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# ***QUINT DIGITAL LIMITED***

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***EMPLOYEE STOCK OPTION PLAN (ESOP) – 2020***

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## 1. INTRODUCTION

- 1.1. This document sets out the salient features of the QDL Employee Stock Option Plan 2020 (“Scheme” or “QDL ESOP Plan 2020”) of Quint Digital Limited, *formerly Quint Digital Media Limited*, (the “Company”), a public listed company incorporated under the Companies Act, 1956, and having its registered office at 403 Prabhat Kiran 17, Rajendra Place, Delhi 110 008.
  - 1.2. This Scheme was unanimously approved by the Board of Directors and the Nomination and Remuneration Committee on November 14, 2020. The Scheme was approved by the shareholders on January 16, 2021 vide Postal Ballot dated December 16, 2020 and has accordingly, come into force on and from the date of its approval by shareholders. All the Options granted under this Scheme shall continue to be governed by the provisions of this Scheme and the Option Grantees, or any persons acquiring rights (in accordance with this Scheme) from the Option Grantees, may exercise their rights on or before the expiration of the Exercise Period (in the manner specified in the Scheme).
  - 1.3. This Scheme has been set out to attract, reward and retain talented and key eligible employees of the Company in the competitive environment and encourage them to align individual performance with the organisational goals. The Company views employee stock options as instruments that would enable the employees to share the value they would create and contribute to the Company in the years to come. The objects of the QDL ESOP Plan 2020 are:
    - (a) To provide means to enable the Company to attract and retain high quality human talent in the employment of the Company;
    - (b) To motivate the employees of the Company with incentives and reward opportunities;
    - (c) To achieve sustained growth of the Company and creation of shareholder value by aligning the interests of the employees with the long term interests of the Company; and
    - (d) To create a sense of ownership and provide the employees, with wealth creation opportunities, while in employment of the Company.
  - 1.4. The QDL ESOP Plan 2020 shall continue to be in force until:
    - (a) its termination by the Board of Directors, or:
    - (b) the date on which all of the options available for issuance under this Scheme have been issued and exercised.
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- 1.5. The Board of Directors may, subject to compliance with applicable laws and regulations, at any time alter, amend, suspend or terminate the QDL ESOP Plan 2020.

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## 2. DEFINITIONS AND INTERPRETATIONS

### 2.1. Definitions

In this Scheme, the following expressions, including their grammatical variations or cognate expressions shall, where the context so admits, have the following meaning:

- (i) **“Applicable Law”** means every law relating to Stock Options, including, without limitation to, the provisions of the Companies Act and the rules made thereunder and modification thereof, and the SBEB Regulations and all other relevant tax, securities, exchange control or corporate laws of India or any relevant jurisdiction or of any stock exchange on which the shares are listed or quoted.
- (ii) **“Associate Company”** shall have the meaning ascribed to it under Section 2(6) of the Companies Act.
- (iii) **“Board”** means the Board of Directors of the Company.
- (iv) **“Breach”** shall mean the breach by the Employee(s) of the Company Policies/ Terms of Employment subject to the terms and provisions set out therein;
- (v) **“Cause”** shall mean any of the following:
  - (a) an act of dishonesty, negligence or other misconduct by the Option Grantee including, without limitation, theft or misappropriation (or attempted theft or misappropriation) by the Option Grantee of the property of the Company or the commission or omission of an act or acts by the Option Grantee constituting fraud against the Company, that is detrimental to the pecuniary interests, reputation or goodwill of the Company;
  - (b) any Breach by an Option Grantee which is not cured within 30 (Thirty) days of receipt of written notice by such Option Grantee from the Company;
  - (c) any act or omission by an Option Grantee that prevents him/her from performing the essential functions of his/her position/employment;
  - (d) any act or omission by an Option Grantee involving moral turpitude;
  - (e) the Option Grantee being accused of a criminal offence under the laws of India or any other country in which the Company or Group operates;
  - (f) violation of the policies or the code of conduct of the Company;
  - (g) any act that is detrimental to the interests, reputation or goodwill of the Company; or
  - (h) such other events as may be determined by the Compensation Committee.

- (vi) **“Companies Act”** means the Companies Act, 2013 and the rules made thereunder and includes any statutory modifications or re-enactments thereof, from time to time.
- (vii) **“Company”** shall have the meaning ascribed to it in under Clause 1.1 above.
- (viii) **“Company Policies and Terms of Employment”** means the Company’s policies for employees and the terms of employment as contained in the Employment Letter and the Company Handbook, which includes provisions for securing confidentiality, non-compete and non-poaching of other employees and customers.
- (ix) **“Compensation Committee”** or **“NRC”** means the Nomination and Remuneration Committee of Company constituted by the Board, from time to time, in compliance with Section 178 of the Companies Act.
- (x) **“Director”** means a member of the Board of the Company.
- (xi) **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Compensation Committee for granting the Eligible Employee means Stock Options to the Eligible Employees.
- (xii) **“Eligible Employee(s)”** means an Employee who satisfies the Eligibility Criteria as determined by the Compensation Committee and is offered the Options pursuant to this Scheme.
- (xiii) **“Employee”** shall mean:
  - (a) Permanent employees of the Company and its Holding / Subsidiary Companies (collectively referred to as the **“Group”**) whether working in India or outside India;
  - (b) Directors of the Group, whether whole-time or not but excluding Independent Directors; and
  - (c) such other employees and persons as may be permitted under the applicable laws and as may be approved by the Board, from time to time.

Following persons shall not be eligible for the Scheme: a) an employee who is a “Promoter” or belongs to the “Promoter Group” as defined in the SBEB Regulations; or b) a Director who either by himself or through his relatives or through any body corporate,

directly or indirectly holds more than 10% of the issued and subscribed Equity Shares of the Company; or c) Independent Directors.

- (xiv) **“Equity Shares”** means equity shares of the Company issued on account of Exercise of Options in compliance of this Scheme.
- (xv) **“Exercise”** of means expression of an intention by the Grantee to the Company to purchase the Equity Shares underlying the Options vested in pursuance of this Scheme, in accordance with the procedure laid down by the Company for exercise of options.
- (xvi) **“Exercise Period”** means the period commencing from the Vesting Date and would expire not later than 8 (Eight) years from the date of Grant of Options or such other period as may be decided by the Committee. The Option Grantee should exercise his right to apply for Equity Shares against the Options vested in him pursuant to this Scheme within the Exercise Period.
- (xvii) **“Exercise Price”** means the price determined by the Compensation Committee and set out in the Grant Letter payable by an Option Grantee in order to exercise the Options granted to him in pursuance of the QDL ESOP Plan 2020, which shall not be higher than the Market Price of the equity shares at the time of Grant and not less than the face value of the equity shares of the Company.
- (xviii) **“Grant”** means issue of Options to the Eligible Employees under QDL ESOP Plan 2020.
- (xix) **“Grant Letter”** means the letter issued to an Eligible Employee in terms of this Scheme setting out the terms and conditions of Grant of Options, a form of which is annexed to this Scheme as **Annexure 1**.
- (xx) **“Holding Company”** means a company which owns and controls the Company in accordance with Section 2(46) of the Companies Act.
- (xxi) **“Independent Director”** means a director within the meaning of the Companies Act and/ or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

- (xxii) **“Market Price”** means the latest available closing price, prior to the date of meeting of the Board of Directors / Compensation Committee in which options are granted (i.e. Grant ate), on the stock exchange on which the equity shares of the company are listed. If the equity shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price.
- (xxiii) **“Nominee”** shall mean a person so designated by the Option Grantee in terms of Clause 12 below, who shall be authorized to Exercise the Vested Options of an Option Grantee in event of death or Permanent Incapacity.
- (xxiv) **“Option Grantee”** or **“Grantee”** means an Eligible Employee who has been granted a Stock Option in pursuance of the QDL ESOP Plan 2020.
- (xxv) **“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 Compensation Committee based on a certificate of a medical expert identified by the Board or otherwise.
- (xxvi) **“Promoter”** and **“Promoter Group”** shall have the meaning ascribed to them under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended).
- (xxvii) **“Recognized Stock Exchange”** means the Bombay Stock Exchange Limited, or any other Stock Exchange in India on which the Company’s equity shares are listed.
- (xxviii) **“Retirement”** means retirement as per the rules of the Company.
- (xxix) **“SBEB Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended and includes all relevant regulations and clarifications issued there under.
- (xxx) **“Scheme”** or **“QDL ESOP Plan 2020”** means this employee stock option plan under which the Company is authorized to grant Stock Options to the Eligible Employees.
- (xxxi) **“Service”** means the Option Grantee’s services with the Company, in the capacity of an Employee in terms of the Employee’s employment agreement with the Company or the appointment letter issued by the Company;



- (xxxii) **“Stock Option”** or **“Option”** means the option granted to an Eligible Employee, which gives such Eligible 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.
- (xxxiii) **“Subsidiary company”** means a company wholly owned or under the control of the Company in accordance with Section 2(87) of the Companies Act.
- (xxxiv) **“Vesting”** means the process by which the Option Grantee is given the right to exercise the Stock Options granted to him in pursuance of the QDL ESOP Plan 2020.
- (xxxv) **“Vesting Condition”** means any condition subject to which the options granted would vest in an Option Grantee.
- (xxxvi) **“Vesting Period”** means the period during which the vesting of the Stock Option granted to the Grantee, in pursuance of the QDL ESOP Plan 2020 takes place.
- (xxxvii) **“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.
- (xxxviii) **“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.

## **2.2. Interpretations**

2.2.1. In this Scheme, unless the contrary intention appears:

- (i) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- (ii) a reference to a clause number is a reference to its sub-clauses;
- (iii) words in singular number include the plural and vice versa;
- (iv) words importing a gender include any other gender;
- (v) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

2.2.2. In case of any inconsistencies in this Scheme with the Applicable Law or the articles of association of the Company, this Scheme shall have effect as if the clause or part of such clause the removal of which would make this Scheme consistent with the Applicable Law and the articles of association have been removed, nullified or never have existed.

### 3. ADMINISTRATION

- 3.1.1. The QDL ESOP Plan 2020 shall be administered by the NRC which shall also be the Compensation Committee as required to be appointed under the SBEB Regulations.
- 3.1.2. All questions of interpretation of the QDL ESOP Plan 2020 or any Stock Option shall be determined by the Compensation Committee or its appointed officers and such determination shall be final and binding upon all persons having an interest in the QDL ESOP Plan 2020 or such Stock Option.
- 3.1.3. The Compensation Committee shall in accordance with this Scheme and Applicable Laws determine the following from time to time:
- (a) the quantum of Stock Options to be granted under the QDL ESOP Plan 2020 per Employee, subject to the ceiling as specified in Clause 4;
  - (b) the Eligibility Criteria;
  - (c) schedule for Vesting of the Options;
  - (d) conditions under which Vested Options may lapse, which shall be in accordance with the provisions of this Scheme;
  - (e) procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of a corporate action including, rights issues, bonus issues and mergers.
  - (f) the Grant, Vesting and Exercise of Options, in case of Eligible Employees who are on long leave;
  - (g) approve Grant Letters to be provided to each of the Eligible Employees and other forms of agreement which may be required to be executed by the Eligible Employees or the Option Grantees pursuant to this Scheme;
  - (h) procedure for cashless Exercise of Options, if required;
  - (i) frame suitable policies and systems to ensure that there is no violation of any Applicable Law by any Eligible Employee;
  - (j) Determination of Exercise Price;

- (k) amend, prescribe and rescind the rules and regulations and interpret the terms of this Scheme;
  - (l) approve forms, writings and/or agreements for use in pursuance of this Scheme; and
  - (m) grant additional time required for Exercise of Vested Options in deserving cases taking into account the contribution of the Eligible Employee and the extent of Service rendered to the Company.
- 3.1.4. The Compensation Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 for the Company and Employees, as applicable.
- 3.1.5. QDL ESOP Plan 2020 shall be implemented directly by the Company. In case Company intends to implement the QDL ESOP Plan 2020, the same may be implemented through a new trust that may be constituted (the “**Trust**”) through primary issuance of the shares in compliance with the SBEB Regulations and other applicable compliances, as may be decided by the Compensation Committee.

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## **4. CEILING**

### **4.1. Ceiling on aggregate number of Options**

- 4.1.1. The Stock Options to be granted to the Eligible Employees under the QDL ESOP Plan 2020 in one or more tranches, shall not result in issue of more than 1,259,489 equity shares.

The SBEB Regulations require that in case of any corporate action such as rights issue, share split, bonus issue, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. This ceiling will be adjusted for any future bonus issue of equity shares or stock splits or consolidation of equity shares and also may further be adjusted at the discretion of the Compensation Committee for any corporate action(s).

- 4.1.2. The Options which do not vest, would be available for being re-granted at a future date. The Compensation Committee is authorized to re-grant such Options as per the provisions of QDL ESOP Plan 2020, within the overall limit stated above, subject to the SBEB Regulations.
- 4.1.3. Where Equity Shares are issued consequent upon exercise of a Stock Option under the QDL ESOP Plan 2020, the maximum number of Equity Shares (and Stock Options) that can be issued under QDL ESOP Plan 2020 as referred to in Clause 4.1.1 above will stand reduced to the extent of such Equity Shares issued.

### **4.2. Ceiling on number of Options per Eligible Employee**

- 4.2.1. The Compensation Committee is authorized to determine the number of Options to be granted to an Eligible Employee under QDL ESOP Plan 2020. The Compensation Committee would determine the number of Options to be granted to various employees, cadre-wise or on a case-by-case basis, based on broad parameters like past and current performance and potential of the individual and criticality of the position.
- 4.2.2. However, the maximum number of Options that may be granted per Eligible Employee under the QDL ESOP Plan 2020, in any financial year, shall be lesser than 1% (one percent) of the issued equity share capital (excluding outstanding warrants and conversions), if any) of the Company at the time of grant of options.
- 4.2.3. As the Scheme is meant to attract and retain talented / experienced persons at the senior level, the criteria for eligibility, the number of Options, Vesting and Exercise Period, mode and frequency of Exercise, etc., may be decided by the Compensation Committee, taking into account various aspects like qualification, experience, past performance levels, future performance

indicators, etc., of the Employee, within the overall broad parameters. Decision so taken with regard to Eligibility Criteria, the number of Options granted to particular Employees, nature of Vesting, Exercise, etc., shall be final and it shall not be disputed.

- 4.2.4. The maximum quantum of benefits underlying the Options granted to an eligible Employee shall be equal to the appreciation in the value of the Company's equity shares determined as on the date of exercise of Options, on the basis of difference between the Option Exercise Price and the market price of the equity shares on the exercise date.

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## **5. EMPLOYEE STOCK OPTIONS**

### **5.1. Eligibility**

- 5.1.1. Only the Eligible Employees of the Company are eligible for being granted Options. Provided that, the provisions of this Scheme shall be applicable to any person appointed as an Employee by the Company after the effective date and such person shall be eligible for Options, in as much as this Scheme applies to existing Employees.
- 5.1.2. Neither this Scheme nor any Option shall confer upon any Option Grantee any right with respect to continuing the Eligible Employee's relationship as an Employee with the Company, nor shall it interfere in any way with his or her right or the Company's right to terminate such relationship at any time, for any reason whatsoever.

### **5.2. Grant Procedure**

- 5.2.1. The Compensation Committee will identify Eligible Employees based on the Eligibility Criteria. On the basis of the Eligibility Criteria, the Compensation Committee will Grant, the Eligible Employees, Options to subscribe the Equity Shares of the Company by way of issuance of a Grant Letter, on terms stipulated in this Scheme and as may be decided by the Compensation Committee.
- 5.2.2. Issue of Options shall be evidenced by the Grant Letter. The Grant Letter shall contain such details, terms and conditions as the Compensation Committee may decide from time to time. The Grant Letter shall be deemed to incorporate all of the terms of this Scheme, as if the same were set out therein.

### **5.3. Conditions for Issuing and Acceptance of Grant Letters**

- 5.3.1. The Grant Letter will set out the terms and conditions of issue of Options to the Option Grantees. If an Option Grantee wishes to accept the Grant made by the Compensation Committee, then he/she shall communicate his/her acceptance to the Compensation Committee, within 30 days from the date of the Grant. If a letter of acceptance is not received within 30 days from the date of Grant, the Grant will be considered to have been rejected and any acceptance received after the period specified above shall not be valid.

The acceptance of the Grant by the Option Grantee shall not, in any manner, be construed to compel the Option Grantee to Exercise his Option upon the Option becoming a Vested Option.

- 5.3.2. The Grant Letter shall, besides other terms and conditions, specify the number of Options granted, the Vesting Period, the Exercise Price and the Exercise Period.
- 5.3.3. The Grant Letter shall confirm the right of Exercise by the Option Grantee, during the Exercise Period and at the Exercise Price, to apply for and be allotted Equity Shares of the Company upon the Options becoming Vested Options.
- 5.3.4. The Option Grantee shall not be entitled to pledge, hypothecate, charge, mortgage or in any manner alienate or dispose of the Grant or Options (whether vested or unvested) to any other Person.

#### **5.4. Minimum Vesting Period and Vesting Schedule**

- 5.4.1. All the options granted on any date shall vest not earlier than minimum of 1 (One) year from the date of the Grant.
- 5.4.2. The maximum Vesting Period may extend up to 10 (Ten) years from the date of grant of Options or such other period as may be decided by the Committee. The Committee shall have the power to grant Options with a varied Vesting Periods, subject to the requirement of minimum vesting period of 1 (One) year.
- 5.4.3. In addition to this, the Compensation Committee at its discretion, may lay down certain performance matrix / parameters on the achievement of which such Options can vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted can vest, subject to the minimum vesting period of one year between grant of Options and vesting of Options which may extend up to 10 (ten) years.
- 5.4.4. The Compensation Committee shall have the discretion to accelerate the Vesting of Options for the Option Grantee(s) granted under this Scheme and the manner of Exercise of options in such case of accelerated vesting, including but not limited to alteration of Exercise Period.

#### **5.5. Non transferability of Options**

- 5.5.1. Options shall not be transferable, sold, pledged, assigned, mortgaged, hypothecated, encumbered, or alienated in any other manner to any person, except in the event of death of the Option Grantee, in which case Clause 5.7.1 of this Scheme would apply.
- 5.5.2. No person other than the Grantee shall be entitled to Exercise the Option, except in the event of the death of the Grantee holder, in which case 5.7.1 of this Scheme would apply.



## **5.6. Exercise of Options**

- 5.6.1. The Vested Options shall be capable of being Exercised within the Exercise Period from the date of Vesting as per the Vesting Period, to the respective Options if the Option Grantees continue to be in the Service of the Company.
- 5.6.2. The Vested Options are exercisable by the Eligible Employees by a written application in the format enclosed as **Annexure 2** to the Company/ trust expressing his/ her desire to exercise such Options in such manner and on execution of such documents, as may be prescribed by the Committee from time to time. Exercise of the Options shall be entertained only after payment of requisite Exercise Price and satisfaction of applicable taxes by the Option Grantee.
- 5.6.3. Payment of the Exercise Price for the Equity Shares being Exercised pursuant to any Option shall be made by directly remitting the consideration amount to the Company by way of an electronic transfer or a crossed cheque or a demand draft drawn in favour of the Company prior to the Exercise Period and will be considered after its credit to the Company.
- 5.6.4. The Exercise of Vested Options is deemed to be completed when the equivalent Equity Shares are allotted to the Option Grantee in response to his/her application and consideration/method of payments, if any, in accordance with the relevant Grant Letter or as may be determined by the Compensation Committee.

## **5.7. Impact of Disassociation**

- 5.7.1. In event of death of the Option Grantee during the term of the Option, who at the time of his death is in the Service of the Company or any of its Subsidiaries or Holding Companies and who would have been in the service of the Company or its Subsidiary or Holding Company but for his death, all Options (whether vested or unvested) as on date of death of the Option Grantee shall be immediately vested and may be Exercised by such holder's Nominee or legal heir immediately, but in no event later than 90 (Ninety) days from the date of death of the Option Grantee, unless otherwise determined by the Compensation Committee. All Vested Options, not Exercised within the above specified period, will automatically lapse
- 5.7.2. In the event of resignation of an Option Grantee from the Company or any of its Subsidiaries or Holding Companies due to reasons of Permanent Incapacity while in the Service of the Company, all Options (whether vested or unvested) shall be vested immediately and may be Exercised by the Option Grantee or his Nominee within 90 (Ninety) days from the date of Permanent Incapacitation, unless otherwise determined by the Compensation Committee. All Vested Options, not Exercised within the above specified period, will automatically lapse.

- 5.7.3. In the event of resignation from Service for reasons of Retirement:
- (a) all Vested Options should be Exercised by the Option Grantee within 90 (Ninety) days from the date of resignation/Retirement. In the event the Option Grantee fails to Exercise the Vested Options within 90 (Ninety) days as specified above, the Vested Options shall lapse and stand cancelled, unless otherwise determined by the Compensation Committee, and
  - (b) all Unvested Options will lapse as on the date of such Retirement, unless otherwise determined by the Compensation Committee whose decision will be final and binding.
- 5.7.4. In the event of resignation or termination of contract for Service without Cause:
- (a) all Vested Options should be Exercised by the Option Grantee within 90 (Ninety) days from the date of cessation of employment, unless otherwise determined by the Compensation Committee. In the event the Option Grantee fails to Exercise the Vested Options within 90 (Ninety) days as specified above, the Vested Options shall lapse and stand cancelled, unless otherwise determined by the Compensation Committee.
  - (b) all Unvested Options, on the date of submission of such resignation or termination of contract for Service, shall expire and stand cancelled with effect from that date.
- 5.7.5. In the event of abandonment of Service by an Option Grantee without the Company's consent, all Options granted to such Option Grantee, including the Vested Options, for which equity shares had not been allotted at the time of abandonment of Service, shall stand terminated with immediate effect. For the purpose of this Clause, the date of abandonment from which the Option Grantee stops reporting to work or stops working for the Company shall be deemed to be the date of abandonment of Service.
- 5.7.6. In the event of termination of the Service of an Option Grantee for Cause, all Unvested Options as well as Vested Options on which shares have not been allotted at the time of occurrence of such Cause shall stand terminated with effect from the date of occurrence of Cause; which date shall be determined by the Compensation Committee and its decision on this issue shall be binding and final. In the event of an Option Grantee being transferred to a subsidiary/holding company of the Company at the instance of or with consent of the Company, the Option Grantee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. All Unvested Options shall vest in accordance with the Grant Letter. The Vested Options can be Exercised at any time within the Exercise Period.

## 5.8. Surrender of Options

An Option Grantee or his/her legal heirs/nominees may surrender any or all of the Options to the Company at any time, whether vested or not and in such an event, the Compensation Committee shall decide at its sole discretion on the manner in which such Options shall be treated. The right to such surrender shall be limited prior to the lapse of the Exercise Period.

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## 6. BONUS ISSUE, RIGHTS ISSUE AND OTHER CORPORATE ACTIONS

- 6.1 In the event of any bonus issue, rights issue, stock split, merger, restructuring or any such event happening subsequent to the grant of Options, the Compensation Committee shall have the discretion to make appropriate amendments to the QDL ESOP Plan 2020, including changes in the number of Options, the number of Equity Shares issuable thereunder, the Exercise Price or floating a new plan/ extending the application of the existing QDL ESOP Plan 2020 or any other fair and just mechanism including acceleration of Options, as it deems fit, in accordance with the Applicable Law, while striving to ensure that the interests of the Grantees are not adversely affected.
- 6.2 Alternatively, if it is deemed necessary, the QDL ESOP Plan 2020 could be substituted by a new employee stock option plan of the Company, while ensuring that the rights of the Employees are not adversely affected. In respect of Options yet to be granted, the Compensation Committee shall make necessary adjustments to the QDL ESOP Plan 2020 as deemed fit.
- 6.3 No change shall be made to the QDL ESOP Plan 2020 which is prejudicial to the interests of the Grantees.

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## 7. RIGHTS OF THE OPTION GRANTEE

- 7.1.1. Notwithstanding anything contained in this Scheme, the Equity Shares issued on the Exercise of the Options shall, subject to the Memorandum and Articles of Association of the Company, rank *pari-passu* with all other Equity Shares of the Company from the date of allotment. Thus, any right attached to such Equity Shares shall be with reference to the date of allot of Equity Shares. Further, the Equity Shares allotted to the Option Grantee, post allotment of shares, shall be, at all times, subject to the terms of the Articles of Association of the Company, and such Option Grantee shall be treated as a 'shareholder' under the terms of Articles of Association and all provisions, obligations shall be applicable to them.
- 7.1.2. The Option Grantee shall not have a right to receive any dividend or to vote or in any manner or enjoy the benefits of a shareholder in respect of Options granted, till the Equity Shares underlying such Options are allotted on Exercise of such Options. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date of such Equity Shares being issued to the Option Grantee against the Options.
- 7.1.3. Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company in respect of any Equity Shares covered by the Grant unless the Option Grantee Exercises the Option and becomes a registered holder of the Equity Shares.
- 7.1.4. The QDL ESOP Plan 2020, including the Grant of Options, Exercise and its subsequent sale of Equity Shares by the Option Grantee shall be undertaken in accordance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable.

## 8. LOCK-IN

The Compensation Committee shall be authorized to determine the lock-in period, if any, for the Equity Shares allotted/transferred to Option Grantees on Exercise of Vested Options. During such lock-in period, the Option Grantees shall not be authorized to dispose, in any manner including but not limited to by way of sale, pledge, assignment, mortgage, hypothecation, encumbrance, or alienation, the Equity Shares received on Exercise of the Options, otherwise than in a manner approved by the Compensation Committee.

## 9. DEDUCTION OF TAX

- 9.1. The liability of paying taxes, if any, in respect of Options granted pursuant to this QDL ESOP Plan 2020 and the Equity Shares issued pursuant to Exercise thereof shall be entirely on the Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or income tax laws of respective countries as applicable to eligible Employees of Company working abroad, if any.
- 9.2. The Company shall have the right to deduct from the Employee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.
- 9.3. The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full. It is hereby clarified that the Option Grantee shall bear all and any tax liability arising on account of allotment or sale of the shares by such Option Grantee.

## 10. AUTHORITY TO VARY TERMS

The Compensation Committee shall, in accordance with Applicable Law, have the authority from time to time to vary the terms of any of the Grant Letters, provided, however, that the terms and conditions of any such new or revised or amended Grant Letters shall be in accordance with the terms of this Scheme.

## 11. TERMINATION OR AMENDMENT OF SCHEME

Subject to compliance with Applicable Law, the Compensation Committee may, at any time, terminate or amend the terms of this Scheme. Provided that all Options granted to Option Grantee under this Scheme shall continue to operate and vest on Option Grantee as per the provisions of this Scheme.

## 12. APPOINTMENT OF NOMINEE

For the purposes of Exercise of Options in the events set out in Clause 5.7.1 and 5.7.2 of this Scheme, an Option Grantee may appoint a person as his Nominee(s) for the purpose of exercising the rights, subject to the obligations, in terms of this Scheme. Option Grantees shall appoint a Nominee(s) by submitting a letter in the form specified in **Annexure 3** to this Scheme. The Option Grantees have the right to revoke such nomination at any time and a fresh nomination may be made on such revocation. Notwithstanding the appointment of a Nominee and exercise of rights

under this Scheme by the said Nominee, the Company or the Compensation Committee shall not be liable in relation to any rights and obligations amongst the legal heirs of the Option Grantee concerned.

### 13. MISCELLANEOUS

- 13.1. Government Regulations: This Scheme shall be subject to all Applicable Laws, and applicable approvals from governmental/regulatory authorities. The Grant and the allotment of Equity Shares under this Scheme shall also be subject to the Company requiring Option Grantees to comply with all Applicable Laws.
- 13.2. Inability to obtain authority: The inability of the Company to obtain authority from any regulatory/governmental body having jurisdiction, or under any Applicable Law for the lawful issuance and sale of any Equity Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such Equity Shares.
- 13.3. Certificate from Statutory Auditors: The Board shall at each annual general meeting place before the shareholders a certificate from the Statutory Auditors of the Company that the QDL ESOP Plan 2020 has been implemented in accordance with SBEB Regulations and in accordance with the resolution of the shareholders of the Company.
- 13.4. Non-Applicability: This Scheme shall not:
- (a) be construed as affording an Option Grantee any additional right as to compensation or damages in consequence of the termination of his Service for any reason; and
  - (b) confer on any Option Grantee 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.

The Grant of an Option to an Option Grantee does not and shall not prevent the Company from suspending, terminating, retrenching or adopting any disciplinary proceedings against such Option Grantee. The Option Grantee who holds any Options/Equity Shares under this Scheme shall not divulge the details of this Scheme and his/her holding to any Person except with the prior permission of the Company obtained in writing. The Option Grantee shall enter into such agreements, as the Company may desire, from time to time, to more fully and effectively implement this Scheme.

- 13.5. Notices: All notices of communication required to be given by the Company to an Option Grantee by virtue of this Scheme shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company and any notice to be given by an Option Grantee to the Company shall be to the registered office of the Company.

13.6. Governing Law and Jurisdiction:

- (a) The terms and conditions of this Scheme shall be governed by and construed in accordance with the laws of India.
- (b) The courts in Delhi, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this Scheme.
- (c) Nothing in this Clause will however limit the right of the Company to bring proceedings against any Option Grantee in connection with this Scheme:
  - (i) in any other court of competent jurisdiction; or
  - (ii) concurrently in more than one jurisdiction.

14. **GENERAL RISKS**

Participation in this Scheme shall not be construed as any guarantee of return on the investment. Any loss due to fluctuations in the market price of the shares and the risks associated with the investment shall be borne solely by the Option Grantee.



ANNEXURE 1

**FORM OF GRANT LETTER**  
**QDL ESOP Plan 2020 – Grant Letter**

Date: [ ]

Mr. [●]  
[Designation]  
[Address]

Subject: Grant of [ ] Options under the QDL ESOP Plan 2020

Dear [●],

It is a pleasure to honour you as a member of a select group of employees who are being granted employee stock options (“Options”).

You are an important member of the Team Quint. We are committed to building a formidable company and in the process, create value for all our stakeholders. While you help create this value, we would like you to share this value too.

It gives us great pleasure to inform you that pursuant to QDL ESOP Employee Stock Option Plan 2020 (“ESOP Scheme”) of the Company, you have been awarded [ ] Options. Each Option entitles you to 1 (One) Equity Shares (face value INR 10/- each) of the Company. Being an Option Grantee, you would be entitled to become a shareholder of the Company in accordance with the terms of the ESOP Scheme. The terms of the ESOP Scheme shall be deemed to have been incorporated in this letter and in this offer.

The Options granted would vest, based on your continued employment with the Company, in the manner specified below.

Sr. No	Period	Total number of Options Employees (%)
1		
2		
3		
4		
5		

The Options are being granted at Exercise Price of INR [●] per Option.

You are requested to sign this letter and send the same to us as a token of your acceptance. Your acceptance should reach the Company not later than [●] [Date], and in case the acceptance does not reach the Company by this date, it will be construed that you have declined the invitation to apply for Options.

These Options are being awarded to you considering your present role and the contribution to value you are expected to make in the years to come. As the Company grows as a whole, the value of these Options would also increase. Once again, we congratulate you on your journey towards sharing the ownership of the Company and look forward to working with you.

All capitalized terms used but not defined in this letter attached hereto, shall have such meaning as ascribed to them under the ESOP Scheme.

<p>With best wishes, For Quint Digital Limited</p> <p>_____</p> <p>[ ] Director</p>	<p>Agreed and Accepted</p> <p>_____</p> <p>[●]</p>
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ANNEXURE 2

FORMAT OF LETTER OF EXERCISE

[Insert date]

To,  
The Nomination and Remuneration Committee,  
Quint Digital Limited (“Company”)  
[Insert address of Company]

**Subject:** Exercise of Options

**Ref:** QDL ESOP Plan 2020 and the Grant letter dated [Insert Date]

Dear sir(s),

I refer to the Options granted to me by the Company under the QDL ESOP Plan 2020 (“Scheme”) as effective from [Insert date] and the grant letter dated [Insert Date] (“Grant Letter”).

As per the Scheme and the Grant letter, [Insert number] options were granted to me out of which [Insert number] have vested and are due and eligible for exercise at INR [Insert price] each. Accordingly, I hereby exercise my right to receive [Insert number] equity shares (“Exercised Shares”) in accordance with the Scheme.

In this regard, please find enclosed a cheque/demand draft No. \_\_\_\_\_ dated \_\_\_\_\_ drawn on \_\_\_\_\_ Bank, Branch \_\_\_\_\_ (payable at Delhi) for a sum of Rs. \_\_\_\_\_ /- being the Exercise Price of the Shares exercised by me herein.

Please allot these Exercised Shares in my name / jointly with \_\_\_\_\_ and issue the share certificates for the same.

I undertake that I will sign all such documents and do all such acts, if any, required by the Board, to enable me to be the registered as holder(s) of the Exercised Shares. I authorize the Company to deduct / collect the sum out of my compensation as may be required for payment of taxes that the Company is obligated to withhold on the Exercise of Options.

Regards,

[ ]

ANNEXURE 3

FORMAT OF NOMINATION LETTER

[Insert date]

To,  
The Nomination and Remuneration Committee,  
Quint Digital Limited (“**Company**”)  
[Insert address of Company]

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Dear Sir/Ma’am,

In respect of the rights to be exercised by me under the QDL ESOP Plan 2020 (“**Scheme**”), I hereby appoint \_\_\_\_\_ (*please specify nature of relationship*) viz., Mr./Mrs./Ms. \_\_\_\_\_, aged \_\_\_\_\_ years, residing at \_\_\_\_\_ as my nominee in accordance with clause 15 of the Scheme. In this regard, please find attached the necessary identification/ address proofs.

Yours faithfully,

Witnessed by:

1. Signature:

Name:

Address:

2. Signature:

Name:

Address: