



**Shree Refrigerations Limited**

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**Shree Refrigerations Limited Employees Stock Option Plan September - 2024**



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**Shree Refrigerations Limited**

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## SHREE REFRIGERATIONS LIMITED EMPLOYEE STOCK OPTION PLAN SEPTEMBER - 2024

### 1. INTRODUCTION:

#### A. Object and Commencement of the Scheme:

- i) With a view to allow qualified, talented and competent personnel to participate in wealth creation through increased capitalization of **SHREE REFRIGERATIONS LIMITED** (hereinafter referred to as the "**Company**"), Shree Refrigerations Limited Employees Stock Option Plan September - 2024 (hereinafter called as the "**Scheme**") has been introduced.
- ii) It applies to all the Grantees who are Employees (as defined herein below) of the Company subject to the Applicable Law and in the manner provided under this Scheme.
- iii) The Company has always worked with integrity, excellence, commitment, passion and innovation towards the business operations. The Company has firmly believed in addressing the career aspirations of their associates and have aligned various HR processes to facilitate optimum career progression. And therefore, they have decided to implement this Scheme for the benefit of the employees and Directors of the Company. By implementing such scheme the Company has reposed confidence on such Employees and intended to serve as a testimony of the faith the Company has on the Employees.

#### B. The Scheme:

- i) This Scheme is intended to enable the Company to:
  - a) Grant the Grantees long-term incentive compensation in the form of ESOP Options in addition to compensation, thus aligning their interests with those of the Company and its shareholders;
  - b) Enhance the ability of the Company to attract and retain qualified Employees.
- ii) The Scheme has been approved by the Board of Directors at its meeting held on 06<sup>th</sup> September, 2024 at the registered office of the Company situated at Plot No. 131/1/2/1, Opp. MSEB Stores, Viravde, Ogalewadi, Viravade, Satara, Karad, Maharashtra, India,



415105 and the Shareholders of the Company at its extra-ordinary general meeting held on 30<sup>th</sup> September, 2024. This ESOP Scheme shall be effective from 30<sup>th</sup> September, 2024 ("**Effective Date**").

## 2. DEFINITIONS:

a) "**Act**" or "**Applicable Law(s)**" means every law relating to Equity-Based Compensation Scheme in force and all applicable statutes, enactments, acts of legislature or parliament including but not limited to the Companies Act 2013 and any rules made thereunder, SEBI (SBEB & SE) Regulations 2021, SEBI(LODR) Regulations, 2015, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, and all relevant revenue, tax, securities or exchange, laws, ordinances, rules, byelaws, regulations, circulars, notifications, guidelines, policies, directions, directives, and orders issued by any competent authority under the relevant Applicable law.

b) "**Board**" means the Board of Directors of the Company and includes any of its committee thereof including the Compensation Committee.

c) "**Cause**" shall mean:

in the event of the Grantee being an Employee, any one of the following: (i) a continued wilful or negligent failure by the Employee to substantially perform his duties with the Company, (ii) the Employee is convicted of an offence involving moral turpitude; (iii) any willful act or acts of dishonesty committed by the Employee which results in direct or indirect substantial gain to him or to his relatives or his personal enrichment at the expense of the Company; (iv) dual employment of the Employee with any other organization in addition to his employment with the Company, without prior written consent or knowledge of the Company; or (v) any of the Employee's wilful or negligent act or omission (including gross misconduct) that is materially injurious to the business of the Company.

d) "**Company**" means Shree Refrigerations Limited, a company incorporated and registered under the provisions of Companies Act, 1956 as amended from time to time, having registered office at Plot No. 131/1/2/1, Opp. MSEB Stores, Viravde, Ogalewadi, Viravade, Satara, Karad, Maharashtra, India, 415105 .



- e) **“Compensation Committee”** or **“CC”** means Nomination and Remuneration Committee of the Company, designated as Compensation Committee for the purpose of monitoring, administering, superintending, and implementing the Scheme in compliance with SEBI (SBEB & SE) Regulations (as defined hereinafter).
- f) **“Corporate Action”** shall have the same meaning as ascribed under the SEBI (SBEB & SE) Regulations and includes the following:
- (i) A change in the capital structure of the Company as a result of bonus issue, right issue, stock split/sub-division of Shares or consolidation of Shares.
  - (ii) merger, de-merger, reconstitution, spin-off, consolidation, amalgamation, reclassification of capital.
- g) **“Date of Grant”** shall mean the date on which the CC approves the Grant.
- h) **“Employee”** means (i) an employee as designated by the company who is exclusively working in India or outside India; or (ii) a director of the Company, whether a whole time director or not including a non- executive director who is not a promoter or member of the promoter group, but excluding an independent director; or (iii) an employee or director as defined in (i) and (ii) herein of a Subsidiary or Holding company in India or outside India 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 relative or through anybody corporate, directly or indirectly, holds more than 10% (Ten Percent) of the outstanding Equity Shares of the Company;
- i) **“Employment Agreement”** means the employee agreement executed between the Company and the Employee which includes the terms and conditions of employment. Employee Agreement will include employment letter or any other supplemental employment agreement executed between that Employee and the Company in reference to the primary employment agreement.
- j) **“Employees Stock Options (ESOPs/ Options)”** means the option given to an Employee which give such an Employee a right to purchase / to subscribe at a future date, the shares of the Company at a pre-determined price.



- k) **“Employee Stock Option Scheme/ ESOS / the Scheme”** means this scheme under which the Company grants certain employee stock options to employees in accordance with its terms and conditions.
- l) **“Equity Share(s)” or “Shares”** shall mean equity share having face value of INR 2/- (Indian Rupees Two only) of the Company.
- m) **“Exercise”** means making of an application by a Grantee to the Company through the Exercise Letter, along with payment of Exercise Price as determined by the Company for issue of the Equity Shares against his/her vested Options.
- n) **“Exercise Letter”** shall mean the letter submitted by the Grantee in the format provided by the CC, requesting for Exercise of vested Options as mentioned in Schedule I.
- o) **“Exercise Period”** means the time period after Vesting of the Options of the respective Grantee within which the Grantee may exercise his right to apply for the Shares against Options vested in him/her pursuant to this Scheme.
- p) **“Exercise Price”** means the pre-determined price payable by the Grantee for the purpose of exercising the Options granted to him/her in pursuance of the Scheme.
- q) **“Grant”** means the issue of Options to eligible Employee/s under the Scheme.
- r) **“Grantee”** means and includes eligible Employees who have been granted the Option under the Scheme.
- s) **“Grant Agreement”** shall mean an agreement executed between the Company and the Grantee in accordance with the Scheme which shall state the terms and conditions of Grant of Options and such other conditions as may be deemed fit by the CC.
- t) **“Holding Company”** shall have the same meaning as defined under the Section 2(46) of the companies Act, 2013 as amended from time to time.
- u) **“Letter of Grant” or “Grant letter”** means the letter to be issued by the Company intimating eligible Employees about Options Granted.



- v) **“Listing”** means the listing of the Company’s Shares on any recognized Stock Exchange as per Applicable Laws.
- w) **“Market Price”** means the latest available closing price on a recognized Stock Exchange on which the Shares of the Company are listed on the date immediately prior to the Relevant Date.

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

- x) **“Promoter”** shall have the same meaning as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
- y) **“Promoter Group”** shall have the same meaning as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
- z) **“Permanent Incapacity”** means, with respect to a person, a physical or mental impairment of sufficient severity that, in the opinion of the Company, the person is unable to continue performing the duties the person performed before such impairment and that impairment or condition is cited by the Company as the reason for termination of the employee/s employment with the Company.
- aa) **“Recognised Stock Exchange”** means a stock exchange which has been Granted recognition under section 4 of the Securities Contracts (Regulation) Act, 1956.
- bb) **“Share Capital”** shall mean the fully paid-up Equity Share from the Share Capital of the Company on a fully diluted basis.
- cc) **“Subsidiary”** shall have the same meaning as defined under the Section 2(87) of the companies Act, 2013 as amended from time to time.
- dd) **“Scheme”** shall mean Shree Refrigerations Limited Employees Stock Option Plan September – 2024 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof from time to time.



- ee) **“SEBI (SBEB & SE) Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof.
- ff) **“SEBI (LODR) Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof.
- gg) **“Vesting”** means the process by which the Grantee earns the right to apply for Shares against the Options granted to him/her under this Scheme.
- hh) **“Vesting Period”** means the means the period during which the Vesting of the Options granted to the employee in pursuance of the Scheme takes place and does not include any period of service for which employee was not paid salary/wages other than for reasons approved by the Company.
- ii) **“Vested Options”** means Option/s in respect of which the relevant Vesting conditions, including the Vesting Period have been satisfied and the Grantee has become eligible to exercise the Option.
- jj) **“Unvested Option”** means an option in respect of which the relevant Vesting conditions, including the Vesting Period have not been satisfied and the Grantee has not become eligible to exercise the Option.

All other expressions not defined in this Scheme shall have the same meaning as have been assigned to them under the Companies Act, 2013 and all statutory modifications or re-enactments thereof or any other applicable law, as the case may be.

### 3. INTERPRETATION

In the Scheme, unless the contrary intention appears:

- a) heading and bold typeface are only for convenience and shall be ignored for the purpose of interpretation.



- b) Any word or expression importing the masculine, feminine or neutral genders only, shall be taken to include all genders.
- c) words denoting the singular number shall include the plural and vice versa.
- d) Any word which is not defined under the Scheme and is not otherwise elaborated or addressed in the Grant Letter or in the Company's policies shall be interpreted in line with SEBI (SBEB & SE) Regulations, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 or the Companies Act, 2013 and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation, as the context requires.;
- e) references to the word "include" or "including" shall be construed to include the phrase "without limitation" after such word.
- f) a reference to a clause, section, or paragraph is unless indicated to the contrary, a reference to a clause, section, or paragraph of this Scheme.

#### 4. APPROVALS AND AUTHORITY:

(i) The Board vide their notice dated September 02, 2024, called for a meeting of the Board of Directors and thereafter discussed the object, purpose and need to implement this Employee Stock Option Scheme. Further, an extraordinary general meeting of the shareholders of the Company was conducted on September 30, 2024, for the approval of the Scheme.

#### 5. COMPENSATION COMMITTEE (CC):

- i. The Scheme will be administered and monitored by the Compensation Committee (CC) of the Company.
- ii. The CC shall meet as required for the purpose of administering this scheme for all purposes as stipulated in the Scheme.
- iii. No member of the CC shall be held liable for any action collectively taken in good faith in terms of the Scheme or for securing effective and proper compliance with the Applicable Laws.
- iv. Compensation Committee shall be required to perform the following duties –
  - a) To determine the quantum of Options to be granted to each Grantee and in aggregate subject to the pool of Options of the Scheme;
  - b) To determine the conditions under which Options may vest in Employees and may lapse in case of termination of employment for misconduct;
  - c) To determine the specified time period within which the Grantee shall Exercise the Vested Options in the event of termination or resignation;



- d) To determine the right of an employee to exercise all the options vested in him at one time or at various point of time within the Exercise Period;
- e) To determine 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 to the employee of the Options remains the same after the Corporate Action;
  - ii. the vesting period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Employee(s) who is granted such Options.
- f) To determine the procedure and terms for the Grant, Vesting and Exercise of Options in case of employees who are on Long Leave;
  - g) the procedure for funding the Exercise of Options;
  - h) The procedure for buy-back of specified securities issued under the SEBI SBEB Regulations, 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 specified securities that the Company may buy-back in a financial year
  - i) Ensure compliance with all regulatory and taxation matters requirements;
  - j) Meet at such time and place as may be necessary and convenient for the purpose of taking decisions to administer the Scheme effectively;
  - k) Recommend the Company, to make Grants to eligible Employees from time to time;
  - l) Supervise allotment of Shares to the Grantees upon Exercise.
  - m) To construe, interpret, prescribe, and amend the terms of the Scheme in accordance with the Applicable Laws,
  - n) Lay down and examine the fulfilment of the criteria for being regarded as eligible Employees from time to time, taking into account the appraisal process followed by



the management of the Company so as to factor the result of such process suitably while carrying out the Grant.

- o) Present the names of such Grantee/s before the CC within 90(ninety) days of the Date of Grant with respect to such Grantee/s
- p) To determine the number of Options per eligible Employee depending upon his employment category, designation, number of years of service, rank, grade, performance linked parameters, Company's overall performance and such other criteria as the CC may deem fit. .
- q) Further, determine the terms and conditions subject to which the Options Granted would vest in the Employee (Vesting Conditions).
- r) To determine the form and substance of the agreement, letters, instruments etc. for implementation of the Scheme
- s) To determine the Exercise Price, the formula for calculation of the Exercise Price and the Exercise Period for the Options made available under this Scheme
- t) To determine the date of Vesting of the Options, terms and conditions subject to which Vested Options can be exercised by Eligible Employees.
- u) Such other incidental objects required to be determined in order to pursue the successful implementation of the Scheme.

## 6. ELIGIBILITY TO PARTICIPATE IN THE SCHEME AND APPLICABILITY:

### (i) Eligibility:

- a) All Employees who have entered into a valid Employment Agreement with the Company, are eligible to be considered for the Scheme, at the discretion of the CC. The specific employees to whom the Options may be Granted i.e. Grantees and their applicable eligibility criteria shall be determined by the CC from time to time.
- b) However, it is clearly understood and agreed that the existence of an employment contract or a relationship of employment between the Company and any person, does not give such person a right, entitlement or expectation to participate in this Scheme or to have Options granted to him under this Scheme.
- c) An Employee employed by the Company (as the case may be) after the Effective Date may also be granted the Options, subject to the discretion of the Board of Directors of the Company.
- d) An Employee who is or becomes a Grantee in accordance with this Scheme is not ipso facto entitled to be considered for any future grant of options under this Scheme, except at the sole discretion of the CC.



- e) The Grant of Options to any Employee under this Scheme shall be always and entirely at the sole discretion of the CC.
- (ii) If an Employee meets the basic eligibility as stated in this Scheme and any other criteria as laid down by the Board from time to time, solely upon discretion of the CC, it will communicate to that particular Employee about his eligibility to participate in this Scheme.
- (iii) The Compensation Committee may alter the basic eligibility criteria from time to time, as deemed fit subject to provisions of the Applicable Law.
- (iv) The Employees satisfying the Eligibility Criteria shall be termed as “**Eligible Employee**”.
- (v) Minimum Service Requirement:
- a) The CC may, at its sole discretion put a condition of minimum service period for an Employee to be eligible for grant of Options under this Scheme (Qualifying Minimum Requirement). The Qualifying Minimum Service for each Grantee shall be stated in their Grant Agreement. Provided that the CC may, at its sole discretion reduce, waive the Qualifying Minimum Service while granting Options to one or more Grantee and make a note of such waiver in the Letter of Grant and the Grant Agreement of such Grantee.
- b) In the above scenario the following will apply:
- The Grant Agreement will specify the applicable period of Qualifying Minimum Service.
  - In case of leave without pay for Employees, the period of Qualifying Minimum Service shall be calculated excluding the period of such leave without pay.
  - Those Grantees who are already in/at Service at the time of granting the initial Options will have the benefit of their past effective Service with the Company for calculating the period of Qualifying Minimum Service.
  - In case of resignation or termination of Service due to any reason, before the completion of Qualifying Minimum Service, the entire granted options under the Scheme shall lapse and the Grantee shall not get any benefit envisaged under the Scheme.
  - In case of Permanent Incapacity resulting in discontinuance of Service of the Grantee or in the event of death of the Grantee, the condition of Qualifying



Minimum Service, if any, shall be waived by the Company as per the discretion of the CC.

(vi) Disclaimer:

- a) This Scheme does not form part of any contract of employment between the Company and the Employee.
- b) The Scheme is in addition to and not in subrogation of any such terms and conditions of the employment agreement/contract.
- c) The Scheme does not purport to afford nor affords any additional rights than what is contemplated in accordance with the Scheme, and it shall not entitle any employee to any compensation or damages in consequence of the termination of this Scheme and / or termination of such office or employment or cessation of the employee for any reason whatsoever.
- d) This Scheme does not confer on any person any legal or equitable rights against the Company either directly or indirectly or give rise to any cause of action in law or equity against the Company. This Scheme is at the absolute discretion of the Board of Company which is further approved by the shareholders of the Company.

## 7. PERCENTAGE OF CAPITAL FOR THE SCHEME

- i) The Company has decided to earmark equalling to 10,00,000 (Ten Lakhs Only) Shares, under the Scheme as adjusted by the CC, from time to time subject to the approval of members and such other approvals, permissions and sanctions as may be necessary under the Applicable Law.
- ii) Individual limits for Grant of Options: The CC may Grant maximum number of Options to a single Grantee, during any one year, equal to or exceeding the 1% (One percent) of the issued equity share capital (excluding outstanding warrants and conversions) of the Company as on the date of the Grant, with the approval of the shareholders of the Company through separate resolution.
- iii) Company will increase the authorised share capital as and when required at the time of allotment of shares under this scheme if required.
- iv) If the Options forfeited, surrendered, expires or becomes exercisable without having been exercised by the Grantee, such Option shall be added back to the pool and shall become available for future grant under the Scheme provided the Scheme continues to be in force.



Where shares are issued consequent upon exercise of an Option under the Plan, the maximum number of shares which are subject to Options referred to in sub-clause (i) above stands reduced to the extent of such shares issued.

## 8. ADMINISTRATION OF THE SCHEME

- i) The Scheme shall be implemented through direct route for extending the benefits to the Eligible Employees by the way of fresh allotment from the Company.
- ii) The Administration of Options shall take place in 3 (three) stages. The successful completion of 1 (one) stage is a pre-condition to move on to the next.
- iii) Grant of Options – The stage when the Options are granted to the Grantee. The Grantee shall execute a Grant Agreement with the Company on such Date of Grant as may be decided by the CC of the Company.
- iv) Vesting of Options – At this stage, the Options shall become vested or accrue to the Grantee as per the conditions and Vesting schedule mentioned in this Scheme and the Grant Agreement and/or Letter of Grant.
- v) Exercise of Options – Subject to Clause 8, the Grantee becomes eligible to exercise his Options after Vesting, and only during the Exercise Period.
- vi) No ESOP shall be offered unless the disclosures, as specified in Part G of Schedule – I of the SEBI (SBEB & SE) Regulations, are made by the Company to the prospective Grantees.

## 9. TERMS UNDER THE SCHEME:

### A. Grant of Options

- i) Only the Employees of the Company shall be eligible for the grant of Options.
- ii) The Scheme envisages a total grant of Options up to maximum limit not exceeding 10,00,000 (Ten Lakhs only) fully paid up equity shares. The Options granted shall be convertible into Equity Shares only.



- iii) Subject to the Corporate Action(s) taken by the Company, if any, the Grant of 1 (One) Option to an Employee under this Scheme shall entitle the Grantee to apply for 1 (One) Share in the Company upon payment of Exercise Price, applicable taxes and other charges, if any.
- iv) The CC shall determine a list of eligible Employees and the number of Options granted to such Grantee/s as decided by the CC of the Company from time to time.
- v) The following broad criteria shall be considered by the CC for granting the Options
  - a) contribution that may be made by a Grantee in future to the growth of the Company as perceived by the CC;
  - b) contribution of a Grantee to the Company's growth in the past as perceived by the CC; and
  - c) position of a Grantee in the Company hierarchy in case of Employees.
- vi) The CC shall at its discretion call for reports on the performance of such Grantees from the human resource department as it may deem fit before recommending Grant of the Options.
- vii) The CC may grant Options to the Grantee subject to the achievement of targets, as may be laid down by it from time to time.
- viii) The CC shall intimate the eligible employees about the Grant by means of a Grant Agreement containing details of the number of Options Granted, the Date of Grant, Vesting process, Vesting Period, Exercise Period, Exercise Price payable at the time of each Exercise together with a draft Exercise Letter that may be used by the Grantee for exercising the Options during the Exercise Period.
- ix) Grantee has to accept the Grant made pursuant to the Scheme, must deliver a signed copy of Grant Agreement to the CC or any of its authorized representatives..
- x) No amount shall be payable by an Employee at the time of Grant of Options and at the time of acceptance of grant.



## **B. Vesting of Options**

- i) The Options shall be granted to the Grantee as decided by the CC from time to time and shall vest as per the terms of this Scheme and the terms of the subsequent Grant Agreement.
- ii) Subject to Applicable Laws, the minimum Vesting Period for the Options under this Scheme shall be 1 years from the Date of Grant of Options. To clarify further, the first tranche of options shall vest in a Grantee not before the expiry of 1 years from the Date of Grant. The tranches shall vest in accordance with the Vesting Schedule specified in the Grant Agreement.

Provided further that in the event of death or Permanent Incapacity of a Grantee, while in employment, the minimum vesting period of one year shall not be applicable and in such instances, the Options shall vest in terms of SEBI (SBEB & SE) Regulations, on the date of the death or Permanent Incapacity.

- iii) The Vesting conditions and the Vesting schedule for each Grantee shall be detailed in the Grant Agreement applicable to each Grantee.
- iv) The vesting of Stock Options would be subject to the terms and conditions as may be stipulated by the Committee from time to time including but not limited to continued employment of the eligible employees with the Company. However, continued employment through each Vesting Period for the Grantees, is mandatory.
- v) The Grant Agreement shall, besides other terms and conditions, specify the number of Options granted, the Vesting Schedule, the Exercise Price, the Exercise Period, and such other details that are applicable to a particular Grant of Options. These terms shall be decided by the CC at its sole discretion.
- vi) The maximum period within which the options shall vest from the date of grant (or such other period as decided in the sole discretion of the Committee, from time to time) shall set out in the grant agreement issued to the eligible employees.
- vii) The Grantee is not required to pay any amount at the time of Vesting of Options.



### C. Exercise of Options

- i) The Exercise Period is 30 (Thirty) days from the date on which Options have been vested as decided by Compensation Committee.
- ii) The Option entitles the Grantee to apply for and be allotted the equity shares of the Company during the Exercise Period, upon payment of the Exercise Price (and applicable taxes if any) upon the terms and conditions specified in this Scheme and in the Grant Agreement.
- iii) The Exercise Price for the Options shall be as determined by the CC at the time of grant of Options and shall be set out in the Grant Agreement to be issued to eligible employees which may be linked with the Market Price as defined in Clause 2 (x) of the Scheme. However, in any case, Exercise Price shall not fall below the Face value of Equity Share of the Company. The Exercise price may be different for different employees or classes thereof.
- iv) The Grantee can exercise the Options by submitting to the CC a duly completed Exercise letter in the format prescribed by the Company after the Vesting Period till such a time as the Exercise Period specified with respect to the Option continues. Post the expiry of the Exercise Period, the Vested but unexercised Options shall be treated as lapsed/expired and the same shall become available for future grant under the Scheme provided the Scheme continues to be in force. Upon Exercise, subject to terms and conditions of the Scheme and without prejudice to the special circumstances specified under this Scheme due to which Vested / Exercised Options may lapse, the Company will allot shares under the Scheme to the eligible Employees upon their making necessary Exercise application and in consideration of their making payment equivalent to the Exercise Price fixed by the CC per Option as communicated by the Company to the Grantee.
- v) The Grantee can exercise the Options only during the Exercise Period. The Exercise Period shall commence on the date the Options become Vested with respect to a particular Grantee. The Exercise Period for each Grantee shall be further detailed in the Grant Agreement applicable to such Grantee.
- vi) In the event the Grantee fails to exercise the Vested Options within the Exercise Period, such unexercised Vested Options shall lapse after the expiration of the Exercise Period and shall be added back to the ESOP Pool.



- vii) The Grantee will be required to furnish the Exercise Letter in the prescribed manner to the CC regarding his Exercise of Options.
- viii) The Company shall complete the process of issue of Equity Shares against Vested Options on payment of Exercise Price and applicable tax as promptly as possible but within a period of 60 (Sixty) days post receipt of valid Exercise request from the Grantee being an Employee.
- ix) Till such a time as the Options granted to the Grantee is not duly issued by the Company as evidenced by its records, to the Grantee subsequent to the Grantees application for Exercise, the Grantee shall not have a right to vote or a right to receive any dividends or any such other rights associated with a shareholding of the Company, notwithstanding the exercise of the Options. No adjustment shall be made for dividends or other rights for which record date is prior to the date of issue of shares, except in cases of change in capitalization due to merger, split stock, bonus, etc.

#### **D. CESSATION OF EMPLOYEMENT**

In the events of separation as listed hereunder, of the Grantee from the Company, the Options shall be subject to the following treatment:

**a) Resignation:**

- i. Vested Options – All the Vested Options as on the date of intimation of resignation can be exercised by the Grantee exercised within 30 (thirty) days of intimation of resignation or within such period as may be notified by the CC at its sole discretion. If they are not exercised within this period, the Options shall be treated as expired/lapsed and shall revert back into the Company ESOP pool.
- ii. Unvested Options – All the Unvested Options as on the date of resignation shall stand cancelled with effect from the date of such resignation.



**b) Termination for reasons other than Cause as defined in this Scheme**

- i. Vested Options – All the Vested Options at the time of such termination can be exercised by the Grantee 30 (thirty) days of termination or within such period as may be notified by the CC at its sole discretion. In the event that they are not exercised within this period, the Options shall be treated as expired/lapsed and shall revert back into the Company ESOP pool.
- ii. Unvested Options – All the Unvested Options at the time of such termination shall stand cancelled with effect from the date of such termination.

**c) Termination for Cause :**

In the event that an employee is terminated due to Cause/s as defined in this Scheme, all vested and unvested Options shall stand cancelled with immediate effect.

**d) Retirement:**

- i. Vested Options – All the Vested Options as on date of retirement can be exercised by the Grantee within 60 (sixty) days from the date of such retirement or within such period as may be notified by the CC at its sole discretion.
- ii. Unvested Options– All the Unvested Options on the date of retirement would continue to vest in accordance with the respective vesting schedules even after retirement in accordance with the Company’s policies and the Applicable Law.

**e) Death:**

- i. Vested Options – All the Vested Options as on date of death can be exercised by the Grantee’s nominee or legal heirs specified in this regard within 3 (Three) months from the date of death of the Grantee or within such period as may be notified by the CC, on the basis of documentary proof of death as well as the bona fides of the nominee. In the event that



they are not exercised within this period, the Options shall be treated as expired/lapsed and shall revert back into the ESOP pool.

- ii. Unvested Options – All the Unvested Options as on the date of death shall vest immediately after the death of the Grantee and the same may be exercised by the legal heirs / nominees of the Grantee specified in this regard within a period of (90) ninety days from the date of death of the Grantee.

**f) Permanent Incapacity:**

- i. Vested Options – All the Vested Options as on date of Permanent Incapacity can be exercised by the Grantee within 3 (three) months from the date of Permanent Disability or within such period as may be notified by the CC at its sole discretion.
- ii. Unvested Options – All the Unvested Options as on the date of permanent incapacitation shall vest immediately after the such incapacity of the Grantee and the same may be exercised by the Legal Hiers /Nominee of the Grantee specified in this regard within a period of 90 (ninety) days from the date of death of the Grantee.

**g) Due to reasons other than Cause and apart from those mentioned above:**

- i. Vested Options – All the Vested Options shall be exercisable by the Grantee within 30 (thirty) days from such termination or from such date as determined by the CC.
- ii. Unvested Options – All Unvested Options shall stand cancelled with effect from such date as determined by the CC.

## 10. NON-TRANSFERABILITY OF OPTIONS

(i) The Options granted to the Grantees are not transferable to any person or entity, except in accordance with the terms of this Scheme.

(ii) No person other than the Grantee to whom the Options have been granted shall be entitled to exercise such Options, except in the event of death and Permanent Incapacity of the Grantee.



The terms of Vesting and Exercise of Options in the event of the Death of the Grantee shall be in accordance with the relevant provisions of this Scheme.

(iii) The Options granted to the Grantee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner by the Grantee or his/her legal heirs or nominee.

## **11. LOCK IN PERIOD**

The Shares acquired under the Scheme may have lock-in of such period as may be decided by the Board of Directors of the Company at the time of grant.

## **12. OTHER TERMS AND CONDITIONS**

(i) Until shares are allotted and fully paid up, no right to vote or receive dividends or any other rights as a shareholders shall exist with respect to the Shares notwithstanding the exercise of Option.

(ii) During the Period of this scheme, once in every 6 (six) months or with such periodicity as decided by CC, the CC may meet in order to review the position and prepare a consolidated list of eligible Employees who may be granted Options under this Scheme as well as Grantees who have exercised Options vested in them and to whom shares under the Scheme should be allotted after duly taking into consideration, those eligible Employees or Grantees whose entitlement ought to be cancelled or lapsed due to existence of circumstances determined by the Board in accordance with the Scheme.

(iii) The Board shall return the payment made by a Grantee in case for any reasons the Board of Directors of the Company has approved cancellation of his/her entitlement to this particular scheme.

(iv) In case the Grantee does not exercise the Options within the Exercise Period, the Options shall lapse on the expiry of the Exercise Period and no rights will accrue after that date.

## **13. TRANSFER OF GRANTEE TO BRANCH OFFICES/ SUBSIDIARIES/ HOLDING COMPANY**

(i) For purpose of this Clause “**Previous Company Organization**” shall mean the Company, branch office or a Subsidiary, Associate, Holding Company from which the



Grantee is transferred or deputed to a Succeeding Organization. “**Succeeding Company Organization**” shall mean the Company, branch office or a Subsidiary, Associate, Holding Company to which the Grantee is transferred or deputed from the Previous Company Organization.

(ii) Transfer or deputation of a Grantee to a Succeeding Company Organization shall not adversely affect the terms and conditions of the Options granted while the Grantee was with the Previous Company Organization.

(iii) In the event that a Grantee is transferred or deputed to Succeeding Company Organization prior to Vesting or Exercise of Options, the Vesting and Exercise of Options, as per the terms of Grant, shall continue even after such transfer or deputation.

#### 14. BUY-BACK OF SHARES

The Company or such other person designated by the Company shall have the right but not an obligation to buy-back such Equity Shares of the Employee that the Company may decide in its sole discretion. The Company or such other person designated by the Company may also exercise its option of declining to buy back the shares and exercise this right at the discretion of the Board at any point in time.

#### 15. CORPORATE ACTION:

- (i) Except as hereinafter provided, any Grant made shall be subject to adjustment, by the Committee, at its discretion, as to the number and price of Options or Shares, as the case may be, in the event of ‘Corporate Action’ as defined herein.
- (ii) If there is a ‘Corporate Action’ which includes right issue, bonus issue, split/sub-division/consolidation of shares of share capital the Company before the Options Granted under this Scheme are Exercised, the Grantee shall be entitled on Exercise of the Options, to such number of resultant Shares to which he/she would have been entitled as if all of the then outstanding Options Exercised by him/her, had been Exercised before such ‘Change in the Capital Structure’ had taken place and the rights under the Options shall stand correspondingly adjusted. In the event of a Corporate Action, the Committee, subject to the provisions of Applicable Laws, shall make fair and reasonable adjustments under the Scheme, as it deems fit, with respect to the number of Options, Exercise Price and make any other necessary amendments to the Scheme for this purpose. The Vesting Period and life of the Options shall be left unaltered as far as possible.



## 16. RIGHTS OF THE OPTIONS HOLDER

- i) It is reiterated that the Grantees shall not have the right to receive any dividend or vote in any manner or enjoy the benefits of a shareholder in respect of the Options granted to them till such a time as the Options are exercised and Equity Shares are issued consequent to this exercise of Options.
- ii) If the Company issues any bonus shares or any rights shares, the Grantee, who has not exercised the Options and consequently who has not become a shareholder of the Company as proven by its record, shall not be eligible for any bonus or rights shares in the capacity of a Grantee except that the number of Options shall be adjusted in cases of a stock split, consolidation, or bonus issue. Only a Grantee who has shares allotted or issued to him shall be eligible for a bonus or rights issue, and only in respect of such shares.

## 17. VARIATION OF TERMS OF THE SCHEME

- i) The Company shall not vary the terms of the Scheme, in any manner, which may be detrimental to the interests of the Company and the Grantees.
- ii) Notwithstanding anything mentioned in this Scheme, the Board may in accordance with a special resolution in a general meeting, vary the terms of the Scheme offered provided such variation is not prejudicial to the interests of the Option holders.
- iii) The Company may re-price the Options which are not exercised, subject to a valuation report issued by a Chartered Accountant or any other person authorised by the Board for valuation of the shares, provided that such re-pricing is not detrimental to the interest of the Employees and the approval of shareholders in the General Meeting has been obtained for such re-pricing and is in adherence to various applicable laws/regulations/legislations.

## 18. TERMINATION OF THE SCHEME AND BUY BACK OF VESTED OPTIONS

- i) In the event of termination of the Scheme by the Company for no fault of the Employees the Company shall within 90 (ninety) days of termination of the Plan, stock-out the vested Options. The stock-out shall be based on the Exercise Price at the time of termination of this Scheme.



- ii) In the event the Company decides to terminate this Scheme for no fault of the Employees, the Company shall also have the option to buy back the vested Options. In such an event, the Company shall pay the price for converted Equity Shares against the Vested Options, based on Market Price of Equity Share at the time of buy-back.
- iii) Further, the unvested Options at the time of termination of this Scheme shall lapse.

#### **19. MERGER/AMALGAMATION/ RESTRUCTURING OF THE COMPANY**

- i) In the event of a merger/ de-merger/ amalgamation/ spin off/ consolidation of the Company and the new entity may continue this Scheme at its / their discretion.
- ii) In case of merger/ de-merger/ amalgamation/ spin off/ consolidation, the suitable adjustments shall be made as per determined in the relevant scheme of such reconstitution merger/de-merger/ amalgamation / spin-off which is not prejudicial to the interest of the Grantee.
- iii) In the event of severance of employment of a Grantee, as a part of reconstitution / /amalgamation / sell-off or otherwise, the Options Granted and not Exercised before such reconstitution / amalgamation / sell-off, shall be Exercised as per the terms and conditions determined in the relevant scheme of such reconstitution / amalgamation / sell-off not prejudicial to the interest of the Grantee.
- iv) In the event the Scheme is discontinued by the new entity and it do not have a new scheme/plan to offer, all Options including the unvested Options, will vest immediately or within such reasonable time as determined by the board.

#### **20. LISTING OF SHARES**

Shares so issued/allotted to the Grantee pursuant to the Exercise of Options by the Grantee under this Scheme shall be listed immediately on all the recognized Stock Exchange(s) where the existing Shares of the Company are listed.



## 21. DURATION OF THE SCHEME

The duration of this Scheme will be till the last Option granted under this Scheme is vested and exercised or this Scheme is terminated on the lapse of all granted Options or this Scheme is terminated by the Company in accordance with its provisions and subsequent resolutions made by the Board in this Regard.

## 22. NOMINATION

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

## 23. DISCLOSURE AND ACCOUNTING POLICIES

- i. The Company shall comply with the disclosure and accounting policies as prescribed by the appropriate authority from time to time under the provisions of the Companies Act, 2013 and other Applicable Laws. The Company comply with the requirements of applicable ICAI Guidance Note on Accounting for Employee Share-Based Payments.
- ii. Compensation cost will be booked in the books of account of the Company over the vesting period.
- iii. The Company shall comply with the disclosure requirements and accounting policies specified in the SEBI (SBEB & SE) Regulations 2021.

## 24. TAX LIABILITY

- i. All tax liability of Grantees and the Company including but not limited to liability under the Income Tax Act will be governed by the Income Tax Act, 1961 and rules framed thereunder, as amended or re-enacted from time to time and as applicable on the relevant date.
- ii. Any liability arising out of the grant of Options by the Company and/or the exercise of such Options by the Employee, followed by allotment/transfer of shares by the Company, shall be borne by the Employee. Employee shall pay the tax liability arising to him/her on ESOP/shares allotted to him & provide the proof of the payment of tax to the company. If the valid proof of the payment of tax is not



provided, then the company has the right to withhold the such tax amount out of salary payable to the employee.

## 25. GOVERNMENTAL REGULATIONS

This Scheme shall be subject to all applicable laws, rules, and regulations and to such approvals by any governmental agencies as may be required. The transfer /grant of Options / Equity Shares under this Scheme shall entitle the Company to require the Grantee to comply with such requirements of Law as may be necessary in the opinion of the Company. The Board and/or shall have all the authority to seek additional compliance, if any, from any Grantee.

## 26. GENERAL RISKS

Grantees shall note that the Scheme shall not be construed as any guarantee of return on the equity investment. Any loss due to decrease in the value of the Equity Shares of the Company and the risks associated with the investments is that of the Grantee alone. All shares acquired by them through the Scheme is subject to the same risks to which all shares in the capital of the Company are exposed.

## 27. CONFIDENTIALITY

- i) The Employee shall maintain strict confidentiality regarding every aspect of the scheme and the Company may require him to enter into such confidentiality agreement/undertaking/employment agreement by whatever name called as the Company may desire from time to time so as to implement this Scheme effectively.
- ii) The Grantee is required to maintain total confidentiality as regards the number of Options granted to him by the Company and undertakes to the Company that he shall not discuss any details of the Grant of Options and the related information to any other person including the fellow employees.

In case any Employee is found in breach of this confidentiality clause, then the Company has the undisputed right to take disciplinary measures, including but not limited to, written apology, warning, suspension, withholding of promotion, withholding of pay rise or increment or any action up to and including termination of employment/engagement, and thereafter all the unexercised Options shall stand cancelled from the date the Company



takes the decision. The decision of the Board regarding such breach of confidentiality shall be final and binding on the employee.

## 28. GOVERNING LAW AND JURISDICTION

- i. This Scheme will be governed by and interpreted and construed in accordance with, the laws of India currently in force.
- ii. Any dispute, discrepancy or disagreement arising from this Scheme or any instruments mentioned hereunder including but not limited to the Grant Agreement, shall be initially referred to the Board which shall on a best effort basis resolve the dispute amicably within a period of 30 (thirty) days from the date of receipt of the dispute notice.
- iii. In the event the amicable resolution fails, the courts at Pune, India shall have the exclusive jurisdiction to hear and determine the dispute under this Scheme or the Grant Agreement.

## 29. NOTICES

All notices of communication required to be given under this Scheme or the Letter of Grant/ Grant Agreement shall be in writing and shall be sent

If addressed to the Company on the following address:

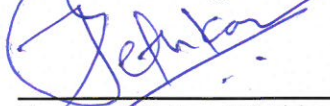
Kind Attn: Mr. Manoj Kothale, CFO

Shree Refrigerations Limited  
Plot No. 131/1/2/1, Opp. MSEB Stores,  
Viravde, Ogalewadi, Viravade, Satara, Karad,  
Maharashtra, India, 415105

E Mail:- [finance@shreeref.com](mailto:finance@shreeref.com)

If to the Grantees: As specified in their Grant Agreement / Employment documentation.

**//CERTIFIED TRUE COPY//**  
**For Shree Refrigerations Limited**



**Tanmay Mukund Pethkar**  
**Company Secretary & Compliance Officer**  
**Membership No.: A53618**



**Place: Pune**  
**Date: 11<sup>th</sup> March 2026**

