

**CMS INFO ESOP 2023**

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

- 1.1** This Employee Stock Option Plan shall be called the ‘CMS Employees Stock Option Plan 2023’ (hereinafter referred to as “**CMS INFO ESOP 2023**”).
- 1.2** The objective of the Employees CMS INFO ESOP 2023 is to reward Employees for their association with the Company, to attract, retain, and motivate Employees to contribute to the growth and profitability of the Company.
- 1.3** The Employees CMS INFO ESOP 2023 has been approved by a special resolution passed on May 20, 2023 by the shareholders of the Company through Postal Ballot. CMS INFO ESOP 2023 shall be effective from this date (i.e. May 20, 2023) and shall continue to be in force until (i) its termination by the Board, or (ii) 10 years the date it is effective, whichever is earlier. Any such termination or expiry of this CMS INFO ESOP 2023 shall not affect the Grant, Vesting or Exercise of the Options already issued under this PSOP 2023.
- 1.4** Nomination and Remuneration Committee may, subject to compliance with Applicable Laws currently applicable to the Company and required approvals, if any, at any time alter, amend, suspend or terminate this CMS INFO ESOP 2023, save and except any alteration, amendment or suspension or termination which adversely effects any Employee in respect of any Options which have been granted under this CMS INFO ESOP 2023.

**2. Definitions**

- i. “**Abandonment**” shall mean discontinuation of employment by a Option Grantee without giving notice or without serving a period of notice as specified by the Company in terms of the Option Grantee’s employment letter /agreement;
- ii. “**Applicable Law**” means any prevailing Act, Rule or Regulation relating to Employee Stock Options, including and without limitation to the Companies Act, 2013, Securities and Exchange Board of India Act, 1992, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, Companies (Share Capital and Debenture) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (each as amended from time to time), 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.
- iii. “**Beneficiary**” or “**Nominee**” shall mean the person or persons, trust or trusts designated by the Employee, or in the absence of any designation by the Employee, a person or persons who is/ are entitled by the will or probate of the Employee to receive the benefits specified in this Plan, the legal heirs of the Employee, if the Employee dies intestate and includes the Employee’s executors or administrator, if no other Beneficiary is designated and able to act under the circumstances and such other persons as may be added from time to time to the class of beneficiaries by notice in writing and by the Nomination Form in the exercise of any powers conferred under this Plan or any other agreements forming part thereof;
- iv. “**Board**” means the Board of Directors of the Company.
- v. “**Companies Act**” means the Companies Act, 2013 read with rules made thereunder and includes any statutory modifications or reenactments

thereof.

- vi. **“Company”** means CMS Info Systems Limited a Company registered under the provisions of the Companies Act, 1956 having its registered office at T-151, 5th Floor, Tower No.10, Sector-11, railway station complex, CBD Belapur, Navi Mumbai- 400 614.
- vii. **“Company Policies/Terms of Employment”** means the Company’s policies for Employees and the terms of employment as contained in the Employment Letter and any other rules / bye-laws, policies issued from time to time, in accordance with the terms of the Employment Letter.
- viii. **“Compensation Committee” or “Committee”** means the Nomination and Remuneration Committee of the Board, provided under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, which shall administer the CMS INFO ESOP 2023 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.
- ix. **“Director”** shall have the same meaning as defined under section 2(34) of the Companies Act, 2013.
- x. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Compensation Committee for granting the Employee Stock Options to the Employees.
- 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;
  - (iii) an employee, as defined in sub-clauses (i) or (ii) above, of a group company including Subsidiary Company, or an associate company, in India or outside India or of a Holding Company of the Company;

**but excludes:**

- a. an employee who is a Promoter or a person belonging to the Promoter Group;
  - b. a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company;
- xii. **“Employee Stock Option”** means an option granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the Shares underlying the Option at a pre-determined price.

- xiii. **“CMS INFO ESOP 2023”** means the CMS Employee Stock Option Plan 2023 under which the Company is authorized to grant Employee Stock Options to the Employees.
- xiv. **“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, in pursuance of the CMS INFO ESOP 2023, in accordance with the procedure laid down by the Company for exercise of these Options.
- xv. **“Exercise Period”** means such period commencing after Vesting within which Vested Options should be exercised by an Option Grantee/Beneficiary/Nominee.
- xvi. **“Exercise Price”** means the price payable by an Option Grantee in order to exercise the Options granted to him in pursuance of the CMS INFO ESOP 2023.
- xvii. **“Grant”** means the process by which the Company issues Options to the Employees under the CMS INFO ESOP 2023.
- xviii. **“Grant Date”** shall mean the date on which the Options are approved and granted to the Employee by the Committee in pursuance of this Plan;
- xix. **“Holding Company”** means any present or future holding Company of the Company, as per the provisions of the Companies Act, 2013.
- xx. **“Independent Director”** shall have the same meaning assigned to it under the provisions of Companies Act, 2013 read together with the rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- xxi. **“Long Leave”** means a sanctioned leave in excess of 60 days without break. Long Leave shall also include Sabbatical Leave in full and Maternity Leave in excess of six months or as decided by the Company subject to minimum leaves as prescribed under any Applicable Law.
- xxii. **“Misconduct”** has the meaning as set out in the definition of “cause” in each Option Grantee’s Employment Letter; and in the absence of any such definition under the Option Grantee’s Employment Letter, misconduct shall mean (a) committing of any act of misconduct warranting summary termination under law (b) Finding by the Board of Directors that the Option Grantee has committed any material breach of terms and conditions of Option Grantee’s Employment Letter and Company’s policies.
- xxiii. **“Option”** means Employee Stock Option within the meaning of this CMS INFO ESOP 2023.
- xxiv. **“Option Grantee”** means an eligible Employee who has been granted an Employee Stock Option in pursuance of the CMS INFO ESOP 2023 and having a right but not an obligation to exercise the Options.
- xxv. **“Permanent Incapacity”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or

handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Board based on a certificate of a medical expert identified by the Board or in cases where this term has been referred to in the Employment Letter it shall have the meaning as set out in the Employment Letter.

- xxvi. **“Promoter”** means promoter as defined in Companies Act, 2013 and under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- xxvii. **“Promoter Group”** means promoter group as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- xxviii. **“Relative”** shall have the same meaning as defined under section 2(77) of the Companies Act.
- xxix. **“Retirement”** means retirement as per the rules of the Company.
- xxx. **“SEBI Regulations”** means Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 issued by the Securities and Exchange Board of India (“SEBI”) under the SEBI Act, 1992 as amended from time to time.
- xxxi. **“Shares”** means equity shares comprising in the paid-up equity share capital of the Company including those arising out of the exercise of Employee Stock Options granted under the CMS INFO ESOP 2023.
- xxxii. **“Shareholder”** means the registered holder of a Share in the share capital of the Company.
- xxxiii. **“Stock Exchange or Recognized stock exchange”** means the National Stock Exchange of India Limited, BSE Limited, or any other recognized Stock Exchanges in India on which the Company’s Shares are listed or to be listed in future and shall have the same meaning attributed to it under Section 2(j) of the Securities Contracts (Regulation) Act, 1956, as amended.
- xxxiv. **“Subsidiary Company”** means any present or future Subsidiary Company of the Company, as per the provisions of the Companies Act, 2013.
- xxxv. **“Tax” or “Taxes”** shall mean any income tax, perquisite tax, fringe benefits tax or any other taxes, or any levy or any contribution or any sums due (by whatever name it is called) imposed on the Company or on an Employee, with respect to the Grant, Vesting and/ or Exercise of the Options in pursuance of this Plan;
- xxxvi. **“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.
- xxxvii. **“Vesting”** means the process by which the Option Grantee is given the right to Exercise the Employee Stock Options granted to him in pursuance of the CMS INFO ESOP 2023.

- xxxviii. **“Vesting Condition”** means any condition subject to which the Options granted would vest in an Option Grantee.
- xxxix. **“Vesting Date”** shall mean the respective dates on and from which the Option Vests with the Employee/ Beneficiary/Nominee and thereby becomes exercisable in pursuance of this Plan and/or as set out in Grant Letter.
- xl. **“Vesting Period”** means the period during which the vesting of the Employee Stock Option granted to the Employee, in pursuance of the CMS INFO ESOP 2023 takes place.
- xli. **“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.

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Companies Act, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (read with applicable circulars, notifications etc.), as amended from time to time, the Securities Contracts (Regulation) Act, 1956, or the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any statutory modification or re-enactment thereof, as the case may be.

## 2.1 Interpretation

- i. In this CMS INFO ESOP 2023, 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;
  - e) any reference to any statute or statutory provision shall include:
    - all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated); and
    - such statute or provision as may be amended, modified, re-enacted or consolidated.
  - f) headings and captions are used for convenience only and shall not affect the interpretation of this Plan;
  - g) references to Recitals, Clauses, sub-Clauses and Appendices shall be deemed to be a reference to the recitals, clauses, sub-clauses and schedules/ appendices of this Plan;
  - h) reference to a Clause number shall also include reference to all its sub-Clauses;
- ii. In the event of any inconsistency between the provisions of this Plan and the provisions of the employment offer letter or employment agreement of the Employee, the provisions of this Plan shall prevail.
- iii. In the event of any inconsistency between the provisions of this Plan and the Articles of Association, then the provisions of the Articles of Association shall

prevail and be deemed to have been incorporated herein by reference.

- iv. In the event of any inconsistency between the provisions of this Plan and the SEBI Regulations, then the provisions of SEBI Regulations shall prevail and be deemed to have been incorporated herein by reference.

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

**3.1** The Shareholders in their meeting held on May 20, 2023 have by way of a special resolution authorized the Board to Grant 10,075,000 (Ten Million Seventy Five Thousand) Options to the Employees under CMS INFO ESOP 2023, exercisable into not more than 10,075,000 (Ten Million Seventy Five Thousand) fully paid-up equity Shares in the Company of a face value of Rs.10 each, with each such Option conferring a right upon the Employee to apply for one Share of the Company, in accordance with the terms and conditions of such issue and subject to the provisions of CMS INFO ESOP 2023.

**3.2** The number of Options that may be granted to any specific Employee in one or more tranches shall not exceed equal to or exceeding one per cent. of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant of option except with prior permission of the Shareholders through special resolution.

**3.3** If an Employee Stock Option expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the pool as mentioned in Sub-clause 3.1 and shall become available for future Grants, subject to compliance with all Applicable Laws.

**3.4** Where Shares are issued consequent upon exercise of an Employee Stock Option under the CMS INFO ESOP 2023, the maximum number of Shares that can be issued under CMS INFO ESOP 2023 as referred to in Clause 3.1 above shall stand reduced to the extent of such Shares issued.

### **4. Administration**

**4.1** The CMS INFO ESOP 2023 shall be administered by the Compensation Committee working under the powers delegated by the Board of the Company. The Committee is authorized to, interpret, administer this Plan, to establish, amend and rescind any rules and regulations relating to this Plan, and to make any other determinations that it deems necessary or desirable for the administration and implementation of this Plan subject to approval of the Shareholders as may be required. The Committee may correct any defect, omission or reconcile any inconsistency in this Plan in the manner and to the extent the Committee deems necessary or desirable and to resolve any difficulty in relation to implementation of this Plan and take any action which the Board is entitled to take in relation thereto. No member of the Committee may act upon matters under this Plan specifically relating to such member of the Committee.

**4.2** All questions of interpretation of CMS INFO ESOP 2023 shall be determined by the Compensation Committee.

**4.3** The Compensation Committee shall in accordance with this CMS INFO ESOP 2023 and Applicable Laws determine the following:

- (a) The quantum of Employee Stock Options to be granted to an Employee under CMS INFO ESOP 2023, subject to the Ceiling as specified in Sub-clauses 3.1 and 3.2;
- (b) The Eligibility Criteria subject to which an Employee would become entitled to be granted options under the CMS INFO ESOP 2023;
- (c) The conditions under which the Employee Stock Option vested in Employees may lapse in case of termination of employment for Misconduct;
- (d) Exercise Period;
- (e) The procedure for making a fair and reasonable adjustment to the number of Employee Stock Options and/or to the Exercise Price in case of a corporate action such as rights issues, bonus issues, merger, sale of division and others. In this regard the following shall be taken into consideration by the Board:
  - i. the number and / or the Exercise Price of the Employee Stock Options shall be adjusted in a manner such that the total value of Options remains the same before and after such corporate action;
  - ii. the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Option Grantee
- (f) The procedure and terms for Grant, Vesting and Exercise of Employee Stock Option in case of Employees who are on long leave;
- (g) The procedure for cashless Exercise of Employee Stock Options, if required;
- (h) Approve forms, writings and/or agreements for use in pursuance of CMS INFO ESOP 2023.
- (i) Frame any other byelaws, rules or procedures as it may deem fit for administering CMS INFO ESOP 2023.
- (j) Determine the specified time period within which Employees shall exercise the vested Options in the event of termination or resignation;
- (k) Determine the procedure for buy-back of specified securities (as defined under Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018) issued under the 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 a financial year.
- (l) Decide all other matters that must be determined in connection with an Option under the CMS INFO ESOP 2023.

- 4.4** The Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company and its Employees.

## **5. Eligibility and Applicability**

- 5.1** Only Employees are eligible for being granted Employee Stock Options under CMS INFO ESOP 2023. The Eligibility Criteria for any particular Grant and the specific eligible Employees to whom the Options would be granted shall be determined by the Compensation Committee as per their discretion from time to time.

The CMS INFO ESOP 2023 shall be applicable to the Company, its Subsidiary in or outside India, and its Holding Company if any, and any successor Company thereof and may be granted to the Employees of the Company, or of its Subsidiary Company(ies), or its Holding Company, as determined by the Board at its sole discretion.

## **6. Grant and Acceptance of Grant**

### **6.1 Grant of Options**

- i. Grants contemplated under the Plan shall be made on such day and month as decided by the Committee at its discretion.
- ii. The Grant of the Options by the Company to the Grantee shall be made in writing or through any other electronic medium identified by the Company and communicated to the Grantee by a Letter of Grant (hereinafter referred to as “Grant Letter”). The Grant Letter shall specify the details of the Grant date, number of Options, the Vesting Period, schedule of Vesting, conditions for Vesting, the Exercise Price, Exercise Period and any other terms and conditions that the Committee may deem necessary.
- iii. Except for in case of Death of an Employee, a Grant made under this Clause is personal to the Option Grantee and cannot be transferred in any manner whatsoever.

### **6.2 Acceptance of the Grant**

- i. Any eligible Employee who wishes to accept the Grant made under this Plan must deliver to the Company an acceptance of the Grant Letter within 60 days from the date of the Grant, in a manner as specified in the Grant Letter. On receipt by the Company of the acceptance, the eligible Employee will become an Option Grantee.
- ii. Any eligible Employee, who fails to deliver the signed acceptance of the Grant Letter within the time stated above, shall be deemed to have rejected the Grant unless the Committee determines otherwise.

## **7. Vesting Schedule and Vesting Conditions**

**7.1** Subject to Clause 8.2(b) of the Plan, the minimum Vesting period shall be one year from the date of grant.

Provided that in case where Options are granted by the Company under this Plan in lieu of options held by a person under a similar Plan in another company (“Transferor Company”) which has merged or amalgamated with the Company, the period during which the options granted by the Transferor Company were held by him may be adjusted against the minimum Vesting Period required under this Sub-clause.

**7.2** 2 Unless otherwise specified in Grant Letter, the total Options granted shall become Eligible to Vest as per below vesting schedule:

**Vesting Schedule:**

<b>Dates of Vesting</b>	<b>Options to vest</b>
12 months from the date of grant	25 % of Options granted (50% on time basis and 50% on performance)
21 months from the date of grant	25 % of Options granted (50% on time basis and 50% on performance)
33 months from the date of grant	25 % of Options granted (50% on time basis and 50% on performance)
45 months from the date of grant	25 % of Options granted (50% on time basis and 50% on performance)

**7.3** The Options Shall Vest on the basis of continued employment of the Option Grantee in the Company and performance parameters as specified by the Committee and shall be as set out in each Option Grantee’s Grant Letter.

The Committee may specific different performance parameters for each Option Grantee or Group of Option Grantees. The weightages of the performance parameters will be decided by the Committee and will be communicated to Grantee through Grant Letter. Further, for the purpose of determining vesting of any tranche, the performance achievement vis-à-vis target for the immediately preceding financial year may be considered.

The Committee may add or replace the above with any other performance parameter aligned to long term shareholder value creation and employee incentivization, from time to time. Further, the Committee may adjust the targets set for the above parameters in accordance with the business requirements provided that such adjustments are not averse to the Employee.

**7.4** For the purpose of determining number of options to vest in any given tranche, fractional Options may be rounded off to nearest whole number. Such rounding off may be offsetted in the last vesting such that total number of options to vest doesn’t exceed number of options granted.

**7.5** Options which do not Vest on Vesting Date (including in respect of extensions of such Vesting Date as may be set out in the respective Grant Letters) on account of

non-fulfilment of performance target, if any, shall automatically lapse, without any obligations whatsoever on the Company (including the Board or Committee) and no rights in that regard will accrue to the Employee after such date, unless otherwise decided by the Committee or as may be provided for in the Grant Letter. Subject to the aforesaid sentences of this clause, such Unvested Options shall revert to the CMS INFO ESOP 2023 pool and may be granted at the discretion of the Board or Committee to any other eligible Employee.

**7.6** Subject to Applicable Laws, and unless the Committee decides otherwise, no Options shall vest in an Employee, if such Employee carries on or engages in, directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, any business which competes directly or indirectly with the whole or any part of the business carried on by the Company or any activity related to the business carried on by the Company, other than as set under each Option Grantee's Employment Agreement. For the sake of clarity, the restriction contained in this Clause shall not apply to any investment held as a portfolio by the Employee or any activity/ business carried out by the Employee pursuant to his duties as an Employee and shall not apply to the Nominee/Beneficiary of the Employee or as may be permitted under each Option Grantee's Employment Agreement.

**7.7 Vesting of Options in case of Employees on Long Leave**

The period of 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 Committee.

**8. Exercise**

**8.1 Exercise Price**

- (a) The Exercise Price shall be such price as determined by the Compensation Committee and be set out in each Grant Letter in accordance with applicable regulations of the SEBI:
- (b) The exercise price determined by the Compensation Committee which shall be lower of:
  - i. Market price of the Shares of the Company immediately prior to the Grant Date or the Weighted Average Price of last three months trading price whichever is lower; OR
  - ii. discounted market price with discount not exceeding 10% of the market price of the Shares of the Company immediately prior to the Grant Date, subject to minimum exercise price of INR 300/- per option.
- (c) The market price for the purposes of the above clause shall be the closing market price on the date immediately prior to the date when the Committee finalizes the number of options to be granted, on a Stock Exchange where the highest trading volume is registered.
- (d) The Exercise Price shall be provided in the Grant Letter.
- (e) Payment of the Exercise Price shall be made by a crossed cheque or a

demand draft drawn in favour of the Company or in such other manner as the Compensation Committee may decide from time to time.

**8.2 Exercise of Options:**

**(a) Exercise while in employment:**

Vested Options can be exercised within Three (3) years from the respective Vesting Date or as may be set out in the Grant Letter. The Options granted may be exercised by the Option Grantee at one time or at various points of time within the Exercise Period.

**(b) Exercise in case of Separation:**

The Vested Options can be exercised by the Option Grantee as per provisions given below:

S. No.	Events of Separation	Vested Options	Unvested Options
1	<b>Resignation / Separation (other than due to misconduct or Cause defined in option grantee's employment letter)</b>	In case of resignation/ separation all Vested Options as on the date of separation can be exercised by the Option Grantee within a period of one year from the date of separation or original exercise period, whichever is earlier.	All Unvested Options as on date of separation shall stand cancelled/lapsed with effect from date of submission of such resignation.
2	<b>Termination due to Misconduct</b>	Where the Option Grantee is entitled to all payments arising from accrued dues/payments/ amounts due in case of termination by or for cause under the Option Grantee's Employment Letter, all Vested Options at the time of such termination may be exercised by the Option Grantee within a period of one year from the date termination or original exercise period, whichever is earlier. Where the Option Grantee's Employment Letter does not contain any entitlement for payments arising from payments arising from accrued dues/payments/amounts due upon a termination by or for cause, all the Vested Options which have not been Exercised at the time of such termination shall stand cancelled with effect from date of such termination.	All the Unvested Options at the time of such termination shall stand cancelled / lapsed with effect from the date of such termination.
3	<b>Retirement</b>	In case of retirement all Vested Options as on the date of	All the Unvested Options will remain unaffected and

		retirement can be exercised by the Option Grantee within a period of one year from the date of retirement or original exercise period, whichever is earlier.	would continue to vest according to the vesting schedules and in accordance with the performance conditions, if any
4	<b>Death</b>	In case of death of Option Grantee, all the Vested Options as on date of death can be exercised by the deceased Option Grantee's legal heir/nominee during the Exercise Period.	All Unvested Options as on date of death shall deemed to vest and may be exercised by the Option Grantee's legal heir/ nominee during the Exercise Period.
5	<b>Permanent Incapacity/Disability</b>	In case of separation due to permanent incapacity, all the Vested Options as on date of permanent incapacitation can be exercised by the Option Grantee during the Exercise Period.	All the Unvested Options as on date of such termination shall deemed to vest and may be exercised by the Option Grantee during the Exercise Period.
6	<b>Abandonment</b> *	All Vested Options shall stand cancelled.	All Unvested Options shall stand cancelled.

\* The Compensation Committee at its sole discretion shall decide the date of cancellation of Options and such decision shall be binding on all concerned.

**8.3** The Options not Exercised within the Exercise Period shall lapse without any obligations whatsoever on the Company (including the Board or Committee) and no rights in that regard will accrue to the Employee after such date. Such Unvested Options shall revert to the CMS INFO ESOP 2023 pool and may be granted at the discretion of the Board or Committee to any other eligible Employee

**8.4 Procedure of Exercise**

- a) Any Option granted hereunder will be exercisable according to the terms of the CMS INFO ESOP 2023 and at such times and under such other conditions as determined by the Compensation Committee and set forth in the Grant letter. An Option may not be exercised for a fraction of a Share.
- b) An Option shall be deemed to be exercised when the Company receives: (i) written or electronic notice of Exercise (in accordance with the Grant Letter) from the person entitled to Exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised. Full payment may consist of any consideration and method of payment authorized by the Compensation Committee and permitted by the Grant Letter and the CMS INFO ESOP 2023. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued.

**9. Lock-in**

The Shares arising out of exercise of Vested Options shall not be subject to any lock-in restriction except such restrictions as may be imposed pursuant to requirements under the Applicable Laws.

**Provided** that the transferability of the Equity Shares shall be subject to the restriction for such period in terms of the Securities and 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 as and when such Regulations are made applicable to the Company.

**10. Restriction on transfer of Options**

**10.1** The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

**10.2** Employee Stock Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case clause 8.2(b) would apply.

**10.3** No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option except in the event of the death of the Option Grantee holder, in which case clause 8.2(b) would apply.

**11. Corporate Action**

**11.1** In case of Corporate Action, including but not limited to Share split, merger, demerger, sale of division, consolidation, rights issues, bonus issues and other corporate actions, the Committee in accordance with applicable Laws shall ensure while taking into consideration the global best practices in this area that adjustment to Exercise Price, Number of options granted, accelerated vesting, Adjustment of Vesting Conditions, etc, shall be appropriately made without prejudice to the interest of the Employee. The decision of the Board / Committee on whether such action is necessary and the extent of such action by the Board shall be final and binding.

**11.2** In case of a Share split or consolidation, if the revised face value of the Share is less or more than the current face value as prevailing on the date of coming into force of this Plan, the maximum number of Options available for being granted under CMS INFO ESOP 2023 as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (no. of Options X face value per underlying Share) prior to such Share split or consolidation remains unchanged after adjusting for such Share split or consolidation.

**11.3** The Committee may determine the procedure for making fair and reasonable adjustments to the number of Options and the terms and Conditions of this Plan in case of corporate actions such as further capitalization, mergers, sale of division and others (so as to ensure the economic value of the benefits granted are not materially altered by either the corporate action, or the adjustment required as a result of the corporate action).

**12. Beneficiary/Nominee Designation**

**12.1** Each Employee under this Plan may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit accrued to such Employee under this Plan is to be delivered in case of his or her death before he or she receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Employee, shall be in a form prescribed by the Company and will be effective only when filed by the Employee in writing with the Company during the Employee's lifetime.

**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 enjoy the benefits of a shareholder in respect of Employee Stock Options granted, till Shares underlying such Employee Stock Options are allotted 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.

**14. Deduction/Recovery of Tax**

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

**15. Accounting and Disclosures**

**15.1** Accounting

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

**15.2** Disclosure

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

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

**16. Authority to vary terms**

For the purpose of efficient implementation and administration of the CMS INFO ESOP 2023, the Board/ Compensation Committee, subject to a special resolution passed by the shareholders at a General meeting or through postal ballot revise any of the terms and conditions in respect of existing or any new grant of Options in accordance with Applicable Laws, provided that no variation or change which is adverse to the Employee is permitted in respect of Options which have been granted.

## **17. Miscellaneous**

### **17.1 Government Regulations**

This CMS INFO ESOP 2023 shall be subject to all Applicable Laws, and approvals from government authorities. The Grant and the allotment of Shares under this CMS INFO ESOP 2023 shall also be subject to the Company requiring Employees to comply with all Applicable Laws.

### **17.2 Inability to obtain authority**

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

**17.3** Neither the existence of this CMS INFO ESOP 2023 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 CMS INFO ESOP 2023 by being granted an Employee Stock Option on any other occasion.

**17.4** 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 unfair).

**17.5** In the event that an Option Grantee is transferred or deputed to any Holding Company or Subsidiary Company or associate company prior to Vesting or Exercise, the Vesting and/or Exercise as per the terms of Grant shall continue in case of such transferred or deputed Option Grantee even after the transfer or deputation.

**17.6** In the event that an Option Grantee is transferred pursuant to a scheme of arrangement, amalgamation, merger or demerger or continued in the Company, prior to 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 Option Grantee.

**17.7** The Option Grantee shall comply with the provisions of 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 Securities Market) Regulations 2003, to the extent applicable, or other applicable regulations notified in accordance with Applicable Laws as well as any code of conduct or such similar policy procedure or system formulated or adopted by the Board and communicated to the Grantee from time to time. Any violation of the Applicable Laws or code of conduct may result in cancellation of all Vested and Unvested Options as well as subject the Grantee to disciplinary action at the discretion of the Company.

## **18. Notices**

**18.1** All notices of communication required to be given by the Company to an Option Grantee by virtue of this CMS INFO ESOP 2023 shall be in writing or in any other means of electronic

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

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

**18.2** All notices of communication to be given by an Option Grantee to the Company in respect of CMS INFO ESOP 2023 shall be sent to the address mentioned below:

Designation : Director, People & Culture  
Address : CMS Info Systems Limited  
T-151, 5th Floor, Tower No.10, Sector 11,  
Railway station complex, CBD Belapur, Navi Mumbai- 400614.

## **19. Governing Law and Jurisdiction**

**19.1** The terms and conditions of the CMS INFO ESOP 2023 shall be governed by and construed in accordance with the laws of India.

**19.2** The Courts in Mumbai, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this CMS INFO ESOP 2023.

**19.3** In the event of a dispute arising out of or in relation to the provisions of this Plan or any communication in relation thereto (including a dispute relating to the Construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such disputes through an amicable settlement. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after a reasonable attempt, which attempt shall continue for not more than 90 days, gives 90 days' notice thereof to the other party in writing. In case of such failure, either party may refer the dispute to a single arbitrator appointed by both the parties and failing such agreement, to three arbitrators, one to be appointed by each party and the third arbitrator to be jointly appointed by the two arbitrators appointed by the parties. The arbitration proceedings shall be held in Mumbai under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator shall give a reasoned award in writing. The arbitrator shall also decide on the costs of the arbitration proceedings.

## **20. Income Tax Rules**

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

## **21. Severability**

**21.1** In the event any one or more of the provisions contained in this CMS INFO ESOP 2023 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 CMS INFO ESOP 2023, but CMS INFO ESOP 2023 shall be construed as if such invalid, illegal, or

unenforceable provision had never been set forth herein, and the CMS INFO ESOP 2023 shall be carried out as nearly as possible according to its original intent and terms.

**24. Confidentiality**

**24.1** An Option Grantee must keep the details of the CMS INFO ESOP 2023 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 confidentiality Clause, the Company has undisputed right to terminate any agreement and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this confidentiality Clause shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this clause, the Board shall have the authority to deal with such cases as it may deem fit.

**24.2** 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 CMS INFO ESOP 2023 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.

This **CMS INFO ESOP 2023** as approved by the shareholders of the company on May 20, 2023 through postal ballot

For and on behalf of  
CMS Info Systems Limited



Company Secretary & Compliance officer  
Memb. No. FCS 6495  
Date: May 22, 2023