



EROS INTERNATIONAL MEDIA LIMITED
EMPLOYEE STOCK OPTION SCHEME 2022

PART A – EROS INTERNATIONAL MEDIA LIMITED - EMPLOYEE STOCK OPTION SCHEME 2022

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1. Name, Objective and Term of the Scheme

1.1 This Eros International Media Limited - Employee Stock Option Scheme shall be called the “**EROS ESOS 2022**” which expression shall include any alterations, amendments or modifications hereto.

1.2 This EROS ESOS 2022 has been formulated by the Nomination and Remuneration Committee of the Board of Directors of the Company (as defined hereinafter) at its meeting held on August 12, 2022 in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended (the "SEBI Regulations").

1.3 The objective of the EROS ESOS 2022 are as follows:

- Introduce a long term incentive tool to attract, motivate and retain talent
- Align employee’s interest with that of the shareholders
- Provide wealth creation opportunities to employees
- Reward loyalty

The Company views equity-based compensation plans as an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share-based compensation plans.

1.4 The EROS ESOS 2022 is effective from the date of approval of shareholders dated [●] and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all the Options available for issuance under the EROS ESOS 2022 have been issued and exercised or have lapsed and the Nomination and Remuneration Committee does not intend to re-issue these lapsed Options.

2. Definition and Interpretations

2.1 Definitions

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

- **“Applicable Law”** means the law relating to and as applicable to Employee Stock Options, including, without limitation, the Companies Act, 2013 and rules made thereunder, Securities and Exchange Board of India Act, 1992, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and all relevant tax, securities, exchange control or corporate laws, rules or regulations of India or of any relevant jurisdiction or of any stock exchange on which the shares are listed or quoted and includes, any amendment, modification, alteration or re-enactment made to such laws, rules or regulations.

- **“Board/ Board of Directors”** means the Board of Directors of the Company for the time being and re-constituted and/or re-structured from time to time during the existence of this Scheme.

- **“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.

- **“Change in Capital Structure”** means a change in the capital structure of the company as a result of reclassification of shares, splitting up of the face value of shares, sub-division

of shares, issue of bonus shares, issue of rights shares, conversion of shares into other shares or securities and any other change in the rights or obligations in respect of shares on account of corporation action.

- **“Committee”** means the Nomination and Remuneration Committee constituted by the Board from time to time, to administer and supervise the EROS ESOS 2022 and other employee benefit plan/schemes, if any, comprising of such members of the Board as provided under Section 178 of the Companies Act to act as a compensation committee under Regulation 5 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- **“Companies Act”** means the Companies Act, 2013 read alongwith the Rules thereto and includes any statutory modifications or re-enactments thereof.
- **“Company”** means Eros International Media Limited, a company incorporated in India under the provision of Companies Act, 1956 with CIN: L99999MH1994PLC080502 and having its registered office at 201, Kailash Plaza, Plot no A-12, Off. Andheri Link Road, Andheri (West), Mumbai: 400 053, India, its successors and assigns.
- **“Company Policy” / “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.
- **“Corporate Action”** means and includes, but not limited to, of the following actions:
 - Bonus/ Splits/ dividend/ Rights issue/ buy back
 - the merger, de-merger, spin-off, consolidation, amalgamation, sale of business or other reorganization of the company (except to a subsidiary) in which all the shares are converted into or exchanged for:
 - a different class of securities of the company; or
 - any securities of any other issuer; or
 - Cash; or
 - Other property
 - The sale, lease or exchange of all or substantially whole of the assets/ undertaking of the company to any other Company or entity (except the subsidiary)

- The adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up.
- **“Director”** means a member of the Board of the Company.
- **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee for granting the Employee Stock Options to the Employees.
- **Employee(s)** means
 - (i) an employee as designated by the Company working in India or outside India; and
 - (ii) a director of the Company, whether a whole time director or not but excluding independent director;
 - (iii) an employee, as defined in sub-clauses (i) or (ii) in this paragraph, of a subsidiary of the Company, in India or outside India, or of a holding company of the Company, or associate company of the Company but does not include -
 - a. an employee who is a Promoter or persons belonging to the Promoter Group; or
 - b. a director who either by himself/herself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company;
- **“Employee Stock Option Scheme” or “Scheme” or “Plan”** means this Scheme of 2022 of Eros International Media Limited under which the Company is authorized to grant employee stock option directly to the eligible Employees.
- **“Employee Stock Option” or “Options”** means the option granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the shares underlying the option at a pre-determined price.
- **“Employer Company”** means the Company.
- **“Exercise”** of an Option means expression of an intention by an Employee to the Company to purchase the Shares underlying the Options vested in him/her, pursuant to EROS ESOS 2022, in accordance with the procedure laid down by the Company for exercise of options.

- **“Exercise Application”** means the application form as may be prescribed by the Committee, in which the Employee has to apply to the Company along with a cheque/demand draft in respect of the Exercise Price, for Exercising the Options Vested in him/her.
- **“Exercise Period”** means such time period after Vesting within which the Employee should Exercise the Options vested in him/her in pursuance to the EROS ESOS 2022.
- **“Exercise Price”** means the price payable by the Employee in order to exercise the Options granted to him/her in pursuance of this Scheme.
- **“Fair Market Value”** means, as of any specified date, means the latest available closing price, prior to the date of the meeting of the Board of Directors/ Committee in which options are granted/ shares are issued against exercised, on the stock exchange on which the equity shares of the company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume during the aforesaid period should be considered. If the shares are not publicly traded at the time a determination of its value as required hereunder, the determination of its Fair Market Value shall be made by the Committee based on the advice of an independent appraiser.
- **“Grant”** means issue of Options to the Employees under the process by which the Company issues Options to the Employees under this Scheme.
- **“Grantee”** means an Employee who has been granted Stock Options pursuant to the Plan where the context so requires includes his/her legal heirs and/or designated beneficiary.
- **“Grant Date” / “Date of Grant”** means the date of the meeting of the Board of Directors / Committee of the Company approves the grant of Options to the eligible Employees.
- **“Holding Company”** means a holding company as defined in sub-section (46) of section 2 the Companies Act, 2013 and as altered from time to time.
- **“Independent Director”** shall have the same meaning assigned to it in SEBI (LODR) Regulations, 2015.

- **“Intrinsic Value”** means the excess of the Market Price of the equity shares under EROS ESOS 2022 over the Exercise Price of the Option.
- **“Key Managerial Personnel”** shall have same meaning as defined in sub-section (51) of Section 2 of the Companies Act, 2013
- **“Letter of Grant” / “Grant Letter”** means the letter issued by the Company intimating the Employee of the Options Granted to him/her pursuant to this Scheme.
- **“Market Price”** means the latest available closing price on a recognised stock exchange, having higher trading volume, on which the Shares of the Company are listed on the date immediately prior to the relevant date.
- **“Option Grantee”** means an Employee who has been granted an Employee Stock Option, having a right but not an obligation to exercise an option, in pursuance to this Scheme.
- **“Option” or “Stock Option”** means a right but not an obligation granted to an Employee to subscribe and apply for the equity shares of the Company at a pre- determined price and upon such terms and conditions as may be specified, pursuant to this Scheme.
- **“Permanent Disability” / “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.
- **“Promoter”** shall have the same meaning as assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- **“Promoter Group”** shall have the same meaning as assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

- **“Recognised Stock Exchange”** means the BSE Limited (“BSE”), the National Stock Exchange of India Limited (“NSE”) or any other stock exchange in India which has been granted recognition under section 4 of Securities Contracts (Regulation) Act, 1956.
- **“Relevant date”** means
 - i) In the case of grant, the date of the meeting of the Committee on which the grant is made, or
 - ii) In the case of exercise, the date of the meeting of the Committee on which exercise applications are accepted and equity shares are allotted to the eligible employees pursuant to this Scheme.
- **“Resultant Shares”** means the equity shares issued in lieu of shares of the Company on any Change in Capital Structure or on any Corporate Action as mentioned in this Scheme.
- **“Retirement”** means retirement as per the rules of the Company.
- **“SEBI Act”** means the Securities and Exchange Board of India Act, 1992 as amended from time to time, and includes all regulations and clarifications issued there under.
- **“SEBI Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time and includes all regulations and clarifications issued there under.
- **“Share(s)”/ “Equity Share(s)”** means equity shares of the Company arising out of the Exercise of Options granted under the EROS ESOS 2022.
- **“Subsidiary Company/ies”** means any present or future Subsidiary company/ies of the Company, as defined in the Companies Act, 2013 and any Body Corporate/s incorporated under the foreign laws.
- **“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 Options.

- **“Vested Options”** 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.
- **“Vest” / “Vesting”** means the process by which the Employee becomes entitled to receive the benefit of a grant made to him/her under this Scheme.
- **“Vesting Conditions”** means the conditions subject to which the Option granted would Vest in an Option Grantee.
- **“Vesting period”** means the period during which the Vesting of the Option granted to the Employee in pursuance of this Scheme takes place.

Any term not defined above but defined in the SEBI Regulations shall have the meaning assigned to it under the SEBI Regulations.

The definitions as given in this Section are for the purposes of interpretation of this Scheme only and should not be used for any other purpose.

2.2 Interpretations

In this Plan, unless otherwise stated or intention appears:

- a) The singular includes the plural and *vice versa*
- b) The word person includes an individual, a firm, a body corporate or any other authority
- c) Any word or expression importing the masculine or feminine genders only shall be taken to include all these genders.

2.3 Section Headings

The section headings are for information only and shall not affect the construction of this document.

2.4 References

- a) A reference to a clause or schedule is respectively a reference to a clause or schedule of this document. The Schedules, if any, to this document shall for all purposes form part of this document.
- b) Reference to any Act, Rules, Regulations, Statutes or Notifications/Circulars/ Press Notes shall include any statutory modification, substitution or re-enactment thereof.

3. Administration & Implementation of the Plan

Administration

- 3.1 This Plan contains the details of the manner in which the scheme will be implemented and operated. This Plan shall be administered and implemented by the Committee under the policy and framework laid down by the Company and/or Board of Directors of the Company, in accordance with the authority delegated to the Committee in this regard from time to time and subject to the amendments, modifications and alterations to this Scheme made by the Company and/or Board of Directors in this connection.

Decision of Committee to be final

- 3.2 All questions of interpretation of this EROS ESOS 2022 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in this EROS ESOS 2022.

Constitution of Committee

- 3.3 Committee has been constituted by the Board of Directors in accordance with the provision of Section 178 of the Companies Act, 2013 and as per Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee consist of three Members.

Disclosures to be made at the time of Grant

- 3.4 No ESOS shall be offered unless the disclosures, as specified by SEBI in this regard, are made by the Company to the prospective Option Grantees.

Powers of Committee

- 3.5 The Powers of the Committee, *inter alia*, include the power to decide:
- 3.5.1 frame ESOS plans, get the same approved from Board and implement them;
 - 3.5.2 the quantum of option to be granted per employee and in aggregate;
 - 3.5.3 the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
 - 3.5.4 the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
 - 3.5.5 the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;

- 3.5.6 the right of an employee to exercise all the options vested to him/her at one time or at various points of time within the exercise period;
- 3.5.7 the procedure for making a fair and reasonable 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, following shall be taken into consideration by the Committee:
 - 3.5.7.1 the number and the price of ESOS shall be adjusted in a manner such that total value of the ESOS remains the same after the corporate action;
 - 3.5.7.2 for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered;
 - 3.5.7.3 the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.
- 3.5.8 the grant, vest and exercise of option in case of employees who are on long leave; and
- 3.5.9 the procedure for cashless exercise of options, if applicable
- 3.5.10 to amend the Exercise Period in respect of Employees on their Retirement or Resignation on case to case basis.
- 3.5.11 the Committee shall frame suitable policies and systems to ensure that there is no violation of:
 - 3.5.11.1 Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
 - 3.5.11.2 Securities and Exchange Board of India (Prohibition of Insider Trading)) Regulations, 2015; and
 - 3.5.11.3 Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, by any employee.

Power of Board of Directors

- 3.6 The members of the Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board of Directors subject to such rules and regulations as may be in force. The Board may further provide that the Committee shall exercise certain powers only after consulting the Board of Directors of the Company, as the case may be.

Liability of Members of Committee

- 3.7 No member of the Committee shall be personally liable for any decision or action made in good faith with respect to the Scheme. The Committee members shall, however, abstain from

participating in and deciding matters that directly affect their individual ownership interests under the Scheme.

4. Eligibility and Applicability

Eligibility

4.1 A Stock Option Grant made pursuant to this Scheme may be Granted only to an individual who, at the time of Grant,

4.1.1 Is an employee of the Company and/or

4.1.2 Has been identified as key resource by the Committee, at the time of hiring, [in order to attract and/or bridge gap from market in terms of Compensation, if any.]

4.1.3 Any other employee who has been identified by Committee at its sole discretion subject to conditions mentioned above.

Applicability

4.2 This Scheme shall be applicable to the Company, its Subsidiary, Holding Companies and associate companies in India and abroad, and Options may be granted to the Employees and Directors of companies excluding Independent Directors of the Company, its Holding Company, its existing and future subsidiaries and associates as determined by the Nomination and Compensation and Remuneration Committee at its sole discretion.

4.3 The Committee is authorized to change the eligibility criteria from time to time, at its sole discretion.

4.4 Each Grant shall be evidenced by a Grant Letter along with the disclosures prescribed under the SEBI Regulations including the salient features of the Scheme.

5. Authority and Ceiling

Approval of Shareholders

5.1 The Scheme shall come into force on August 12, 2022 subject to the approval of Shareholders at the ensuing General Meeting. The aggregate stock units proposed to be granted under the proposed EROS ESOS 2022 from time to time, shall not, upon exercise, not more than 1,50,00,000 (One Crore Fifty Lakhs) shares *i.e.* 15.64% of the issued, paid-up and subscribed capital of the Company as on the date of passing of this resolution. Each such Option confers

a right upon the Employee to apply for one equity 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 1,50,00,000 (One Crore Fifty Lakhs). The appraisal process for determining the eligibility of the employee will be specified by the Committee of the Board and will be based on criteria such as the grade of the employee, length of service, performance record, merit of the employee, future potential contribution by the employee and/or by any such criteria that may be determined by the Committee from time to time.

- 5.2 Where Shares are issued consequent upon exercise of an Employee Stock Option under the EROS ESOS 2022, the maximum number of Shares that can be issued under EROS ESOS 2022 as referred to in Clause 5.1 above will stand reduced to the extent of such Shares issued.
- 5.3 In case of a share split or consolidation, if the revised face value of the equity shares is less or more (as the case may be) than the current face value as prevailing on the date of approval of this Scheme by the shareholders, the maximum number of shares available for being granted under EROS ESOS 2022 as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (No. of shares X Face value per share) prior to such share split or consolidation remains unchanged after such share split or consolidation.

6. Grant of Options

6.1 Grant Limits

- 6.1.1 Committee may from time to time make Grants to one or more Employees, determined by it to be eligible for participation in the Scheme in accordance with the provisions of this Scheme. Shares shall be deemed to have been issued under the Scheme only to the extent actually issued and delivered pursuant to a Grant.
- 6.1.2 The Grant shall be at such price as may be determined by the Committee and shall be specified in the Grant Letter. No amount shall be payable by the option grantee at the time of grant and hence no amount will be adjusted and forfeited at the time of exercise of option.
- 6.1.3 The Grant shall be in writing in form of Grant Letter and shall specify the number of options granted, the price payable for exercising the options, the date on which some or all of the Options under the Grant shall be eligible for vesting, fulfilment of the performance and other conditions, etc, if any, subject to which vesting shall take place and other terms and conditions thereto.

6.1.4 The Options shall not be transferable and can be exercised only by the Employees.

6.2 **Stock offered**

The Shares to be offered pursuant to a Grant shall be from the authorized share capital of the Company.

6.3 **Grant Plan**

All Employees who are eligible as per this Scheme shall be granted Options from the date they become eligible under the Scheme. However, the Committee has the sole discretion in granting Options prior to the Employees meeting any of the eligibility criteria.

6.4 **Eligibility Criteria of Employees for Grant**

All eligible Employees will be granted options by the Committee on the basis of some or all of the following Eligibility Criteria, as and when they apply:

- Level and role of the Employee;
- Performance of the Employee;
- Tenure with the organization;
- Such other factors as Committee may decide from time to time.

7. **Vesting of Options**

7.1 **Vesting Plan**

Options Granted under EROS ESOS - 2022 would Vest not less than 1 (one) year and not more than 5 (five) years from the date of Grant of such Options. Vesting of Options would be subject to continued employment / association with the Company and/ or its Subsidiary/Holding Company. The option granted will be locked in for a period of 1 year from the date of grant, after which the options shall be eligible for vesting in accordance with the vesting schedule decided by the Committee or the Board of Directors, as the case may be. The Committee or the Board may alter the vesting period, if required on case to case basis, subject to the minimum lock-in requirement as one (1) year. In addition to this, the Committee may also specify certain performance parameters, if applicable, subject to which the options would Vest. The schedule of vesting dates shall be stated in the Grant Letter and the conditions subject to which vesting shall take place would be in accordance with this Policy or say may be particularly stated in the Grant Letter.

7.2 **Exercise of unvested options**

The Committee may, in its absolute discretion, permit the Options granted, including Options, which have not vested to be exercised within such time and on such terms and conditions as it may determine, subject to the lock in period of one year from the date of Grant as stated in SEBI Regulations.

8. **Exercise of Options**

8.1 **Exercise plan**

There shall be no lock in after the Options have vested. The Vested Options would be eligible to be exercised from the Vesting Date itself. On Vesting, the Options may be Exercised by the Option Grantee at any time within the period determined by the Committee from time to time subject to a maximum period of **5 (five) years** from the date of Vesting of the respective Options. The Shares issued upon Exercise of Options shall be freely transferable and will not be subject to any lock - in period after such Exercise provided. However, the Employee would be subject to the provisions of Code of Conduct for Prevention of Insider Trading of the Company read with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended or replaced from time to time or such other period as may be stipulated from time to time; pertaining to contra trade transactions or dealings in Shares of the Company.

8.2 **Exercise price/ Grant Price**

The Exercise Price would be decided at the Committee's sole discretion in accordance with Regulation 17 of the SEBI Regulations, i.e. in conformity with the applicable Guidance Note on Accounting for employee share based Payments ("Guidance Note") or applicable Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India ("ICAI") from time to time, including the disclosure requirements prescribed therein. However, in any case, the exercise price shall not be less than the face value of the equity shares of the Company. Such exercise price will be intimated to the Eligible Employee at the time of grant of Options to them.

8.3 Other aspects

8.3.1 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc) in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Employee Stock Options and becomes a registered holder of the Shares of the Company.

8.3.2 Notwithstanding anything contained elsewhere in the Scheme, the Committee and/or the Board may if the Exercise of Options within the Exercise period, is prevented by any law or regulation in force the Committee or the Board, defer or refuse to permit the Exercise of Options till such time as it is prohibited by the applicable laws or regulations and in such an event, the Company shall not be liable to pay any Compensation or similar payment to the Employee for any loss suffered due to such refusal.

Provided further, that the Board shall have the power and be and is hereby authorized to cancel all or any of the Options granted under the Scheme if so required under any law for the time being in force.

9. Exercise Period

9.1 Exercise while in employment:

The Exercise Period in respect of an Option shall be subject to a maximum period of 5 (five) years from the date of Vesting of Options.

9.2 Exercise in case of separation from employment:

Subject to maximum Exercise Period stated above and subject to Applicable Law, the Vested Options can be exercised as under:

Sr. No	Event of Separation	Vested Options	Unvested Options
1	Resignation (other than due to misconduct)	All the Vested Options as on the date of submission of resignation shall be exercisable by the Option Grantee on or before his/her last working day in the Company.	All the Unvested Options as on date of submission of resignation shall stand cancelled with effect from date of submission of resignation.

2	Termination (other than due to misconduct/ abandonment)	All the Vested Options as on the date of termination shall be exercisable by the Option Grantee within a period of 30 days from his/ her termination .	All the Unvested Options as on date of termination shall stand cancelled with effect from date such termination.
3	Termination due to misconduct/ abandonment	All the Vested Options at the time of such termination shall stand cancelled with effect from the date of such termination.	All the Unvested Options as on date of termination shall stand cancelled with effect from date such termination.
4	Retirement	All the Vested Options as on the date of retirement shall be exercisable by the Option Grantee within the period of 1(one) year from his/ her last working day in the Company.	All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercised period.
5	Death	All Vested Options may be exercised by the Option Grantee's nominee or legal heir within a maximum period of 1 (One) year from the date of death of the Employee or the expiry of the Exercise Period, whichever is earlier.	All the Unvested Options as on date of death shall, vest immediately in the Option Grantee's nominee or legal heir and can be exercised in the manner defined for Vested Options.
6	Permanent Incapacity	All Vested Options may be exercised by the Option Grantee's or his/ her nominee or legal heir, as the case may be, within a maximum period of 1 (one) year from the date of permanent incapacitation or the expiry of the Exercise Period, whichever is earlier.	All the Unvested Options as on date of incurring of such Permanent Incapacity shall vest immediately in the Option Grantee or his/ her nominee or legal heir, as the case may be and can be exercised in the manner defined for Vested Options.
7	Any other event not specified above	As decided by the Committee and such decision shall be final.	As decided by the Committee and such decision shall be final.

9.3 The Options shall be deemed to have been Exercised when an Employee makes an application in writing to the Company or by any other means as decided by the Committee, for the issue of Shares against the Options vested in him/her, subject to payment of Exercise Price and compliance of other requisite conditions of exercise.

9.4 Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company or by electronic mode through banking channels such as National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), Immediate Payment Service (IMPS) or in such other manner as the Committee may decide.

9.5 Lapse of Options

The Options not exercised within the respective Exercise Periods prescribed in Sub-clauses of Clause 8 shall lapse and be deemed to be cancelled on expiry of such Exercise Period. The Option Grantee shall have no right or recourse over such lapsed/ cancelled Options.

10. Non-Assignability & Non-Transferability

10.1 The Options granted to an Employee under this Scheme shall not be transferrable or assignable to any other person, except in the event of death or permanent disability as stated in Clause 9 above.

10.2 No person other than the Employee to whom the Option is granted shall be entitled to the benefit arising out of such Options.

10.3 The Options granted shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner by the Employee.

11. Other Terms and Conditions

11.1 Neither Employee, nor his successor in interest, shall have any of the rights of a shareholder of the Company with respect to the Shares for which the Option is exercised until such Shares are issued by the Company.

11.2 The Employee shall not have the right to receive any dividend/bonus, rights shares or to vote or in any manner enjoy the benefits of a shareholder in respect of Option granted to him/her,

till Shares are issued upon exercise of the Options and the Employee becomes registered holder of Shares.

- 11.3 The rights granted to an Option Grantee upon the Grant of an Employee Stock Option shall not accord the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his/her office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

Issue of Pari Passu Shares

- 11.4 All Equity Shares to be issued upon exercise of Stock Options shall rank pari passu with all other Equity Shares of the Company for the time being in issue, save as regards any right attached to any such Shares by reference to a record date prior to the date of allotment.

Grant Letter

- 11.5 Each Option shall be evidenced by Grant Letter issued by the Company in favour of the Grantee which contains the terms and conditions for issue of Grant alongwith copy of this Scheme which specifies the effect of termination of employment, total and permanent disability, retirement or death on the exercisability of the Option.

Nomination

- 11.6 Any Option Grantee shall have the right to appoint any individual or legal entity in writing as his Nominee under the Plan in the event of his death / total and permanent disability. Such nomination may be revoked in writing by the Grantee at any time during the time of employment and a new nominee may be appointed in writing in the prescribed form provided alongwith the Grant Letter. Such Nominee shall be the only legal representative recognised by the Company/ Committee as the inheritor of the Options granted to the Grantee, to the exclusion of all others.

Limitations on Exercise of Option

- 11.7 Any Option granted hereunder shall be exercisable at such times and under such conditions as determined by the Committee and as permissible under the terms of the Scheme, which shall be specified in the Grant Letter evidencing the Option. An Option shall not, however, be exercised for fractional shares.

12. Change in Capital Structure or Corporate Action

In the event of “Change in Capital Structure” or any “Corporate Action”, the Committee shall make such adjustment to the Grants made, so that the number and price of Options, as the case may be, remains the same. The discretion of Committee shall be final in this regard, including accelerated vesting of all Grants and Options issued to the eligible employees.

The existence of this Scheme and the Grants made hereunder shall not in any way affect the right or the power of the Board of Directors or the shareholders or the Company to make or authorize any 'Change in Capital Structure' or any 'Corporate Action' including any issue of shares, debt or other securities having any priority or preference with respect to the Shares or the rights thereof, and with respect to pricing of the shares (shares may be issued at par or at any price as may be decided by the Board of Directors or the Company which may be lower than the price at which stock option is / will be granted to the Employees, from time to time)

13. Amendment/ Variation or Termination of Plan

The Committee may, from time to time, if it deems necessary, amend/alter/vary the terms of EROS ESOS 2022 or terminate the Scheme, subject to the compliance of applicable laws.

Provided, that no amendment, alteration or termination in any Grant previously made may be carried out, to the extent possible, which would impair or prejudice the rights of the Employee without the consent of the concerned Employee.

14. 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.

15. Exit Route In Case Of De-Listing

If the Company gets de-listed from all the recognized Stock Exchanges, 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.

16. 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.

17. Miscellaneous

17.1 Government Regulations

This EROS ESOS 2022 shall be subject to all Applicable Laws, and approvals from governmental authorities. The Grant and the allotment of Shares under this EROS ESOS 2022 shall also be subject to the Company requiring Employees to comply with all Applicable Laws.

17.2 No right to a Grant

Neither the adoption of the Scheme nor any action of the Committee shall be deemed to give an Employee any right to receive a Grant or to any other rights hereunder except as may be evidenced by the Grant Letter duly executed on behalf of the Company, and then only to the extent of and on the terms and conditions expressly set forth therein.

17.3 No Employment Rights Conferred

Nothing contained in this Scheme or in any Grant made hereunder shall (i) confer upon any Employee any right with respect to continuation of employment with the Company, or (ii) interfere in any way with the right of the Company to terminate his or her employment at any time.

17.4 No Restriction of Corporate Action

Nothing contained in the Scheme shall be construed to prevent the Company from taking any corporate action which is deemed by the Company to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Scheme or any future Grant under the Scheme. No Employee, beneficiary or other person shall have any claim against the Company as a result of such action.

17.5 Tax deduction at source

The Company shall have the right to deduct, in connection with all Grants, any taxes, if any, required by law to be deducted at source and to require any payments necessary to enable it to satisfy such obligations.

Upon exercise of Stock Options, the Company shall deduct an amount from his/ her salary as would be necessary to discharge the obligation in the respect of tax deduction at source and appropriate the proceeds thereof on behalf of the employee.

17.6 Confidentiality

The Employee shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the Plan, Grant, Grant Letter or any connected matter. Any violation may result in cancellation of Grants, whether vested or unvested, as the Committee may deem fit without prejudice to the other action which may be taken in this regard.

17.7 Notices

All notices of communication required to be given by the Company to an Option Grantee by virtue of this EROS ESOS 2022 shall be in writing. The communications shall be made by the Company in any one or more of the following ways

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

All notices of communication to be given by an Option Grantee to the Company in respect of EROS ESOS 2022 shall be sent to the address mentioned below

For Grant related queries	For Vested/Unvested/Exercise of Options
Head – HR	Vice President – Company Secretary & Compliance officer
Email: rohit.bhargava@erosintl.com Tel: 91 22 66021500	Email: compliance.officer@erosintl.com Tel: 91 22 66021500
Address: 901/902, Supreme Chambers, Off. Veera Desai Road, Andheri West, Mumbai 400053	Address: 901/902, Supreme Chambers, Off. Veera Desai Road, Andheri West, Mumbai 400053

17.8 Insider Trading

The Employee shall ensure that there is no violation of:

- Insider Trading Regulations of the Country and/or the recognized stock exchange on which the shares of the Company are listed.
- Other applicable restrictions for prevention of Fraudulent and/or Unfair Trade Practices relating to the Securities Market.

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

17.9 New Plans

Nothing contained in the Scheme shall be construed to prevent the Company directly or through any trust settled by Company, from implementing any other new Employee Ownership Plan which is deemed by the Company to be appropriate or in its best interest, whether or not such other action would have any adverse impact on the Scheme or any Grant made under the Scheme. No Employee or other person shall have any claim against the Company and/or trust as a result of such action.

17.10 Issues

In respect of any issues arising in respect of the Scheme, the decision of the Board and/or Committee shall be final and binding on all concerned.

17.11 Any outflow under ESOS scheme

Any outflow for the Company on any account including but not limited to any tax, cess, duty or levy [including Perquisite Value Tax] etc, as applicable from time to time at present or in future due to/under this EROS ESOS 2022 shall be recoverable from the concerned employee.

18. Arbitration

All disputes arising out of or in connection with the EROS ESOS 2022 or the Grant, Vesting or Exercise shall be referred to for arbitration to a single arbitrator to be appointed by the Company. The arbitration proceedings shall be in accordance with the provisions of the Arbitration and Conciliation Act, 1996, as amended from time to time. The place of Arbitration shall be Mumbai, India.

19. Governing Law and Jurisdiction

The Plan shall be construed in accordance with and subject to the laws of Republic of India and other applicable laws. The Shares issued pursuant to this Scheme shall be governed by the Corporate and Securities Laws of the India and in a case where the Shares are listed on a stock exchange in a country other than India, the laws of the country / stock exchange in which the Shares are listed shall also apply.

The courts at Mumbai shall have the exclusive jurisdiction.