



TRACXN EMPLOYEE STOCK OPTION PLAN 2024

TRACXN TECHNOLOGIES LIMITED

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1. Name, Objective and Term of the plan

- 1.1 This Employee Stock Option Plan shall be called the ‘**Tracxn Employee Stock Option Plan 2024**’ (hereinafter referred to as “ESOP 2024”).
- 1.2 The objective of the ESOP 2024 is to reward Employees for their association with the Company, to attract, retain, and motivate Employees to contribute to the growth and profitability of the Company.
- 1.3 The ESOP 2024 is established by Tracxn Technologies Limited with effect from December 28, 2024 being the date of Shareholders’ approving the plan, and shall continue to be in force until (i) its termination by the Board, or (ii) the date on which all of the Employee Stock Options available for issuance under the ESOP 2024 have been issued and exercised, whichever is earlier.
- 1.4 The Board of Directors may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the ESOP 2024 in such a manner that such alteration, amendment, suspension or termination shall not be prejudicial to the interests of Employees having unexercised Options.

2. Definitions and Interpretation

2.1 Definitions

- i. “**Applicable Law**” means every rule, regulation or law relating to Employee Stock Options, including, without limitation, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI (SBEB) Regulations, 2021”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“Insider Trading Regulations”), Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, Foreign Exchange Management Act, 1999, read with the rules and regulations made thereunder including circulars and notifications issued by Reserve Bank of India, Income Tax Act, 1961, the Companies Act 2013 including any enactment or re-enactment thereof, and all relevant tax, securities, exchange control or corporate laws of India or the requirements of any stock exchange on which the Equity Shares shall be listed or quoted.
- ii. “**Associate Company**” shall have the same meaning as defined under Section 2(6) of the Companies Act, 2013, as amended from time to time.

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- iii. **“Board”** means the Board of Directors of the Company.
- iv. **“Companies Act”** means the Companies Act, 2013 read with rules made thereunder and includes any statutory modifications or reenactments thereof.
- v. **“Company”** means **Tracxn Technologies Limited**, a Company registered under the provisions of the Companies Act, 1956 having its registered office at L-248, 2nd Floor, 17th Cross, Sector 6, HSR Layout, Bengaluru, Karnataka – 560102
- vi. **“Company Policies/Terms of Employment”** means the Company’s policies for Employees and the terms of employment as contained in the Employment Letter and any other rules / bye-laws, policies issued from time to time.
- vii. **“Current Shareholder”** means a person whether a natural individual or a corporate entity, who holds Shares in the Paid-up share capital of the Company at the relevant point of time and the term Current Shareholders refers to all such Current Shareholders.
- viii. **“Director”** means a member of the Board of the Company.
- ix. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Nomination and Remuneration Committee for granting the Employee Stock Options to the Employees.
- x. **“Employee”** 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 Non-Executive Chairman of the Company, but excluding an independent director; or
 - c) an employee, as defined in sub-clauses (i) or (ii) of a group company including subsidiary or its associate company in India or outside India, or of a Holding Company of the Company

but excludes

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

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- b) a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company;
- xi. **“Employee Stock Option”** means an option granted to an Employee, which gives such employee the right, but not an obligation, to purchase or subscribe at a future date the Shares underlying the Option at a pre-determined price.
- xii. **“ESOP 2024”** means the Tracxn Employee Stock Option Plan 2024 under which the Company is authorized to grant Employee Stock Options to the Employees.
- xiii. **“Exercise”** of an Option means an application by an Employee to the Company to purchase the Shares underlying the Options vested in him, in pursuance of the ESOP 2024, with payment of the Exercise Price.
- xiv. **“Exercise Period”** means such time period commencing after Vesting within which Vested Options may be exercised by an Option Grantee in pursuance of the ESOP 2024.
- xv. **“Exercise Price”** means the price payable by an Option Grantee in order to exercise the Options granted to him in pursuance of the ESOP 2024 as may be decided by the Nomination and Remuneration Committee from time to time.
- xvi. **“Fair Market Value”** of a share means the market price defined under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and will be 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.
- xvii. **“Grant”** means issue of Options to the Employees under the ESOP 2024.
- xviii. **“Grant Date”** means the date on which the Nomination and Remuneration committee approves the grant.
- xix. **“Holding Company”** means any present or future holding Company of the Company, as per the provisions of the Companies Act, 2013.
- xx. **“Independent Director”** shall have the same meaning as defined under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- xxi. **“Key managerial personnel”** shall have the same meaning as defined under section

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2(51) of the Companies Act, 2013.

- xxii. **“Misconduct”** means disregard of the Company’s bye-law, rules, regulations and the Company Policies/ Terms of Employment and includes mismanagement of position by action or inaction, alleged wrong doing, misfeasance, or violation of any rule, regulation or law which was expected to be abided by the Employee.
- xxiii. **“Nomination and Remuneration Committee”** means such committee of the Board of Directors of the Company consisting of at least three non- executive Directors out of which not less than two-third of the directors including the chairperson of the committee shall be Independent Directors as prescribed under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time and entrusted with the authority, inter-alia, to formulate and implement this ESOP 2024.
- xxiv. **“Option”** means Employee Stock Option within the meaning of this ESOP 2024 which gives Employees a right to purchase at a future date the shares offered by the Company, at a pre-determined price.
- xxv. **“Option Grantee”** means an Employee who has been granted an Employee Stock Option in pursuance of the ESOP 2024 and deemed to include a beneficiary being the legal heir or nominee of such Option Grantee upon his/ her eventual death while in employment or service, having a right but not an obligation to exercise the Options.
- xxvi. **“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 Board based on a certificate of a medical expert identified by the Nomination and Remuneration Committee.
- xxvii. **“Promoter”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018.
- xxviii. **“Promoter Group”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018.
- xxix. **“Relative”** shall mean a relative defined under Section 2(77) of the Companies Act, 2013.
- xxx. **“Relevant Date”** means –

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- a) in the case of grant, the date of the meeting of the Nomination and Remuneration Committee on which the grant is made; or
- b) in the case of exercise, the date on which the notice of exercise is given to the company or to the trust by the employee;
- xxxi. **“Retirement”** means retirement as per the rules of the Company.
- xxxii. **“Shares”** means equity shares comprising the paid-up share capital of the Company including that arising out of the exercise of Employee Stock Options granted under the ESOP 2024.
- xxxiii. **“Stock Exchange”** means the National Stock Exchange of India Ltd (“NSE”), BSE Limited (“BSE”), or any other recognized Stock Exchanges in India on which the Company’s Shares are listed or to be listed.
- xxxiv. **“Subsidiary Company”** means any present or future subsidiary company of the Company, as per the provisions of the Companies Act, 2013.
- xxxv. **“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.
- xxxvi. **“Vesting”** means the process by which the Option Grantee is given the right to Exercise the Employee Stock Options granted to him in pursuance of the ESOP 2024.
- xxxvii. **“Vesting Condition”** means any condition subject to which the Options granted would vest in an Option Grantee.
- xxxviii. **“Vesting Period”** means the period during which the vesting of the Employee Stock Option granted to the Employee, in pursuance of the ESOP 2024 takes place.
- xxxix. **“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 subject to fulfillment of Exercise conditions.

2. 2 Interpretation

In this ESOP 2024, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;

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- 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;
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

All other expressions not defined in this Scheme / Plan shall have the same meaning as have been assigned to them under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, (read with applicable circulars, notifications etc.), as amended from time to time, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 and all statutory modifications or re-enactments thereof, as the case may be.

3. Authority and Ceiling

- 3.1 The Board of Directors in their meeting held on **08th November 2024** authorized the issue of 30,00,000 (Thirty Lakhs) Employee Stock Options to the Employees in one or more tranches, from time to time, under ESOP 2024 subject to the approval of the shareholders, at such price or prices and on such terms and conditions including vesting conditions, as may be fixed or determined by the Nomination and Remuneration Committee in its sole and exclusive discretion in accordance with the provisions of the scheme, SBEB Regulations and in due compliance with other applicable laws and regulations with each such Option conferring a right upon the Employee to apply for one (1) Equity Share of the Company, in accordance with the terms and conditions of such issue and subject to the provisions of ESOP 2024.
- 3.2 The number of Options that may be granted to any specific Employee of the Company or of its Holding or its Subsidiary Company, Group Company, Associate Company (present or future) under ESOP 2024, in any financial year and in aggregate under the ESOP 2024 shall not be equal to or exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company and in aggregate, unless a prior specific approval from members of the Company through a special resolution to this effect has been obtained.
- 3.3 If an Employee Stock Option expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the pool as mentioned in Sub-clause 3.1 and shall become available for future Grants, subject to compliance with all Applicable Laws.

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3.4 Where Shares are issued consequent upon exercise of an Employee Stock Option under the ESOP 2024, the maximum number of Shares that can be issued under ESOP 2024 as referred to in Clause 3.1 above shall stand reduced to the extent of such Shares issued.

3.5 In case of a Share split or consolidation, if the revised face value of the equity share is less or more than the current face value as prevailing on the date of coming into force of this ESOP 2024, the maximum number of Shares available for being granted under ESOP 2024 as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (No. of Shares X Face value per Share) prior to such Share split or consolidation remains unchanged after such Share split or consolidation. Thus, for example, if the prevailing face value of each Share is Rs. 10 per Share and the revised face value after the Share split is Rs. 5 per Share, the total number of Shares available under ESOP 2024 would be (Shares reserved at Sub-Clause 3.1 x 2) Equity Shares of Rs. 5 each. The conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Board, whose determination in that respect shall be final, binding, and conclusive.

4. Administration

4.1 The ESOP 2024 shall be administered by the Nomination and Remuneration Committee of the Company. The Board may delegate some or all the functions relating to supervision and administration of the ESOP 2024 to the Nomination and Remuneration Committee, in which case the rights, powers, duties or liabilities of the Board to the extent delegated shall be discharged by the Nomination and Remuneration Committee.

4.2 All questions of interpretation of the ESOP 2024 or any Employee Stock Option shall be determined by the Board, or the Nomination and Remuneration Committee, as the case may be and such determination shall be final and binding upon all persons having an interest in the ESOP 2024 or in any Employee Stock Option issued thereunder.

4.3 Subject to the provisions of the plan and subject to the approval of relevant authorities, the Nomination and Remuneration Committee of Board shall in accordance with this ESOP 2024 and Applicable Laws determine the following:

- a) The quantum of Employee Stock Options to be granted to an Employee under ESOP 2024, subject to the Ceiling as specified in Sub-clauses 3.1 and 3.2;
- b) The Eligibility Criteria subject to which an Employee would become entitled to be granted options under the ESOP 2024;
- c) The conditions under which the Employee Stock Option vested in Employees

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may lapse in case of termination of employment for Misconduct;

- d) The procedure for making a fair and reasonable adjustment to the number of Employee Stock Options and/or to the Exercise Price in case of a corporate action such as rights issues, bonus issues, merger, sale of division and others. In this regard the following shall be taken into consideration by the Board:
- i) the number and / or the Exercise Price of the Employee Stock Options shall be adjusted in a manner such that the total value of Options remains the same before and after such 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 Option Grantee
- e) The procedure and terms for Grant, Vesting and Exercise of Employee Stock Option in case of Employees who are on long leave;
- f) The procedure for cashless Exercise of Employee Stock Options, if required;
- g) Approve forms, writings and/or agreements for use in pursuance of ESOP 2024.
- h) The procedure for funding the exercise of ESOPs as permitted under the applicable laws;
- i) The procedure for buy-back of specified securities issued under ESOP 2024, 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 the number of specified securities that the company may buy-back in a financial year.
- j) The kind of benefits to be granted under ESOP 2024
- k) Refer to the Board of Directors any issue arising as a result of any inconsistency in ESOP 2024;
- l) Decide all other matters that must be determined in connection with an Option under the ESOP 2024.

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4.4 The Nomination and Remuneration Committee shall frame suitable policies and systems to ensure that there is no violation of the following regulations as a result of the functioning of this ESOP 2024:

- a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and
- b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market), 2003, by the Company, its employees and employees of its subsidiaries, as applicable.

4.5 The Nomination and Remuneration Committee shall have the power to perform such other functions and duties as shall be required under the Applicable Laws.

5. Eligibility and Applicability

5.1 Only Employees of the Company or of its Holding or its Subsidiary Company, Group Company, Associate Company (present or future) are eligible for being granted Employee Stock Options under ESOP 2024. The Eligibility Criteria for any particular Grant and the specific eligible Employees to whom the Options would be granted shall be determined by the Nomination and Remuneration Committee at their discretion from time to time.

5.2 The ESOP 2024 shall be applicable to the Company, its Subsidiary in or outside India, and its Holding Company if any, and any successor Company thereof and may be granted to the Employees of the Company, or of its Subsidiary Company, or its Holding Company, as determined by the Nomination and Remuneration Committee at its sole discretion.

6. Grant and Acceptance of Grant

6.1 Grant of Options

Each Grant of Option under the ESOP 2024 shall be made in writing by the Company to the eligible Employees in the form of Grant Letter or such other form as may be approved under ESOP 2024 from time to time.

6.2 Acceptance of the Grant

- a) Any eligible Employee who wishes to accept the Grant made under this Plan must deliver to the Company a duly signed acceptance of the letter of Grant on

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or before the date (“Closing Date”) which shall not be more than 30 (thirty) days from the date of the Grant, as specified in the letter of Grant. On receipt by the Company of the signed acceptance, the eligible Employee will become an Option Grantee.

- b) Any eligible Employee, who fails to deliver the signed acceptance of the letter of Grant on or before the Closing Date stated above, shall be deemed to have rejected the Grant unless the Nomination and Remuneration Committee determines otherwise.

7. Vesting Schedule and Vesting Conditions

7.1 Employee Stock Options granted under ESOP 2024 shall vest within not less than **1 year** and not exceeding **5 years** from the date of grant of such Options.

7.2 Vesting of Options would be subject to continued employment with the Company, including Subsidiary Company(ies), Holding Company, as the case may be, and thus the Options would vest essentially on passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance criteria subject to satisfaction of which the Options would vest.

7.3 The specific vesting schedule and vesting conditions subject to which vesting would take place would be outlined in the document given to the Option Grantee at the time of grant of Options.

7.4 Vesting of Options in case of Employees on long leave

Matters relating to the grant, vesting and exercise of options in case of employees who are on long leave will be at the discretion of the Nomination and Remuneration Committee or such person(s) authorised by the Nomination and Remuneration Committee from time to time.

Provided that any period of long leave or sabbatical shall not be considered in determining the Vesting Period of any Option Holder. For the purposes of this ESOP 2024, “long leave” or “sabbatical” shall mean any leave, whether sanctioned or unsanctioned, taken by any employee for a period exceeding 30 (thirty) days at a stretch.

Provided that maternity leave or statutory leave availed by the Option Holder in accordance with the Applicable Law shall not be considered as a long leave.

In all other events, including approved earned leave and sick leave, but excluding unsanctioned absence from work, the period of leave, if lesser than or equal to 30

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(thirty) days, shall be included in calculating the Vesting Period unless otherwise determined by the Nomination and Remuneration Committee. Any duration of absence from work that has not been sanctioned by the Company shall be excluded from the calculation of the Vesting Period.

7.5 Power to accelerate vesting in certain cases

- i) The Board shall have the power to accelerate vesting of all Unvested Options in connection as may be decided by the Nomination and Remuneration Committee
- ii) The Options remaining unvested as on the date of meeting of the Board considering the proposal for such acceleration, may at the discretion of the Board be deemed to vest with effect from that date or from such other date as the Board may determine.

Provided that acceleration of vesting in the manner aforesaid shall be approved keeping in view the life of such Unvested Options from the date of grant thereof in due compliance with statutory minimum Vesting Period of 1 year as per Applicable Laws.

8. Exercise

8.1 Exercise Price

- a) The Exercise Price shall be such price as determined by the Nomination and Remuneration Committee which shall be subject to conforming to the accounting policies specified in Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
- b) Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company or online bank transfer or in such other manner as the Nomination and Remuneration Committee may decide from time to time.
- c) No amount shall be payable by the Option Grantee at the time of Grant and hence no amount is required to be forfeited even if an Employee does not Exercise the Options within the Exercise Period and accordingly no adjustment is required to be made for the same.

8.2 Exercise Period

- a) **Exercise while in employment**

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All Options Vested can be exercised within a period of five years from the date of Vesting.

The Eligible Employees may, at their discretion, can choose to exercise all or part of the vested options to him/her in one or more tranches or such other minimum number of vested options that are acceptable by the Nomination and Remuneration Committee during the exercise period.

b) Exercise in case of separation from employment

Subject to the maximum exercise period stated above, the Vested Options can be exercised by the Option Grantee as per provisions given below:

Provisions related to Exercising of Options in case of separation from employment			
S. No.	Events of Separation	Vested Options	Unvested Options
1.	Resignation / Termination (other than due to misconduct or breach of Company Policies / Terms of Employment)	All the Vested Options as on the date of submission of resignation / date of termination shall be exercisable by the Option Grantee subject to the maximum exercise period stated in clause 8.2 (a)	All Unvested Options, as on the date of submission of resignation/ termination, shall expire and stand cancelled with effect from that date.
2.	Termination due to misconduct or breach of Company Policies / Terms of Employment	All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall expire and stand cancelled with effect from that date.
3.	Retirement / early Retirement approved by the Company	All Vested Options can be exercised by the Option Grantee subject to the maximum exercise period stated in clause 8.2 (a)	All Unvested Options shall continue to vest as per the vesting schedule and can be exercised by the Option Grantee subject to the

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			maximum exercise period stated in clause 8.2 (a)
4.	Termination due to Permanent Incapacitation/ Disability	All Vested Options may be exercised by the Option Grantee or, in case of his death, the nominee or legal heirs*, subject to the maximum exercise period stated in clause 8.2 (a)	All the Unvested Options as on the date of such Permanent Incapacitation/ Disability shall vest immediately and can be exercised by the Option Grantee or, in case of his death, the nominee or legal heirs* subject to the maximum exercise period stated in clause 8.2 (a)
5.	Death	All Vested Options may be exercised by the Option Grantee's nominee or legal heirs* subject to the maximum exercise period stated in clause 8.2 (a)	Nothing contained in Clause 7.1 will be applicable in the event of death of an employee and all the Unvested Options as on the date of death shall vest and may be exercised by the Option Grantee's nominee or legal heirs subject to the maximum exercise period stated in clause 8.2 (a)
6.	Abandonment	All the Vested Options shall stand cancelled. The Nomination and Remuneration Committee, at its sole discretion shall decide the date of cancellation of Options and such decision shall be binding on all concerned.	All the Unvested Options shall expire and stand cancelled. The Nomination and Remuneration Committee, at its sole discretion shall decide the date of cancellation of Options and such decision shall be binding on all concerned.
7.	Separation due to reasons other than those mentioned	The Nomination and Remuneration Committee will decide whether the	All Unvested Options on the date of separation shall expire and stand cancelled

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	above	Vested Options on the date of separation can be exercised by the Option Grantee or not, and such decision shall be final.	with effect from that date
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**The nomination shall be made in the form prescribed by the Company for this purpose. In case no nomination has been made by the Option Grantee, then in case of his / her death, the Options shall vest in and shall be exercised by the legal heir of such Option Grantee within the time period specified above, provided that such legal heir of such Option Grantee produces before the Nomination and Remuneration Committee all such documents as may be required by the Company to prove the succession to the assets of the deceased Option Grantee.*

8.3 The Options not exercised as prescribed above shall lapse and the Option Grantee shall have no right over such lapsed or cancelled Options unless otherwise decided by the Nomination and Remuneration Committee.

8.4 In case of separation from employment mentioned above, the Company shall give notice to the Option Grantee, legal heir or nominee, as the case may be, at their registered address and/ or through email address in the records of the Company with a view to facilitate Exercise. The Vested Options shall stand cancelled in case the Option Grantee, legal heir or nominee, as the case may be, fails to exercise the Vested Option within the prescribed period as notified and the Option Grantee, legal heir or nominee, as the case may be, shall have no recourse to such cancelled Options.

8.5 Procedure of Exercise

- a) Any Option granted hereunder will be exercisable according to the terms of the ESOP 2024 and at such times and under such other conditions as determined by the Nomination and Remuneration Committee and set forth in the Grant letter. An Option may not be exercised for a fraction of a Share.
- b) An Option shall be deemed to be exercised when the Company receives: (i) written or electronic notice of Exercise (in accordance with the Grant Letter) from the person entitled to Exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised. Full payment may consist of any consideration and method of payment authorized by the Nomination and Remuneration Committee and permitted by the Grant Letter and the ESOP 2024. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued.

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- c) The Equity Shares of the Company shall be issued in dematerialized form only to an Option Holder in respect of the exercise of the options.

9. Surrender of Options

An Employee may surrender his/her Vested /Unvested Options at any time during / post his/her employment with the Company. Any Employee willing to surrender his/her Options shall communicate the same to the Board or the Nomination and Remuneration Committee in writing. Thereafter the surrendered Options shall be brought back to the Employee Stock Options pool and shall become available for future grant of Options.

10. Lock-in

The Shares arising out of exercise of Vested Options shall not be subject to any lock-in restriction except such restrictions as may be imposed pursuant to requirements under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and other applicable Laws.

11. Restriction on transfer of Options

- 11.1 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 11.2 Employee Stock Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case clause 8.2(b) would apply.
- 11.3 No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option except in the event of the death of the Option Grantee holder, in which case clause 8.2(b) would apply.

12. Other Terms and Conditions

- 12.1 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 Employee Stock Option and becomes a registered holder of the Shares of the Company.
- 12.2 All Shares allotted on Exercise of Options will rank pari-passu with all other Equity Shares of the Company for the time being in issue.
- 12.3 New issue of shares under this ESOP 2024 shall be listed on National Stock Exchange of India Ltd., BSE Limited and any other such stock exchange where the

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company's shares are regularly traded, subject to the requirements of Applicable Law.

12.4 Participation in the ESOP 2024 shall not be construed as any guarantee of return on the equity investment. Any loss in the fluctuations in the price of the equity and the risks associated with the investments is that of the Option Grantee alone.

13. Deduction/Recovery of Tax

The Company shall have the right to deduct from the Employee's salary/ recover, any of the Employee's or employer's tax obligations arising in connection with the Employee Stock Option or the Shares acquired upon the Exercise thereof. The Company shall have no obligation to deliver Shares to the Option Grantee until such tax obligations have been satisfied by the Option Grantee.

14. Accounting and Disclosures

14.1 Accounting

- a) The Company shall follow the laws/regulations applicable to accounting related to Employee Stock Options, including but not limited to the IND AS/Guidance Note on Accounting for Employee Share-based Payments (Guidance Note) and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein and in compliance with relevant provisions of Regulation 15 of SEBI (SBEB) Regulations, 2021.
- b) Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements for any of the plans covered under these regulations then the Company shall comply with the relevant Accounting Standard as may be prescribed by the ICAI or any other statutory authority from time to time.

14.2 Disclosure

The Board shall, inter alia, disclose either in the Directors report or in the annexure to the Director's report, the following details of the ESOP:

- a) Options granted;
- b) Options vested;
- c) Options exercised;
- d) The total number of Shares arising as a result of Exercise of Option;

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- e) Options lapsed;
- f) Exercise Price;
- g) Variation of terms of Options, if any;
- h) Money realized by Exercise of Options;
- i) Total number of Options in force;
- j) Employee-wise details of Options as prescribed; and
- k) Diluted Earnings Per Share (EPS) pursuant to issue of Shares on Exercise of Option calculated in accordance with the relevant Indian Accounting Standards.

14.3 The Board of the Directors of the Company shall, at each annual general meeting, place before the Shareholders of the Company a certificate from the secretarial auditors of the Company, certifying that this ESOP 2024 has been implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and with any conditions laid down in any resolutions passed by the Shareholders in relation to this ESOP 2024 at a general meeting of the Company.

15. Authority to vary terms

For the purpose of efficient implementation and administration of the ESOP 2024, the Nomination and Remuneration Committee may, if it deems necessary, vary the terms of ESOP 2024 subject to the shareholders' approval by way of Special Resolution and the Applicable Laws. Such variation of terms shall not be detrimental to the interests of the Employees. However, the Company is entitled to vary the terms of this Scheme to meet any regulatory requirements without seeking shareholder's approval by special resolution.

16. Miscellaneous

16.1 Government Regulations

This ESOP 2024 shall be subject to all Applicable Laws, and approvals from government authorities. The Grant and the allotment of Shares under this ESOP 2024 shall also be subject to the Company requiring Employees to comply with all Applicable Laws.

16.2 Inability to obtain authority

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

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16.3 Neither the existence of this ESOP 2024 nor the fact that an individual has on any occasion been granted an Employee Stock 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 ESOP 2024 by being granted an Employee Stock Option on any other occasion.

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

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

17. Notices

17.1 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 or in any other means of electronic communication. The communications shall be made by the Company in any one or more of the following ways:

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

17.2 All notices of communication to be given by an Option Grantee to the Company in respect of ESOP 2024 shall be sent to the address mentioned below:

Designation: Director
Address: Tracxn Technologies Limited, L-248, 2nd Floor, 17th Cross,
Sector 6, HSR Layout, Bangalore – 560102
Email: hr-esop-queries@tracxn.com

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18. Governing Law and Jurisdiction

18.1 The terms and conditions of the ESOP 2024 shall be governed by and construed in accordance with the laws of India.

18.2 The Courts in Bangalore, India 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 will however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP 2024:

- i) in any other court of competent jurisdiction; or
- ii) con-currently in more than one jurisdiction.

19. Income Tax Rules

The provisions of the Income Tax Act, 1961 and Rules made thereunder as amended and enacted from time to time shall be applicable in respect of taxability of Employees and the Company arising out of any transaction in the Employee Stock Options.

20. Severability

In the event any one or more of the provisions contained in this ESOP 2024 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 ESOP 2024, but ESOP 2024 shall be construed as if such invalid, illegal, or unenforceable provision had never been set forth herein, and the ESOP 2024 shall be carried out as nearly as possible according to its original intent and terms.

21. Confidentiality and Disclosures

21.1 An Option Grantee shall have committed breach of this confidentiality and disclosures clause where there is failure on part of the Option Grantee to-

- i) 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;

and

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- ii) adhere and not stand in contravention to the terms of his employment with regard to the non-disclosure of the Company intellectual property or know how by the Option Grantee to any third party, including such terms which survive in the event of separation from employment. The Option Grantee shall refer to the terms as present in the employment agreement, including any addendum to it, the policies of the Company as well as any terms entered in the course of his/her employment with the Company.

21.2 In case Option Grantee is found in breach of this confidentiality and disclosures Clause, the Company has undisputed right to terminate any Option related agreement and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this confidentiality and disclosures Clause shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this clause, the Board shall have the authority to deal with such cases as it may deem fit.

21.3 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 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.

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