necessary and subject to and in accordance with Applicable Laws, and the same shall be binding on all the Option Grantees.

8.5 Lapse of Options

The Options not exercised within the Exercise Period, as mentioned in sub-clause 8.2 and sub-clause 8.3 above, shall lapse and the Option Grantee shall have no right over such lapsed or cancelled Options.

9. Liquidity Events

9.1 Listing or an Initial Public Offering

Post Listing, Option Grantee can sell Shares in the secondary market or otherwise, subject to any restriction on dealing in Shares as per Applicable Laws.

10. Lock In

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

11. Other Terms and Conditions

11.1 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 until the Option Grantee Exercises the Option and becomes a registered holder of the Shares of the Company.

11.2 Options are not transferrable unless in case of Death of an Option Grantee in which case, Clause 8.2(b) will be referred to for the purpose of Exercise. No person other than the Option Grantee to whom the Option is granted shall be entitled to Exercise the Option except in the event of the death of the Option Grantee, in which case, Clause 8.2(b) shall apply, as mentioned above.

11.3 Notwithstanding anything to the contrary contained under the ESOP 2024, the Option and the Shares resulting from Exercise of Option shall not be transferred, pledged, hypothecated,

mortgaged or otherwise alienated in any other manner except with the prior approval of the Committee in writing and shall be subject to compliance with the Applicable Laws. However, this restriction shall not be applicable post Listing on Shares resulting from Exercise of Option and shall be subject to compliance with the Applicable Laws.

12. Deduction of Tax

- 12.1 The liability of paying taxes, if any, in respect of Options granted pursuant to this Scheme 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 working abroad, if any.
- 12.2 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 Laws. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.
- 12.3 The Company/Trust shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

13. Authority to vary terms

- 13.1 The Company may by special resolution of its shareholders vary the terms of the ESOP 2024 for Options granted but not yet exercised by the employees, if such variation is not prejudicial to the interests of the Employees. The Committee may, if it deems necessary, vary the terms of ESOP 2024, to meet any regulatory requirements and subject to compliance with the Applicable Laws.
- 13.2 The Company may re-price the Options, which are not exercised, whether or not they have been vested, if the Scheme is rendered unattractive due to fall in the price of the shares in the stock market.

Provided that the Company ensures that such repricing is not detrimental to the interests of the Employees and approval of the shareholders by a special resolution has been obtained for such repricing.

14. Miscellaneous

- 14.1 Government Regulations

This ESOP 2024 shall be subject to all Applicable Laws, and approvals from governmental authorities.

- 14.2 Foreign Exchange Laws

In case any Options are granted to any Employee being resident outside India, belonging to

the Company, working outside India, 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 from time to time in connection with Grant, Vest and Exercise of Options thereof.

14.3 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 Laws, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such Shares.

14.4 Unless otherwise intended, the Grant of an Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to his/her contract of employment nor does the existence of a contract of employment between any person and the Company give such person any right or entitlement to have an Option granted to him in respect of any number of Shares or any expectation that an Option might be granted to him whether subject to any condition or at all.

14.5 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 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.

14.6 The rights granted to an Option Grantee upon the Grant of an Option shall not accord the Option 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).

14.7 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.

14.8 Participation in ESOP 2024 shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the value of the Shares and the risks associated with the investments are that of the Option Grantee alone.

15. Non-transferability of Options

Save as provided in the case of a death of an employee, the Options granted herein, are personal to the Participant. The Options cannot be assigned, alienated, pledged, attached, hypothecated, sold or otherwise transferred or encumbered by the Participant/ Nominee/ Beneficiary otherwise than 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.

16. Accounting and Disclosures

16.1 The Company shall follow the IND AS 102 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.

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

17. Certificate from Secretarial Auditors

17.1 Post Listing, the Committee shall at each annual general meeting place before the shareholders a certificate from the Secretarial Auditors of the Company that the Scheme has been implemented in accordance with the SBEB Regulations and in accordance with the resolution of the Company in the general meeting.

18. Governing Laws and jurisdiction

18.1 The terms and conditions of the ESOP 2024 shall be governed by and construed in accordance with the Applicable Laws of India including the Foreign Exchange Laws.

18.2 The courts at **Gurugram, Haryana** shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2024.

18.3 Nothing in this Clause shall however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP 2024, in any other court of competent jurisdiction; or concurrently in more than one jurisdiction.

19. Notices

19.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP 2024 shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company; or Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or Emailing the communication(s) to the Option Grantee at the official email address provided, if any, during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

19.2 Any communication to be given by an Option Grantee to the Company in respect of ESOP 2024 shall be sent at the address mentioned below or e - mailed at:

Designation : Company Secretary

Address : ACME Solar Holdings Limited

Plot No.152, Sector – 44, Gurugram, Haryana, India, 122002

E-mail : cs.acme@acme.in

19.3 The Option Grantee acknowledges that it shall be the obligation of the Option Grantee to promptly notify the Company of any change in the residential or electronic mail address of the Option Grantee and the Company shall not be liable in any manner for any failure of the Option Grantee to do so. Further, in the event that the Option Grantee does not respond to any notice delivered to the Option Grantee, wherever required, within seven (7) days of delivery of a notice or in accordance with the terms of such notice, then all rights of the Option Grantee under this ESOP 2024 shall be deemed to have automatically lapsed forthwith.

20. Severability

20.1 In the event any one or more of the provisions contained in this Scheme 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 Scheme in which case the Scheme shall be construed as if such invalid, illegal, or unenforceable provisions had never been set forth herein, and the Scheme shall be carried out as nearly as possible according to its original intent and terms.

21. Confidentiality

21.1 An Option Grantee must keep the details of the ESOP 2024 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 the Option Grantee is found in breach of this Clause, the Company shall have undisputed right to terminate any agreement/Grant. The decision and judgment of the Committee regarding breach of this Clause on confidentiality shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Committee shall have the authority to deal with such cases as it may deem fit.

21.2 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 ESOP 2024, accounting and statutory disclosures, 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.

----- **END OF THE SCHEME** -----