

PART C
SALIENT FEATURES OF THE SCHEME

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1. NAME, OBJECTIVE AND TERM OF THE SCHEME

- 1.1 This Scheme shall be called “CELLO -EMPLOYEE STOCK OPTION SCHEME 2025” (hereinafter referred to as the “CELLO ESOP-2025”)
- 1.2 The primary objective of this Scheme is to reward the eligible and potential Employees who are in the employment of the Company and/or its Subsidiary Company(ies), Group Company(ies), Associate Company(ies) (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time, whether working in India or out of India and to the Directors of the Company and/or its Subsidiary Company(ies), Group Company(ies), Associate Company(ies) for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to attract and retain talents in the organization. The Company views Employee Stock Options as a means that would enable the Employees to get a Share in the value they create for the Company in future.
- 1.3 *CELLO ESOP-2025* will be effective on approval by the shareholders by the way of special resolution passed at the General meeting on August 08, 2025 and shall continue to be in force until (i) its termination by the Board, or by duly constituted Committee from time to time by whatever name called, in accordance with Companies Act, and rules made thereunder and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, (ii) the date on which all of the Employee Stock Options available for issuance under the Scheme have been issued and exercised, whichever is earlier.
- 1.4 The Board of Directors or the Committee as authorized may subject to compliance with Applicable Laws, at any time amend, suspend or terminate the *CELLO ESOP-2025*.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

- 2.2 “Act” means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- I. “Applicable Laws” means every law relating to Employee Stock Options, to the extent applicable, including Companies Act, Securities and Exchange Board of India Act, 1992, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and all relevant tax, securities, exchange control or corporate laws of India, or amendments thereof or of any relevant jurisdiction or of any recognised Stock Exchange on which the Shares are listed or quoted;
- II. “Associate Company” means a Company (present or future) which shall have the same meaning as defined under section 2(6) of the Companies Act,;
- III. “Board” means the Board of Directors of the Company;

- IV. **“Cause”** means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or terms of employment amounting to misconduct or breach of terms of employment as determined by the Board after giving the Employee an opportunity of being heard:
- (i) dishonest statements or acts of an Employee, with respect to the Company;
 - (ii) a felony or any misdemeanour involving moral turpitude, deceit, dishonesty or fraud committed by the Employee;
 - (iii) gross negligence, misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company;
 - (iv) breach by the Employee of any terms of his employment agreement or the Company’s policies or other documents or directions of Company including the reasons of non-performance;
 - (v) participating or abetting a strike in contravention of any law for the time being in force;
 - (vi) Misconduct as provided under the labour laws after following the principles of natural justice;
- V. **“Committee”** means Nomination and Remuneration Committee of the Board as constituted from time to time in accordance with Companies Act as amended from time to time read with rules made thereunder and shall also constitute and act as the Compensation Committee for the purposes of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- VI. **“Companies Act”** means the Companies Act, 2013 and rules made thereunder and include any statutory modifications or re-enactments thereof;
- VII. **“Company”** means ‘Cello World Limited’, incorporated under the Companies Act, 2013 having its registered office at 597/2A, Somnath Road, Dabhel, Nani Daman, Daman, Daman & Diu, 396210 registered vide CIN -L25209DD2018PLC009865;
- VIII. **“Company Policies/Terms of Employment”** means the Company’s policies for the Employees and the terms of employment as contained in the employment letter issued to the Employee at time of joining the employment and the Company’s Employee handbook, which includes provisions requiring a desired level of performance, securing confidentiality, non-compete and non-poaching of other Employees and customers.
- IX. **“Control”** shall have the same meaning as defined under the Companies Act, or Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- X. **“Director”** shall have the same meaning as defined under section 2(34) of the Companies Act ;
- XI. **“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 as defined in sub-clauses (i) or (ii), of a Group Company including Subsidiary or its Associate Company, in India or outside India, but does not include—
 - (a) an Employee who is a Promoter or a person belonging to the Promoter group; or
 - (b) a Director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity Shares of the Company;
- XII. **“Employee Stock Option” or “Option”** means the option granted to an eligible Employee which gives such an Employee a right to purchase or subscribe at a future date, the Shares offered by the Company, directly or indirectly, at a pre-determined price;
- XIII. **“Employee Stock Option Plan” or “Employee Stock Option Scheme” or “ESOP” or “ESOS”** means a Scheme or Plan under which a Company grants Employee stock options to Employees directly or through a trust;
- XIV. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Board/ Committee for granting the Employee Stock Options to the Employees;
- XV. **“CELLO ESOP-2025”** means Employee Stock Option Plan/Scheme under which the Company is authorized to grant Employee Stock Options to the Employees.
- XVI. **“Equity Shares”** means fully paid-up Equity Shares of the Company having face value of Rs. 5/-(Rupees “Five”) each;
- XVII. **“Exercise”** means making of an application by an eligible Employee to the Company for issue of Shares or appreciation in form of cash, as the case may be, against vested Options in pursuance of the Scheme;
- XVIII. **“Exercise Period”** means the time period after vesting within which an Employee can exercise his/her right to apply for Shares against the vested option in pursuance of the Scheme;

- XIX. **"Exercise Price"** means the price, if any, payable by an Employee for exercising the option granted to such an Employee in pursuance of the Scheme;
- XX. **"Fair Value of the Option"** means the value computed in respect of the Options granted based on the date of grant by use of mathematical/ statistical model such as Black Scholes;
- XXI. **"General Meeting"** means an annual general meeting or an extraordinary general meeting held by the Company in compliance with the Companies Act;
- XXII. **"Grant"** means the process by which the Company issues options, Shares under *CELLO ESOP-2025*.
- XXIII. **"Grant Date"** means the date on which the Board or Committee approves the grant. For accounting purposes, the grant date will be determined in accordance with applicable accounting standards;
- XXIV. **"Grantee"** means an Employee who receives an offer of Options from the Company or the Board or Committee under the Scheme;
- XXV. **"Group"** means two or more companies (present or future) which, directly or indirectly, are in a position to—
- (i) exercise twenty-six per cent. or more of the voting rights in the other Company; or
 - (ii) appoint more than fifty per cent. of the members of the Board of Directors in the other Company; or
 - (iii) control the management or affairs of the other Company;
- XXVI. **"ICAI"** means the Institute of Chartered Accountants of India;
- XXVII. **"Insider"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
- XXVIII. **"Independent Director"** shall have the same meaning assigned to it under the Companies Act and rules made thereunder;
- XXIX. **"Key Managerial Personnel"** shall have the same meaning as defined under section 2(51) of the Companies Act;
- XXX. **"Long Leave"** means a sanctioned leave in excess of 60 days without break;
- XXXI. **"Market Price"** means the latest available closing price, immediately prior to the date of grant of Options by the Board/ Committee, on the recognized Stock

Exchange on which the Shares of the Company are listed. In case Shares are listed on more than one Stock Exchange, then the closing price on the Stock Exchange where the highest trading volume on the said date shall be considered;

- XXXII. **“Merchant Banker”** means a merchant banker as defined under Regulation 2(1)(cb) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, which is registered under Section 12 of the Securities and Exchange Board of India Act, 1992 (No. 15 of 1992);
- XXXIII. **“Option”** means Employee Stock Option within the meaning of this Scheme;
- XXXIV. **“Option Grantee”** means an Employee having a right but not an obligation to exercise an option in pursuance of *CELLO ESOP-2025*;
- XXXV. **“Permanent Disability or Permanent Incapacity”** means any incapacity 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/ Committee based on a certificate of a medical expert identified by the Company;
- XXXVI. **“Promoter”** shall have the same meaning as assigned to the term under the Companies Act and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;
- XXXVII. **“Promoter Group”** shall have the same meaning assigned to the term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;
- XXXVIII. **“Stock Exchange”** means the National Stock Exchange of India Limited, BSE Limited, or any other recognized Stock Exchange of India on which the Company’s Shares are listed or to be listed in future;
- XXXIX. **“Relative”** shall have the same meaning as defined under section 2(77) of the Companies Act;
- XL. **“Relevant Date”** means -
- a. in the case of grant, the date of the meeting of the Board/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 by the Employee;
- XLI. **“Retirement”** means retirement as per the rules of the Company;

- XLII. **"Scheme" "Plan"** means *CELLO ESOP-2025*;
- XLIII. **"Securities"** means securities as defined in section 2(h) of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);
- XLIV. **"Secretarial Auditor"** means a Company secretary in practice appointed by a Company under rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit, pursuant to applicable provisions of the Companies Act and rules made thereunder and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- XLV. **"SEBI"** means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992;
- XLVI. **"SEBI (SBEB and Sweat Equity) Regulations"** means Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended and re-enacted from time to time and includes any clarifications or circulars issued thereunder;
- XLVII. **"Shares"** means Equity Shares of the Company within the meaning of this Scheme;
- XLVIII. **"Subsidiary"** means a Subsidiary of the Company (present or future) as per the definition under Section 2 (87) of the Companies Act;
- XLIX. **"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;
 - L. **"Vesting"** means the process by which the Employee becomes entitled to receive the benefit of a grant made to him/her under any of the Schemes;
 - LI. **"Vesting Condition"** means any condition subject to which the Options granted would vest in an Option Grantee;
 - LII. **"Vesting Period"** means the period during which the vesting of option granted under any of the Schemes takes place;
 - LIII. **"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.

2.3 Interpretation

In this Scheme, unless the contrary intention appears:

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

- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender; and
- e) reference to Company shall refer to the Company and / or Group Company, Associate Company or its Subsidiary Company where the contexts so requires, in case Options are granted to the Employees of Group Companies, Associate Companies or its Subsidiary Companies in future.

Words and expressions used and not defined herein but defined in the Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Companies Act, and any statutory modification or re-enactment thereto, or Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or SEBI (SBEF and Sweat Equity) Regulations shall have the meanings respectively assigned to them in those legislations.

3. AUTHORITY AND CEILING

- 3.1 The Board of the Company through resolution dated May 23, 2025 and the Shareholders of the Company through special resolution dated August 08, 2025 the Company shall be authorized to issue to the Employees under *CELLO ESOP-2025*, not exceeding 66,26,551 (Sixty Six Lakhs Twenty Six Thousand Five Hundred and Fifty One) Employee Stock Options convertible into not more than 66,26,551 (Sixty Six Lakhs Twenty Six Thousand Five Hundred and Fifty One) Shares of face value of Rs. 5/- (Rupees Five Only) each fully paid-up, with each such Option conferring a right upon the Employee to be issued one Share of the Company, in accordance with the terms and conditions of such issue. Further, the maximum number of Options to be granted per Employee per grant and in aggregate shall not exceed 66,26,551 (Sixty Six Lakhs Twenty Six Thousand Five Hundred and Fifty One).
- 3.2 The maximum number of Options that shall be granted to the eligible Employees who are in the employment of the Company and/or its Subsidiary Company(ies), Group Company(ies), Associate Company(ies) (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time, whether working in India or out of India and to the Directors of the Company and/or its Subsidiary Company(ies), Group Company(ies), Associate Company(ies) in any one year and in aggregate under *CELLO ESOP-2025* shall not be equal to or exceeding 1% of the issued Capital (excluding outstanding warrants and conversions) of the Company, if the prior specific approval from members of the Company through a special resolution to this effect is not obtained. The appraisal process for determining the eligibility of the Employees will be decided by the Board/ Committee from time to time.
- 3.3 If an Employee Stock Option expires, lapses, cancelled, surrendered or becomes un-exercisable due to any reason/s, it shall be brought back to the Employee Stock Options pool

and shall become available for future grants, subject to compliance with the provisions of the Applicable Laws.

- 3.4 Where Shares are allotted consequent upon Exercise of an Employee Stock Option under the *CELLO ESOP-2025*, the maximum number of Shares that can be allotted under *CELLO ESOP-2025* as referred to in Sub-clause 3.1 above shall stand reduced to the extent of such Shares allotted.
- 3.5 In case of a Share split, merger, demerger, Scheme of arrangement, amalgamation, sale of division, consolidation, rights issues, bonus issues and other corporate actions, if the revised face value of an Equity Share is less or more, as the case may be, than the current face value as prevailing on the date of coming into force of this Scheme, the maximum number of Shares available under *CELLO ESOP-2025* as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares x face value per Share) prior to such split or consolidation remains unchanged after such split or consolidation.

4. ADMINISTRATION

- 4.1 The *CELLO ESOP-2025* shall be administered by the Board or by the Committee as may be authorized by the Board. All questions of interpretation of the *CELLO ESOP-2025* shall be determined by the Board/ Committee and such determination shall be final and binding upon all persons having an interest in the *CELLO ESOP-2025*, in compliance with Applicable Laws.
- 4.2 The Board/ Committee shall in accordance with this Scheme and Applicable Laws determine the following:
- a. the quantum of Options, Shares or benefits as the case may be, per Employee and in aggregate under a Scheme;
 - b. the kind of benefits to be granted under this Scheme;
 - c. the conditions under which Options, Shares or other benefits as the case may be, may vest in Employees and may lapse in case of termination of employment for misconduct;
 - d. The schedule for Vesting of the Options granted to Employees;
 - e. The price at which the Options are to be granted from time to time (which will be the Exercise Price for the Options at a future date).
 - f. the exercise period within which the Employee can exercise the Options and that Options would lapse on failure to exercise the same within the exercise period;
 - g. the specified time period within which the Employee shall exercise the vested Options or in the event of termination or resignation;
 - h. the right of an Employee to exercise all the Options, as the case may be, vested in him at one time or at various points of time within the exercise period;
 - i. 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 Board / 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;
 - j. the grant, vesting and exercise of Shares, Options or in case of Employees who are on long leave;
 - k. eligibility to avail benefits under this Scheme in case of Employees who are on long leave;
 - l. the procedure for funding the exercise of Options;
 - m. the procedure for buy-back of specified securities issued under SEBI SBEB and Sweat Equity 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 financial year.
- For the purpose of this Clause 4.2, specified securities means as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- n. Amend any terms and conditions of any Options granted under the Scheme to the extent it is not inconsistent with the terms of the Scheme and not prejudicial to the interest of the Option Grantee.
 - o. Any other related or incidental matters

- 4.3 Post grant of options to the employees and before the exercise of such options (whether vested or unvested), if in the opinion of Board/Committee any of the option grantee/s act against the business interest of the company, then the Board/Committee shall have exclusive power to cancel the options granted to such option grantee/s.
- 4.4 Post grant of options to the employees and before the exercise of such options (whether vested or unvested), if in the opinion of Board/Committee the performance of any of the option grantee/s is not satisfactory/acceptable, then the Board/Committee shall have exclusive power to cancel the options granted to such option grantee/s.
- 4.5 Post grant of options to the employees and before the exercise of such options (whether vested or unvested), if in the opinion of Board/Committee the performance of any of the option grantee/s is not satisfactory/acceptable and that such option grantee is given notice to improve his/her performance within specific time period and in the interim in case of death or permanent incapacitation of such option grantee/s, the provisions under point 5 and 6 of Clause 7.2 (b) of this Scheme shall not apply.
- 4.6 The Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board

of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended from time to time, by the Company and its Employees, as may be applicable.

- 4.7 Approve forms, documents, deeds, writings and/or agreements for use in pursuance of the *CELLO ESOP-2025*. The Board/ Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws 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 by the Company and its Employees.

5. ELIGIBILITY AND APPLICABILITY

- 5.1 Only Employees within the meaning of this Scheme are eligible for being granted Stock Options under *CELLO ESOP-2025*. The specific Employees to whom the Stock Options would be granted and their Eligibility Criteria would be determined by the Board/ Committee.
- 5.2 In case of any Grant of Option to the eligible Employees who are in the employment of the Company and/or its Subsidiary Company(ies), Group Company(ies), Associate Company(ies) (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time, whether working in India or out of India and to the Directors of the Company and/or its Subsidiary Company(ies), Group Company(ies), Associate Company(ies), prior approval of the Shareholders shall be obtained, by the way of passing a Special Resolution, as per provisions of the Applicable Laws.

6. VESTING SCHEDULE AND VESTING CONDITIONS

- 6.1 The Options granted shall vest so long as an Employee continues to be in the employment of the Company or the Associate Company, Group Company or its Subsidiary Company as the case may be. The Board/ Committee may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of 1(one) year.

Provided further that in the event of Death or Permanent Incapacity of an Employee, the minimum Vesting Period shall not be applicable and in such instances, all the unvested Options shall vest with effect from date of the Death or Permanent Incapacity.

- 6.2 The vesting dates in respect of the Options granted under the Scheme may vary from Employee to Employee or any class thereof and/or in respect of the number or percentage of Options granted to an Employee.
- 6.3 Options shall vest essentially based on continuation of employment and apart from that the Board / Committee may prescribe other performance / other condition(s) for vesting. The vesting may occur in tranches or otherwise.

- 6.4 Options granted under CELLO ESOP-2025 would vest subject to maximum period of 5 (Five) years from the date of respective grant of such Options.
- 6.5 The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the document(s) given to the Option Grantee at the time of grant of Options.
- 6.6 The period of Long Leave shall not be considered in determining the Vesting Period in the event the Employee is on a sabbatical. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Board/ Committee.
- 6.7 The Board of Directors/Compensation/NRC Committee, shall have, subject to the applicable law (and subject to a minimum vesting period of 1 year) the right, to vest all or part of the Unvested Options in an accelerated manner from out of the options granted and outstanding to the employees.

7. EXERCISE

7.1 Exercise Price:

- (a) The Exercise Price shall be as may be decided by the Board/ Committee as is allowed under the Companies Act, and SEBI (SBEB and Sweat Equity) Regulations, which in any case will not be lower than the face value of the equity Shares of the Company on the date of such grant.
- (b) Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board / Committee may decide.
- (c) No amount shall be payable by the Option Grantee at the time of grant.
- (d) Notwithstanding anything contained hereinabove, amount paid/payable, if any, by the Employee at the time of the grant, vesting or exercise of the Options will be forfeited if the Employee does not exercise the same within the exercise period.

7.2 Exercise Period:

- (a) **While in employment:**
- (i) The Exercise period shall not be more than 8 (Eight) years from the date of respective vesting of Options. The Options vested may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Board/ Committee from time to time.
- (ii) The Vested Options shall be exercisable by the Employees by a written application (or by electronic means through a software) to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be

prescribed by the Board/ Committee from time to time. The Options shall lapse, if not exercised within the specified exercise period.

(b) Exercise Period in case of separations:

Options can be exercised as per provisions outlined below*:

Sr. No.	Separations	Vested Options	Unvested Options
1	Resignation	Subject to the terms and conditions, all Vested Options as on date of submission of resignation may be exercised by the Option Grantee on or before his last working day or before the expiry of the Exercise period with the Company, whichever is earlier.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
2	Termination (With cause like fraud, misconduct etc.)	All 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 stand cancelled with effect from the termination date.
3	Termination (Without cause)	All Vested Options which were not exercised at the time of such termination may be exercised by the Option Grantee on or before his last working day with the Company or before the expiry of the Exercise period, whichever is earlier.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
4	Retirement or early Retirement approved by Company	All vested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period.	All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period.
5	Death	All Vested Options, granted under a Scheme to him/her till his/her death shall vest, with effect from the date of his/her death, in the legal	All Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee

		heirs or nominees of the deceased Employee, as the case may be and such Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 12 months from the date of Death.	or legal heir/s within 12 months from the date of Death.
6	Permanent Disability	All Vested Options, granted to him/her under a Scheme as on the date of permanent incapacitation shall vest in him/her on that day and such Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 12 months from the date of such disability.	All Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 12 months from the date of such disability.
7	Abandonment**	All the Vested Options shall stand cancelled.	All the Unvested Options shall stand cancelled.
8	Any other reason not specified above	The Committee or any other Board Committee as due authorized shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

* In case of any regulatory changes warranting any change in vesting schedule/conditions/exercise period in any of the above separation conditions, the provision of such change shall apply.

** The Board/ Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned. Provided that, in accordance with Applicable Laws, notwithstanding anything to the contrary contained herein, the Company shall not vary the terms of the CELLO ESOP-2025, in any manner which may be detrimental to the interests of the Employees.

- 7.3 In the event that an Employee, who has been granted benefits under a Scheme, is transferred or deputed to an Associate Company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed Employee even after the transfer or deputation.
- 7.4 In the event that an Employee who has been granted benefits under a Scheme, is transferred pursuant to Scheme of arrangement, amalgamation, merger or demerger or continued in the existing Company, prior to the vesting or exercise, the treatment of Options in such case shall be specified in such Scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Employee.
- 7.5 The Options not exercised within the Exercise Period shall lapse and the Employee shall have no right over such lapsed or cancelled Options.

8. COMPLIANCES AND CONDITIONS

- 8.1 For listing of shares issued pursuant to *CELLO ESOP-2025*, the company shall obtain the in-principle approval of the recognized stock exchanges where it proposes to list the said shares prior to the grant of options.

9. LOCK-IN

The Shares issued upon exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such exercise. However, the Board or the Committee as may be authorized by the Board, may, in some cases, provide for lock-in of Shares issued upon the exercise of Options, which shall be mentioned in grant letter issued to the Option Grantee.

Provided that the transferability of the Shares shall be subject to the restriction for such period in terms of the Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended from time to time or for such other period as may be stipulated from time to time in terms of Company's Code of Conduct for Prevention of Insider Trading.

10. VARIATION OF TERMS OF THE SCHEMES

- 10.1 The Company may by special resolution of its shareholders vary the terms of the Scheme offered pursuant to an earlier resolution of the general body but not yet exercised by the Employees, if such variation is not prejudicial to the interests of the Employees.

Notwithstanding the provisions of Clause (10.1), the Company shall be entitled to vary the terms of the Scheme to meet any regulatory requirement without seeking shareholders' approval by special resolution.

- 10.2 The notice for passing a special resolution for variation of terms of the Scheme shall disclose full details of the variation, the rationale therefore, and the details of the Employees who are beneficiaries of such variation.

- 10.3 A Company may reprice the Options, or Shares, as the case may be, which are not exercised, whether or not they have been vested, if the Schemes were rendered unattractive due to fall in the price of the Shares in the stock market:

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

11. SURRENDER OF OPTIONS

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

12. METHOD OF VALUATION

The Company will follow IFRS/ IND AS/ any other requirements for accounting of the Stock Options as are applicable to the Company for the same.

13. OTHER TERMS AND CONDITIONS

- 13.1 The Employee 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 Employee Stock Options granted, till Shares underlying such Employee Stock Options are allotted by the Company on exercise of such Employee Stock Option.
- 13.2 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a Shareholder of the Company (for example, bonus Shares, rights Shares, dividend, voting, etc.) in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.
- 13.3 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 13.4 If the Company issues bonus Shares or rights Shares, the Option Grantee shall not be eligible for the bonus or rights Shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with clause 4.2 of CELLO ESOP-2025.
- 13.5 Employee Stock Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case provisions in table under Sub-clause 7.2(b) would apply.
- 13.6 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, in which provisions in table under Sub-clause 7.2 (b) would apply.

Provided that, subject to Applicable Laws, the Company may fund or permit the empanelled stock brokers to make suitable arrangements to fund the Employee for payment of exercise price, the amount necessary to meet his/her tax obligations and other related expenses pursuant to exercise of Options granted under the CELLO ESOP-2025 and such amount shall be adjusted against the sale proceeds of some or all the Shares of such Employee.

Subject to the provisions of Applicable Law, including the Companies Act, the Company may at its sole discretion provide financial assistance to the Employees of such amounts and on such terms as may be deemed fit, to enable them to Exercise the Options.

- 13.7 If the Company gets its Shares de-listed from all the recognized Stock Exchange/s, then the Board shall have the powers to set out terms and conditions for the treatment of Vested Options and Unvested Options in due compliance of the Applicable Laws.

14. TAXATION

- 14.1 The liability of paying taxes, if any, in respect of Employee Stock Options granted pursuant to this Scheme and the Shares issued pursuant to exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employees of Company working outside India, if any.
- 14.2 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.
- 14.3 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.

15. AUTHORITY TO VARY TERMS

The Board/ Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the CELLO ESOP-2025, subject to compliance with the Applicable Laws and Regulations.

Further, Committee shall be entitled to vary the terms of the CELLO ESOP-2025 to meet any regulatory requirement without seeking Shareholder's approval by special resolution in terms of regulation 7 of SEBI SBEB and Sweat Equity Regulations.

16. MISCELLANEOUS

16.1 Government Regulations

The CELLO ESOP-2025 shall be subject to all Applicable Laws to the extent applicable. The Grant of Options and allotment of Shares to the Employees under this CELLO ESOP-2025 shall be subject to the Company requiring the Employees to comply with all Applicable Laws. Further, Company will comply with all the requirements of Securities and Exchange Board of

India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment made thereof.

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 allotment and issuance of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of such inability.

16.3 Neither the existence of this Scheme 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 shall in future have any such right, entitlement or expectation to participate in this Scheme 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.

16.6 Participation in CELLO ESOP-2025 shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the market price of the Shares and the risks associated with the investments are that of the Employee alone.

17. INSIDER TRADING ETC.

The Employee shall ensure that there is no violation of:

- a. SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time; and
- b. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and
- c. Any other regulations to prevent fraudulent or harmful practices relating to the Securities Market.

The Employee shall keep the Company, the Board, the Committee fully indemnified in respect of any liability arising for violation of the above provisions.

18. ACCOUNTING AND DISCLOSURES

18.1 The Company shall follow the laws/regulations applicable to accounting and disclosure related to Employee Stock Options, including but not limited to SEBI (SBEB and Sweat Equity) Regulations as well as section 133 of the Companies Act, the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be

prescribed by the Regulatory authorities from time to time, including the disclosure requirements prescribed therein.

18.2 The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features/Scheme document of the CELLO ESOP-2025 in a format as prescribed under SEBI (SBEB and Sweat Equity) Regulations, *CELLO ESOP-2025*

18.3 The Company shall disclose details of Grant, Vest, Exercise and lapse of the Employee Stock Options in the Directors' Report or in an annexure thereof as prescribed under SEBI (SBEB and Sweat Equity) Regulations or any other Applicable Laws as in force.

19. CERTIFICATE FROM SECRETARIAL AUDITORS

The Board of Directors shall at each annual general meeting place before the shareholders, a certificate from the secretarial auditors of the Company that the Scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the Company in the general meeting.

20. GOVERNING LAWS

20.1 The terms and conditions of the CELLO ESOP-2025 shall be governed by and construed in accordance with the Applicable Laws including the Foreign Exchange Laws mentioned below.

20.2 Foreign Exchange Laws

In case any Employee Stock Options are granted to any Employee being resident outside India belonging to the Company working outside India, the provisions of the Foreign Exchange Management Act, 1999 and Rules or Regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vest, Exercise of Employee Stock Options and allotment of Equity Shares thereof.

20.3 In order to comply with regulation of any other country or to avail any tax or other benefits, the Committee or Board may at its sole discretion formulate an addendum to CELLO ESOP-2025 for Employees working outside India and made applicable to such eligible Employees from the date determined by the Board/Committee.

21. NOTICES

21.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this CELLO ESOP-2025 shall be in writing or electronic mode. 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; or
- (ii) Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or
- (iii) Emailing the communication(s) to the Option Grantee at the official email address provided, if any, by the Company to the prospective /existing Option Grantee during

the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

- 21.2 Any communication to be given by an Option Grantee to the Company in respect of CELLO ESOP-2025 shall be sent to the person at the address mentioned below or e - mailed at:

Name : Ms. Hemangi Trivedi
Designation : Company Secretary & Compliance Officer
Address : Cello World Limited,
Cello House, Corporate Avenue,
Sonawala Industry Estate,
Goregaon (E), Mumbai 400063
Email : hemangi.trivedi@celloworld.com

22. JURISDICTION

- 22.1 The Courts/ Tribunals, as the case may be, in Mumbai, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this CELLO ESOP-2025.
- 22.2 Nothing in this Clause shall however limit the right of the Company to bring proceedings against any Employee in connection with this CELLO ESOP-2025:
- (i) in any other court of competent jurisdiction; or
 - (ii) Concurrently in more than one jurisdiction.

23. DISPUTE RESOLUTION

- 23.1 In the event of any dispute or disagreement between the Company and the eligible Employees (collectively referred to as “the Parties” and individually referred to as “Party”) arising out of or relating to this CELLO ESOP-2025 (the “Dispute”), the Parties will endeavor to resolve the Dispute in accordance with this clause. Either Party may invoke this clause by providing the other Party a written notice of its decision to do so, including a description of the issues subject to the Dispute. The contending Party shall at first, refer the dispute to the Company Secretary & Compliance Officer of the Company to discuss the Dispute. In case where the Dispute is not resolved within 30 days of its reference, the Dispute shall then be referred to the Executive Director of the Company for resolution within a further period of 30 days of such a reference to Executive Director. Parties agree that in respect of the following aspects of CELLO ESOP-2025, no dispute can be raised and the decision made by the Committee shall be final and binding:
- a. Eligibility Criteria;
 - b. Exercise Price;
 - c. Adjustment of corporate actions announced by the Company prior to the Exercise Period pertaining to the relevant Equity Shares;
 - d. Adjustments for number of Equity Shares to be vested;
 - e. Any variation to the CELLO ESOP-2025 which is not detrimental to the interest of the eligible Employees

- 23.2 If the Dispute is not settled within 30 days of its referral to Executive Director of the Company, unless the Parties otherwise agree in writing, such Dispute shall be finally settled by arbitration. The Parties shall refer the Dispute to a sole arbitrator mutually appointed by both the parties. The decision of the arbitrator shall be final and binding on the parties. The venue of Arbitration will be Mumbai. The language of Arbitration shall be English. The Parties to the Arbitration shall bear their own costs and expenses.

The arbitration award shall be final and binding on each Party and shall not be subject to any appeal. The award shall be enforceable at courts in Mumbai. Equitable remedies shall be available. Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with the CELLO ESOP-2025.

24. SEVERABILITY

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

25. CONFIDENTIALITY

- 25.1 An Option Grantee must keep the details of the CELLO ESOP-2025 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or Associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this Clause on confidentiality, all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this Clause on confidentiality shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Board shall have the authority to deal with such cases as it may deem fit.
- 25.2 On acceptance of the grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Scheme 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.
- 25.3 The Option Grantee understands that “Confidential Information”* means any or all information about the Company or its Subsidiaries Companies that satisfies one or more of the following conditions:
- a. such information which has not been made generally available to the public, save and except for information disclosed to the public with the consent of the Company or its Subsidiaries companies; or

- b. such information which is critical, in the Company's opinion, to the Company's current or anticipated business or research and development activities or those of a customer or supplier or associate or channel partner of the Company or its Subsidiaries Companies and the disclosure of the same would affect their competitiveness; or
- c. such information which either has been identified as confidential by the Company or its Subsidiaries Companies (either orally or in writing) or has been maintained as confidential from outside parties and is recognized as intended for internal disclosures only; or
- d. such information which either is of a nature that it gives a distinct edge to the Company or its Subsidiaries Companies over competition when not shared with the competitor, or is likely to give any advantage to the competitor or any other organization / person / group of persons when shared with the organization / person / group of persons; or

25.4 such information which is required to be kept confidential by any requirement of law.

*"Confidential Information" includes all trade related information, trade secrets, confidential and privileged information, customer information, employment related information, strategies, administration, research in connection with the Company or its Subsidiaries Companies and commercial, legal, scientific, technical data that are either provided to or made available to the Option Grantee by the Company or its Subsidiaries Companies to facilitate his/her work or that the Option Grantee is able to know or has obtained access by virtue of his/her employment or position with the Company or its Subsidiaries Companies, as the case may be.

To illustrate, the following is an indicative list of Confidential Information:

- a. computer programs, inventions, samples, designs, drawings, machines, tools, photographs, source codes, object codes, methods, concepts, formulas, algorithms, processes, technical specifications, analyses, discoveries, improvements, marketing methods, manufacturing processes, research and development information;
- b. organizational matters, business plans, company policies, sales forecasts, employee and personnel information (including information pertaining to their terms of employment, experience, contact details, appraisals, performance, competencies, specialized skills / expertise, medical information, etc.);
- c. non-public financial information relating to the Company or its Subsidiaries Companies including its financial results for any period;

- d. Business Plans of the Company or its Subsidiaries Companies including its monthly reports and estimates;
- e. Current and prospective customer lists and information on customers and their employees;
- f. Information relating to existing and potential intellectual property of the Company or its Subsidiaries Companies;
- g. Issue of shares of the Company or its Subsidiaries Companies by way of public offers, rights issues, bonus issue, employee stock options;
- h. Major expansion plans or execution of new projects including information concerning amalgamations, mergers, acquisitions and takeovers being planned or contemplated by the Company or its Subsidiaries Companies and information concerning the purchase of major equipment or property and the disposal of any undertakings of the Company or its Subsidiaries or its Associates or Group Companies;
- i. Information relating to the Company or its Subsidiaries Companies regarding acquisition or loss of significant contracts, significant disputes with major suppliers, consumers or any Governmental or regulatory agency;
- j. Any information that may affect the earnings/ profitability of the Company or its Subsidiaries Companies;
- k. Any other change in policies, plans or operations of the Company or its Subsidiaries Companies.