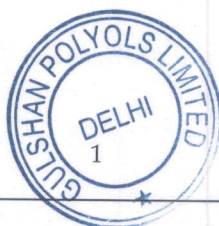


**Gulshan Polyols  
Limited  
Employee Stock  
Option Plan 2018**

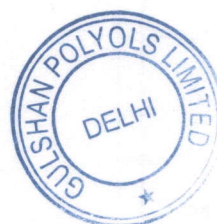
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1. **Name, Objective and Term of the Plan**

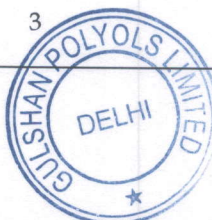
- 1.1 This Plan shall be called "Gulshan Polyols Limited Employees - Stock Option Plan 2018 or GPL ESOP 2018".
- 1.2 The objective of GPL ESOP 2018 is to attract and retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. It is a step towards substituting pure financial benefits with ownership and to enable employees to participate in the enhancement of shareholders value, your Company believes in rewarding its employees including Directors of the Company for their continuous hard work, dedication and support, which has led the Company on the growth path.
- 1.3 The GPL ESOP 2018 is established as per the approval obtained from the Shareholders by a Special Resolution on September 29, 2018 and shall continue to be in force until the date on which all of the options available as per the approval granted by the shareholders have been vested and exercised.
- 1.4 The Board/ Nomination and Remuneration Committee or Nomination, Remuneration and Compensation Committee, whatsoever name be, if modified/ Shareholders may, subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate GPL ESOP 2018.

2. **Definitions and Interpretation**

2.1 **Definitions**

The terms defined in this GPL ESOP 2018 shall for the purposes of this plan/scheme, have the meanings herein specified and terms not defined in this GPL ESOP 2018 shall have the meanings as defined in the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, , the Companies Act, 2013 and the SEBI (Share Based Employee Benefits) Regulation, 2014, as amended/modified from time to time or in any statutory modifications or re-enactments thereof, as the case may be.

- **"Applicable Law"** means the legal requirements relating to Employee Stock Options, including, without limitation, the Companies Act, 2013, the SEBI Act, the SEBI Regulations or any other applicable laws and all relevant tax, securities, foreign exchange regulations, act or corporate



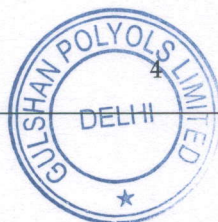
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laws of India, or of any other relevant jurisdiction or of stock exchange(s) on which the shares are listed or quoted.

- **“Board”** means the Board of Directors of the Company.
- **“Companies Act”** means the Companies Act, 2013 and includes any statutory modifications or re-enactments thereof.
- **“Company”** means Gulshan Polyols Limited
- **“Nomination and Remuneration /Compensation Committee or Nomination, Remuneration and Compensation Committee or Committee”** means a Committee constituted by the Board of Directors in terms of Section 178 of Companies Act and Regulation 19 of Listing Regulations, as amended from time to time to administer the GPL ESOP 2018.
- **“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”** means such employees including directors, whether whole-time or otherwise, (but excluding independent directors) of the Company, its holding and/or subsidiary company(ies) who are eligible under the SEBI Regulations, SEBI ESOP Regulations and as per the captioned shareholders’ approval, such as covers the following category of persons ,entitled to options under GPL ESOP 2018:
  - a. Present and future, permanent employees and directors (whether whole time director or not but excluding independent directors), whether working in India or out of India of the Company, its holding and subsidiary company(ies) as may be determined by Board/ Committee at its discretion from time to time be allowed under the SEBI ESOP Regulations, as amended from time to time, shall be eligible to participate in the GPL ESOP 2018 and;

**The following categories of persons are excluded under GPL ESOP 2018:**



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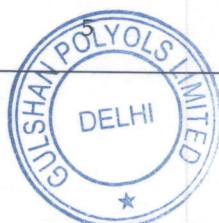


- a. An employee who is a Promoter or belongs to the Promoter Group; and

A Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% (Ten percent) of the outstanding equity shares of the Company, shall not be eligible to participate in the GPL ESOP 2018.

An Employee *shall continue* to be an Employee *during the period of* (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent or any Subsidiary.

- **"Employee Stock Option" or "Option"** means the option/shares granted to an Employee, which gives such Employee the right to purchase or subscribe at a future date the shares underlying the option at a pre-determined price.
- **"Exercise"** means making of an application or showing interest by the employee to the Trust or Company as applicable for transfer of shares against the option vested in him/her in terms of GPL ESOP 2018.
- **"Exercise Period"** means such time period after vesting within which the Employee may exercise his/her right to apply for shares against the vested option the options vested in him in pursuance of GPL ESOP 2018.
- **"Exercise Price"** means the price payable by an Employee for exercising the Option granted to him in pursuance of GPL ESOP 2018.
- **"Grant"** means issue of Options to the Employees under GPL ESOP 2018.
- **"Independent Director"** shall have the same meaning assigned to it under section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), 2015 (Listing Regulations).
- **"Option Grantee"** means an Employee having a right but not an obligation to exercise a Stock Option in pursuance of GPL ESOP 2018.



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- **"Permanent Incapacity"** means any disability of whatsoever nature - be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Committee based on a certificate of a medical expert identify by such Committee.
- **"Promoter"** shall have the same meaning 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 assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018..
- **"Recognized Stock Exchange"** means a stock exchange on which securities of Company are listed i.e. BSE Limited and National Stock Exchange of India Limited and will include any other Stock Exchange in India on which the Company's Shares are to be listed.
- **"Register"** means the Register of Option Grantees maintained by the Company.
- **"Retirement"** means retirement as per the rules of the Company.
- **"Secondary acquisition"** means acquisition of existing shares of the company by the trust i.e. "GPL Employee Welfare Trust" on the platform of a recognised stock exchange for cash consideration.
- **"Scheme / Plan / GPL ESOP 2018"** means this Employee Stock Option Plan 2018 under which the Company is authorized to grant Stock Options to the Employees.
- **"SEBI Act"** means the Securities & Exchange Board of India Act, 1992 as amended from time to time, and includes all regulations and clarifications issued there under.
- **"SEBI or ESOP Regulations"** means the SEBI (Share Based Employee Benefits) Regulation, 2014, as amended from time to time and includes all regulations, amendments and clarifications issued there under.



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- **"Shares"** means equity shares of the Company arising out of the exercise of Stock Options granted under the GPL ESOP 2018.
- **"Trust"** means a trust established under the provisions of the Indian Trust Act, 1882 including any statutory modification or re-enactment thereof, for implementing the GPL ESOP 2018. The scheme shall be implemented and administered by the "Employee Welfare Trust" of the company. The Company may provide financial assistance to the said Trust for this purpose subject to the overall limits specified under the Applicable Laws, if any.
- **"Vesting"** means the process by which the employee is given the right to apply for shares of the Company against the options granted to him in pursuance of the GPL ESOP 2018.
- **"Vesting Period"** means the period during which the Employee Stock Option granted shall vest in the Employee, in pursuance of the GPL ESOP 2018 takes place.
- **"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.
- **"Unvested Option"** means an Option in respect of which the vesting period has not lapsed and relevant Vesting conditions have not been satisfied and as such, the Option Grantee has not become eligible to exercise the Option.

Words and expressions used and not defined in these regulations but defined in the SEBI Act, the Securities Contracts (Regulation) Act, 1956, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Companies Act, 2013 or any other regulation and other applicable laws, if any including any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislations.

## 2.2 Interpretation

In this Plan, unless the contrary intention appears:

- The clause headings are inserted for ease of reference only and are not intended to be part of or to effect the meaning or interpretation;





- ii. A reference to a clause number includes a reference to its sub-clauses;
- iii. Words in singular include the plural and vice versa;
- iv. Words importing a gender include the other gender;
- v. A reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

### **3. Authority and Ceiling**

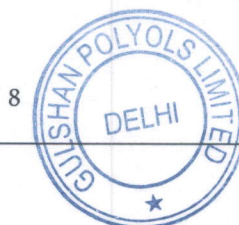
3.1 A Special Resolution passed by the shareholders of the Company on September 29, 2018 authorizing the Board / Committee to grant **23,45,851** Employee Stock Options to Employees. Each option is exercisable for one (1) equity share or security convertible to one (1) equity share of face value of Rs. 1/- each fully paid up on payment to the Company for such shares at a price to be determined in accordance with GPL ESOP 2018 by the Committee of the Company.

3.2 The maximum number of options/shares to be granted to the Employees under the GPL ESOP 2018 shall not exceed 5% options of the issued equity share capital of the Company i.e. 23,45,851 equity shares of the present capital. Each option when exercised would be converted into one Equity Share of Re.1/- each fully paid up..

In case of any corporate action such as right issue, bonus issue, corporate restructuring, other issues, reduction of share capital, buy back of shares, split or consolidation of shares of the Company or like events, the above limit shall be calculated with reference to adjusted capital and number of Equity Shares to be acquired/ granted shall be adjusted accordingly.

3.3 Maximum number of options to be issued per employee and in aggregate: The maximum number of Options that can be granted to any eligible employee during any one-year shall not equal or exceed 1% of the issued capital of the Company at the time of grant of options unless otherwise approved by the shareholders.

3.4 The Maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the Market Price of the shares as on the date of sale of shares arising out of Exercise of options.



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3.5 If an Employee Stock Option expires or becomes unexercisable without having been exercised in full, such options, which were subject thereto, would be available to the Committee for being re-granted at a future date.

3.6 Where Shares are issued/transferred consequent upon exercise of an Employee Stock Option under the GPL ESOP 2018 the upper limit on the number of Shares referred to in Clause 3.1 above will stand reduced to the extent of such Shares issued/ transferred.

**4. Administration**

4.1 The shareholders of Company have given their approval on September 29, 2018 for creation of an "Employee Welfare Trust" through which the GPL ESOP 2018 is being implemented.

4.2 The GPL ESOP 2018 shall be implemented and administered by the "Employee Welfare Trust" of the Company. All questions of interpretation of the GPL ESOP 2018 or any Employee Stock Option shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the GPL ESOP 2018. The scheme will be implemented via Trust Route which will acquire Equity Shares of the Company by both the ways either by fresh allotment from the company or by Secondary market acquisitions for the purpose of extending the benefits of the scheme to the employees. The scheme may also involve cashless exercise of options, as may be decided by the Committee.

4.3 In case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger or other re-organisation, if any, additional Equity Shares are required to be issued by the Company to the shareholders, the maximum number of Equity Shares to be acquired by the Trust from the secondary market in any financial year as well as the maximum number of Equity Shares acquired from the secondary market and held by the Trust at any point of time, as aforesaid, shall be increased in the same proportion as the number of such additional Equity Shares issued bears to the number of Equity Shares outstanding immediately prior to such issue.

4.4 The particulars of the Trustee or employees in whose favour such shares are to be registered: It is contemplated that one or more of the designated Trustees shall acquire and deal in the shares of the Company. The Trustees shall transfer the shares in favour of the employees on exercise of the Options after ensuring realisation of exercise price and applicable income tax.



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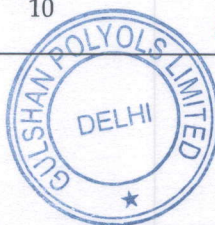


4.5 The Committee shall in accordance with this Plan and Applicable Laws determine, including but not limited to, the following for each grant:

- i. The quantum of the Employee Stock Options under the GPL ESOP 2018 to each Employee, subject to the ceiling as specified in Para 3 Clause 3.2 & 3.3.
- ii. The Eligibility Criteria, as specified in Para 5.
- iii. The exercise price or pricing formula, as specified in Para 7 Clause 7.1.
- iv. The exercise period, as specified in Para 7.
- v. The vesting period of the Employee Stock Options under the GPL ESOP 2018 to each Employee, subject to the conditions as specified in Para 6.
- vi. The value of options will be determined as per the ESOP Regulations read with terms and conditions as decided and approved by shareholders as per the applicable laws and regulations.
- vii. Time periods within which an employee shall exercise the vested options in the event of termination or resignation of an employee. The Committee may specify the conditions under which options vested in employees may lapse in case of termination of employment for misconduct or otherwise.
- viii. Right of an eligible employee to exercise all options vested in him at one time or at various points of time within the exercise period.
- ix. The procedure for making a fair and reasonable adjustment to the number of options and / or exercise price in case of a corporate action such as stock split / consolidation, rights issues, bonus issues, merger, sale of division and others, to ensure that the option holders are compensated appropriately in case of any diminution in the value of their stock options as a result of such corporate action, in accordance with the SEBI Regulation.

4.6 The Committee shall also:

- i. Frame suitable policies and systems to ensure that there is no violation of (a) Securities and Exchange Board of India (Insider Trading) Regulations, 2015 and (b) Securities and Exchange Board of



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India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995, by any Employee or any other SEBI Laws, as and if applicable.

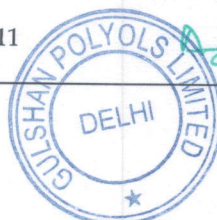
- ii. Approve forms, writings and/or agreements for use in pursuance of the GPL ESOP 2018.
- iii. Frame any other byelaws, rules or procedures as it may deem fit for administering GPL ESOP 2018.
- iv. Ensure following of the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.
- v. Comply with the disclosures, the accounting policies and accounting standards and other requirements as may be prescribed under the Companies Act, 2013 and rules made there under and other applicable Laws from time to time.

## 5. **Eligibility and Applicability**

- 5.1 Only Employees are eligible for being granted Employee Stock Options under GPL ESOP 2018. The specific Employees to whom the Options would be granted and their eligibility would be determined by the Committee.
- 5.2 The process for determining the eligibility of the employees will be based on designation, period of service, band, performance linked parameters such as work performance and such other criteria as may be determined by the Committee at its sole discretion, from time to time.
- 5.3 The Plan shall be applicable to the employees of the Company, subsidiary companies in India and abroad or its holding company as may be applicable or decide and approved by the Committee.

## 6. **Vesting**

- 6.1 The 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 condition that Vesting of options shall





commence after a period of minimum one (1) year from the date of grant. The options granted shall vest so long as an employee continues to be in the employment of the Company. No options would vest in case the employee has resigned

- 6.2 The vesting period shall be decided by the Committee from time to time but shall not be less than 1 year and not more than 5 years from the date of grant of options. Vesting may happen in one or more tranches.

**7. Exercise**

- 7.1 The Exercise Price and/or the pricing formula shall be the price payable by the employee for exercising the Options granted to him under the GPL ESOP 2018 as may be decided by the Committee from time to time, such price being not less than the existing face value of the share of the Company.
- 7.2 The Committee shall decide the exercise period from time to time which can be extended upto 5 years from the vesting date(s).

The Vested options shall be exercisable by the employees by a written application to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Committee from time to time.

- 7.3 The options shall lapse if not exercised within the specified exercise period. Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company or by online payment or in such other manner as the Nomination and Remuneration Committee may decide to enable cashless exercise of vested options.

**8. Other Terms and Conditions**

- 8.1 The Employee shall not have a right to receive any dividend or to vote or in any manner enjoy the rights and benefits of a shareholder (including rights to receive bonus or rights shares) in respect of Employee Stock Options granted, until Shares underlying such Employee Stock Options are issued/transferred on Exercise of such Employee Stock Option.
- 8.2 Employee Stock Option shall not be transferable to any person except in the event of death of the Option Grantee..





8.3 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner by the Option Grantee.

8.4 The lock in period, if any shall be determined by the Committee.

**9. Deduction of Tax**

9.1 All taxes / levies in respect of the Plan will be on to the Employee(s) account.

9.2 The Company shall have the right to deduct from the Employee's compensation and /or any other dues payable, any of the Employee's tax obligations arising in connection with the Employee Stock Option or the Shares acquired upon the Exercise thereof.

**10. Authority to vary terms**

The Board / Committee may, if it deems necessary, vary the terms of GPL ESOP 2018, subject to the SEBI Regulations and other Applicable Laws.

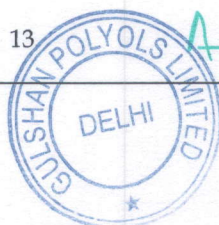
**11. Particulars in respect of the Trust**

11.1 An Irrevocable Trust is with the name i.e. Gulshan Polyols Limited Employees' Welfare Trust having its registered office at G -81, Preet Vihar, Delhi - 110092.

The Trustee(s) would be appointed by the Board and / or the Committee thereof in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI Regulations.

11.2 A person shall not be appointed as a trustee to hold such shares, if he is a director, key managerial personnel or promoter of the company or its subsidiary or associate company or any relative of such director, key managerial personnel or promoter; or (b) beneficially holds 10% (Ten percent) or more of the paid-up share capital of the Company.

11.3 It is contemplated that one or more of the designated Trustees shall acquire and deal in the shares of the Company. The Trustees shall transfer the shares in favour of the employees on exercise of the Options after ensuring realisation of exercise price and applicable income tax.



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11.4 The eligible employees shall be granted ESOPs under the Plan, which would vest subject to vesting conditions prescribed by the Committees. Upon exercise of vested stock options, the eligible employees will be entitled to equivalent number of equity shares of the Company, In case of cashless system of exercise of vested Options, the Committees shall specify such procedures and/or mechanisms for the entitlements under the plan and the same shall be binding on the Option grantees.

11.5 As per SEBI or ESOP Regulations, neither the Trust nor any of its Trustees shall exercise voting rights in respect of equity shares held in the name of Trust.

## 12. Miscellaneous

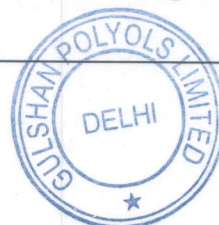
### 12.1 Government Regulations

This GPL ESOP 2018 shall be subject to all applicable Laws, and approvals from regulatory authorities. The Grant of options and the issuance/transfer of shares under this GPL ESOP 2018 shall also be subject to the Company requiring Employees to comply with all applicable Tax or other Laws.

12.2 The grant of an Employee Stock Option does not form part of the Option Grantee's entitlement to Compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person of the Company, give such person any right entitlement or expectation to have an Employee Stock Option granted to him in respect of any number of shares or any expectation that an Employee Stock Option might be granted to him whether subject to any condition or at all.

12.3 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Employee Stock Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Plan or any other employee stock option scheme that may be formulated by the Company, by being granted an Employee Stock Option on any other occasion.

12.4 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).



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12.5 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 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).

12.6 The Employee to whom the Plan will be applicable will also be bound by a code of conduct to be followed in respect of any Grant and related transactions under the Plan or any Code of Company on prevention of Insider Trading Regulations or any other code as may be applicable on employee. Any willful violation of the said code of conduct on the part of the Employee will result in the withdrawal/annulment of the relevant and/or all related transactions under the Plan.

### 13. **Notices**

All notices of communication required to be given by the Company to an Option Grantee by virtue of this GPL ESOP 2018 shall be in writing/ via email and shall be sent to the address/email address of the Option Grantee available in the records of the Company and any communication to be given by an Option Grantee to the Company/Trust in respect of GPL ESOP 2018 shall also be in writing.

### 14. **Governing Law and Jurisdiction**

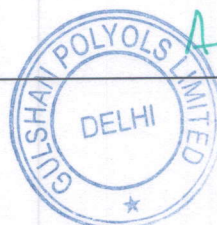
14.1 The terms and conditions of the GPL ESOP 2018 shall be governed by and construed in accordance with the laws of India.

14.2 The Courts of New Delhi, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this GPL ESOP 2018.

14.3 Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this GPL ESOP 2018:

(i) In any other court of competent jurisdiction; or

(ii) Concurrently in more than one jurisdiction.





**15. Income Tax Rules**

The applicable Income Tax Laws and Rules as in force in each country will be applicable.

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