REDEFINING HEARING CARE

Employee Stock Option Scheme 2025

EARKART LIMITED

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1. **Name and objective of the ESOP Scheme**

   1.1. This Employees' Stock Option Scheme shall be called the "**Earkart Limited - ESOP Scheme 2025 – Amended 2026"** ("**ESOP Scheme** " or "**Scheme**")

   1.2. The primary objectives of the Scheme is to reward the Employees *(defined below)* for their association, dedication and contribution to the goals of the Company. The Company intends to use this Scheme to attract and retain the key talents by rewarding the employee performance and motivating them to contribute to the overall corporate growth and profitability. The Company views employee stock option scheme as a long-term incentive tool that would assist in aligning Employees interest with that of the shareholders and incentives the Employees and also to create wealth out of such co-ownership in future of Earkart Limited ["the Company"] (including Subsidiary Companies/ Associate Companies/ Group Companies, if any).

   1.3. The Shareholders of the Company have approved this stock option Scheme namely "ESOP Scheme ".

   1.4. The ESOP Scheme is established with effect from **1st August 2025 ("Effective Date")** and shall continue in force until earlier of (i) its termination by the Board/Nomination and Remuneration Committee in due compliance with the provisions of Applicable Laws or (ii) the date on which all of the Stock Options available for Grant under the ESOP Scheme have been granted and Exercised.

   1.5. Notwithstanding anything contained herein, the **ESOP Scheme** shall be subject to all the Applicable Laws and the respective Articles of Association of the Company, which may be amended from time to time **("AoA")** and any agreements that the Company may execute.

   1.6. The Board may at any time, at its own discretion, subject to shareholder's approval, in compliance with Applicable Law (as defined hereinafter), the Articles of Association of the Company and the Shareholders' Agreement, alter, amend, suspend or terminate this Scheme provided that such amendments or termination is not detrimental to the interests of Option Grantees (as defined hereinafter).

2. **Definitions and interpretation**

2.1. **Definitions:** As used in the ESOP Scheme, the terms and expressions when used with the first letter capitalized shall, unless the context otherwise requires, have the meanings assigned to them under Schedule 1. All capitalized items not defined in the said Schedule shall have the meanings assigned to them in the other parts of the ESOP Scheme , when defined by use in bold letters enclosed within quotes (“”).

2.2. **Interpretation:** The rules of interpretation set out in Schedule 1 shall apply to the ESOP Scheme unless the context requires otherwise or is expressly specified otherwise. All questions relating to the interpretation of this ESOP Scheme shall be determined by the Nomination & Remuneration Committee, subject to the terms of the AoA and such determination by the NRC Committee shall be final and binding upon all interested parties under this ESOP Scheme or to whom Options have been Granted under the ESOP Scheme. In the event of any conflict between the terms of this ESOP Scheme and those of the AoA, the terms of the AoA shall prevail over this ESOP Scheme .

2A. **Scope of the Scheme**

2A.1. (i) By way of shareholders’ resolution dated 21 April 2025, the Company approved and adopted Earkart Limited - ESOP Scheme 2025 – Amended 2026 for issuance of 6,26,336 (Six Lakh Twenty-Six Thousand and Three Hundred and Thirty Six) equity share to Employees.

(ii) Further, the shareholders through the special resolution dated 15th July’ 2026 approved (a) amendment of the Earkart Limited – ESOP Scheme 2025 – Amended 2026 for creation of a pool of 8,25,236 (Eight Lakh Twenty-Five Thousand Two Hundred Thirty-Six) equity shares to Employees.

3. **Nomination & Remuneration Committee**

3.1. Notwithstanding anything to the contrary

3.2. The ESOP Scheme shall be administered by the Nomination & Remuneration Committee (“NRC” or “Compensation Committee”), constituted by the Board of Directors of the Company in accordance with Section 178 of the Companies Act, 2013. Post Listing, the Compensation Committee shall be constituted as required under Section 178 of the

Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015, as amended from time to time. All questions of interpretation of the Scheme or any Option shall be determined by the Compensation Committee and whose determination shall be final and binding upon all persons having an interest in the Scheme or such Option.

3.3. Powers including in relation to issuing shares or otherwise making allocations and grants to any Employee (on such terms and conditions as imposed by the Nomination & Remuneration Committee),

3.4. Any delegation of power and/or authority by the Nomination & Remuneration Committee shall always remain subject to the Board's power to amend, suspend, limit or revoke such power and/or authority.

3.5. Nomination & Remuneration committee will determine the class of employee who will get the ESOP Scheme Benefit.

4. Powers of Nomination & Remuneration Committee

4.1. The Nomination & Remuneration Committee shall be entitled to make such rules and regulations and establish such procedures for the administration of the ESOP Scheme, as it may deem appropriate.

4.2. In relation to (i) any dispute or disagreement regarding the interpretation of this ESOP Scheme , (ii) the implementation of any rule, regulation or procedure made under this ESOP Scheme , or (iii) any question, right or obligation arising from or related to this ESOP Scheme , the decision of the Compensation shall be final and binding upon all persons. The Nomination & Remuneration Committee may, from time to time, delegate any of the powers and authorities conferred on it hereby, to an officer of the Company.

4.3. Subject to Applicable Laws and other provisions of this ESOP Scheme. the Nomination & Remuneration shall have the authority to administer the ESOP Scheme, including but not limited to:

4.3.1. determine eligibility criteria for Grant of Options to Employees;

4.3.2. determine the quantum of the Options to be Granted to the Employees (individually and in aggregate) subject to the any ceiling limited as specified in Act or approved by Shareholders;

4.3.3. determine the Exercise Period and alter the same for any specific Option Grantee;

4.3.4. determine the Exercise Price, any discount to be provided and formula for arriving at the same, including the issuance of restricted stock units;
4.3.5. select the Employees who shall be Granted Options;
4.3.6. determine the terms and conditions of Grant of the Options;
4.3.7. make provision for the cashless Exercise of the Options;
4.3.8. authorize any secondary sale, buy back or any other liquidity related provisions in relation to the Options and the Exercised Shares subject to the stipulations under the AoAs;
4.3.9. prescribe the limits on the maximum number of Options that could be granted to a single Employee, including the maximum Grant in a specified period;
4.3.10. determine the conditions of lapse/expiry of the Granted Options;
4.3.11. provide exit options to the Option Grantee, on case-to-case basis, in respect of their Vested Options, by way of payment of cash compensation (which may or may not be deferred);
4.3.12. ascertain a lock-in period, if any, for Shares to be issued upon Exercise of the Options by the Option Grantee or relax/ remove such lock-in period on a plcase-to-case basis, subject always to compliance with the AoA;
4.3.13. determine the procedure for making fair and reasonable adjustments to the number of Options and/ or Exercise Price in case of any corporate action or any other reasons, as may be determined by the NRC, as specified in Applicable Laws. In this regard, the following shall, inter alia, be taken into consideration:
    (i) the number and Exercise Price of Options shall be adjusted in a manner that does not result in diminution of the value of such Options and that the total value remains the same after such Corporate Action; and
    (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 Grantees.
4.3.14. decide any other matter in connection with the successful and fair implementation of the ESOP Scheme .

4.3.15. The decision of the Nomination & Remuneration Committee shall be final and binding on the Employees.

4.3.16. The Nomination & Remuneration Committee will use the Evaluator's report (Evaluator who is selected by the Board) in accordance with the ESOP Scheme .

4.3.17. Shall have the authority to accelerate the vesting period of Options granted to existing employees, where deemed appropriate, subject to the provisions of this ESOP Scheme and Applicable Laws. Any such decision shall be made in a manner that is not detrimental to the interests of the Option Grantee and shall be documented in writing.

4.4. The Nomination & Remuneration Committee may choose to extend or reduce the Exercise Period, based on regulatory factors such as prevailing tax incentives or the financial inability of the Option Grantee to bear costs in relation to Exercise of the Options due to unforeseen circumstances or temporary liquidity restraints.

5. Granting of Options

5.1. Subject to of the Company and in accordance with this ESOP Scheme and Applicable Laws, the Company may Grant the Options, in one or more tranches, under this ESOP Scheme. It is hereby clarified that the Grant of the Options by the Company to an Employee shall not be deemed as guarantee for the employment with the Company.

5.2. The maximum number of total options that may be granted to all Employees under the ESOP Scheme, shall not at any time exceed **8,25,236** (*6% of the paid-up capital of the company which is 13,75,39,320*) number of Options (“ESOP Pool”).

5.3. Every, One Option (1) are exercisable for One (1) Equity Share, each fully paid-up, on payment of the Exercise Price to the Company, as determined in accordance with this ESOP Scheme, subject to any corporate action required by any resolution passed in the EGM/AGM (by payment thereof or by cashless Exercise, as the case may be).

5.4. Subject to the terms of this ESOP Scheme, if the Options Granted to an Employee expires or become un-exercisable, in part or in full, without having been exercised such Options, whether Vested or Unvested, will be added back to the ESOP Pool, and would be available for grant at a future date to any Employee of the Company.

5.5. An Option granted under the ESOP Scheme, shall confer a right upon the Option Grantee to Exercise the same, in accordance with this ESOP Scheme, unless the Grant Letter issued to such Option Grantee specifies otherwise.

5.6. 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 Options granted, until Shares underlying such Options are issued on Exercise of such Options.

5.7. The Option Grantee shall not directly or indirectly sell, pledge, hypothecate, mortgage, or otherwise alienate or transfer any Options or the rights and privileges pertaining thereto, except in the event of death of the Option Grantee (in which case the relevant provision of this ESOP Scheme shall apply). Neither the Options nor the underlying Shares are liable for, or subject to, in whole or in part, any debts, contracts, liabilities or torts of the Option Grantee, nor will they be subject to garnishment, attachment, execution, levy or other legal or equitable process.

6. Procedure for grant of employee stock options

6.1. The Option Grantees shall be provided with a letter of offer ("Grant Letter") in the form and manner as set out in Schedule 2. The Grant Letter shall contain all details such as number of Options Granted, vesting period (including any performance related parameters for Vesting of the Options), Exercise Price, and the mode and manner of payment of Exercise Price and any other terms and conditions that the Compensation Committee may deem appropriate. The Nomination & Remuneration Committee shall ensure that any terms and conditions as set out in the Grant Letter are in consonance with the ESOP Scheme and the AoA.

6.2. An Option Grantee shall communicate in writing his acceptance of the Options Granted to them, to the Nomination & Remuneration Committee within thirty (30) days from the date of receipt of the Grant Letter, in the form and manner as set out in Schedule 3. In the event no communication of acceptance is received by the Nomination & Remuneration Committee within thirty (30) days from the date of receipt of the Grant Letter, the

Grant will be considered to have been accepted. The acceptance of the Grant by the Employee shall not, in any manner, be construed to compel the Employee to Exercise the Option upon the Option becoming a Vested Option.

6.3. The Grant of options shall be effective from the date of Grant ("Grant Date") as specified in the Grant Letter, subject to acceptance of such Grant of Options by the relevant Employee within a period as provided herein.

6.4. The Options shall be granted to the Option Grantees at the Exercise Price which shall be intimated to the respective Option Grantees at the time of Grant. In case due to any reason, the Nomination & Remuneration Committee decides to alter the Exercise Price, it can subject to Applicable Laws alter the same.

7. Terms and conditions of vesting

7.1. Options Granted under the ESOP Scheme will not Vest until the expiry of minimum of one (1) year from the Grant Date. Unless otherwise decided by the Nomination & Remuneration Committee (which shall not be detrimental to the interest of the Option Grantee) or specified in the Grant Letter, the Options Granted shall Vest over a period of four (4) years as follows:

7.2. Twenty-Five Percent (25%) of the Options shall vest on the 1st anniversary of the Grant Date, subject to continued employment of the Employee with the Company.

7.3. The remaining Seventy-Five Percent (75%) of the Options shall vest in equal instalments on a quarterly basis over a period of three (3) years after the 1st anniversary of the Grant, subject to continued employment of the Grantee with the Company.

7.4. Maximum Period for Vesting: The maximum period for vesting of options under the ESOP Scheme shall be Five (5) years from the Grant Date, including the initial one (1) year cliff period followed by deferred vesting over Four (4) years.

7.5. Treatment of Employees Employed Prior to ESOP Implementation: Notwithstanding the vesting schedule outlined above, any Employee who has been employed with the Company for a period of one (1) year or more prior to the Effective Date of the ESOP Scheme shall have their tenure counted toward the vesting period. Accordingly, if such an Employee has already completed one (1) year of service before the Grant Date, the initial 25% vesting shall occur immediately upon grant. The remaining options shall continue to vest as per Clause 7.3.

7.6. Post-listing, the minimum Vesting period of one year shall not apply to cases of separation from employment due to death or Permanent Incapacity and in such instance, all the unvested options shall vest with effect from date of the death or Permanent Incapacity.

7.7. Notwithstanding the provisions of clause 7.1 above, in case where Options are granted by the Company under the Scheme in lieu of options held by a person under a similar plan/ scheme 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/her/them shall be adjusted against the minimum Vesting Period required under this sub-clause in due compliance with the provisions of Applicable Laws.

7.8. The minimum Vesting Period as specified in clause 7.1 shall not apply in case of death or permanent incapacity.

8. Exercise of Options

8.1. The Vested Options may be Exercised by an Option Grantee, upon the occurrence of any of the following events (collectively referred to as "Exercise Events"):

8.1.1. Liquidation Event;

8.1.2. Listing of the Shares of the Company on a recognised stock exchange in India;

8.1.3. Such other events as may be decided by the Company

8.1.4. Windup

8.2. Upon occurrence of any of the events as mentioned in above Clause, the Company may at its sole discretion notify in writing any or all the Option Grantee(s) to Exercise their Vested Options. Accordingly, such Option Grantee(s) shall Exercise their Vested Options by delivering a notice of Exercise in writing ("Exercise Notice") within 30 (thirty) days, or such other period as may be decided by the Nomination & Remuneration Committee, from the date of notice sent by the Company to the Option

Grantees, intimating the occurrence of Exercise Event. The Exercise Notice shall be in the form and be delivered in the manner as set out in Schedule 3 (Exercise Notice), to the corporate office of the Company or at such other place as the Company or the Nomination & Remuneration Committee may prescribe. The Option Grantee shall make payment of the Exercise Price by (i) a cheque, or (ii) a demand draft drawn in favor of the Company, or (iii) transfer of funds to the specified bank account of the Company as mention by the Nomination & Remuneration Committee, or (iv) other form of payment acceptable to the Company, for exercising the Options Vested in such Option Grantee.

8.3. The Nomination & Remuneration committee shall have the right to suspend the Exercise of any Options during the period when any enquiry against an Option Grantee by the Nomination & Remuneration Committee or the Company is pending. Further, in case of occurrence of Liquidation Event of the company prior to completion of Vesting period with respect to an Option Grantee, vesting of all the Unvested Options shall be accelerated and all Unvested Options shall be deemed to be Vested Options. Notwithstanding anything to the contrary provided under this ESOP Scheme , upon the occurrence of Liquidation Event, the Compensation Committee shall have the right to require the Option Grantee to sell any or all of its Options.

8.4. In the event of winding up a company's ESOP Scheme , any remaining funds or shares after fulfilling obligations will be used to repay loans, distributed to employees, or, with shareholder approval, transferred to another scheme as recommended by the Nomination & Remuneration committee. The ESOP will be closed once these actions are completed.

8.5. The following provisions shall apply in relation to the Exercise of Vested Options:

a. **While the Employee remains in employment/ service:**
Subject to Applicable Law, notwithstanding anything to the contrary contained in this Scheme or in the relevant ESOP Document with respect to an Employee, all Employees who remain in continuous employment with the Company shall have the right to exercise their Vested Options at any time during their period of employment, till the expiry of the Maximum Exercise Period.

b. **Exercise Period in case of separation from employment/ service**

Subject to the overall Exercise Period as may be determined by the Compensation Committee, the Exercise of Vested Options upon separation from service shall be governed in accordance with the provisions set out below:

Sr. No.	Separations	Vested Options	Unvested Options
1.	**Resignation / Termination (other than for Cause)**	All Vested Options as on the date of submission of resignation or notice of termination may be exercised by the Option Grantee within the later of: (i) within a period of 10 (ten) years from the date of Vesting for the respective Options; (ii) the period specified in the Grant Letter or the relevant ESOP Document issued to the Option Grantee (iii) 90 days from the last working day as per Company Policies; or (iv) one month from the date of Listing; or (v) such other period as may be approved by the Compensation Committee on a case-by-case basis.	All Unvested Options as on the date of submission of resignation or notice of termination shall stand cancelled with effect from such date
2.	**Termination with cause**	All Vested Options which were not Exercised shall stand forfeited and cancelled with effect from the date of such Breach; the date of such Breach shall be determined by the Compensation Committee and its decision on this issue shall be binding and final. Prior to Listing and subject to Applicable Law, the Option Grantee shall be obligated to offer, at a price not higher than the Exercise Price, the Shares issued to	All Unvested Options shall stand cancelled effective from the date of such Breach, as determined by the Compensation Committee.

		the Option Grantee, prior to the date of Breach, on account of his / her Exercise of Vested Options, for: (i) buy back / purchase to the Company; or (ii) the shareholders of the Company pro rata to their shareholding; and as an alternative to (ii) above, the Compensation Committee may, at its sole discretion, decide upon a mechanism for disposition of the Shares referred to in (ii) above and in such an event, the Option Grantee shall be obligated to comply with the directives of the Compensation Committee in this regard.	
3.	**Retirement/ Superannuation**	All Vested Options as on the date of Retirement /superannuation shall be exercisable by the Option Grantee within the period specified in the Grant Letter or the relevant ESOP Document issued to the Option Grantee, or such other period as determined by the Compensation Committee, whichever is earlier.	Prior to Listing, all Unvested Options shall stand cancelled effective from the date of Retirement/ superannuation. Post Listing, all Unvested Options shall continue to vest from the date of Retirement/superannuation, in accordance with the original vesting schedule unless otherwise determined by the Compensation Committee, in accordance with the ESOP Document(s) and Applicable Law.
4.	**Death**	All Vested Options as on the date of the occurrence of Death shall be exercisable by the nominee(s) or legal heir(s) of the Option Grantee	All Unvested Options shall vest on the date of the occurrence of Death and can be exercised in the manner provided for Vested Options.

		immediately or anytime within the period specified in the Grant Letter or the relevant ESOP Document issued to the Option Grantee, or such other period as may be determined by the Compensation Committee, whichever is earlier.	
5.	**Permanent Incapacity**	All Vested Options as on the date of the occurrence of Permanent Incapacity may be exercised by the Option Grantee, or if incapacitated, by their nominee(s) or legal heir(s), immediately or anytime within the period specified in the Grant Letter or the relevant ESOP Document issued to the Option Grantee or such other period as may be determined by the Compensation Committee, whichever is earlier. For this purpose, the date of Permanent Incapacity shall be the date mentioned in the certificate issued by the medical expert verifying such Permanent Incapacity of the Option Grantee.	All Unvested Options shall vest on the date of the occurrence of Permanent Incapacity and can be exercised in the manner provided for Vested Options.
6.	**Termination due to reasons apart from those mentioned above**	The Compensation Committee shall determine as on the date of such termination, in its sole discretion, whether any Vested Options may be exercised and the period within which such Options may be exercised. Such	All Unvested Options shall stand cancelled as on the date of such termination unless otherwise required by Applicable Law or otherwise determined by the Compensation Committee.

		decision shall be final and binding.	

8.6. Upon receipt of the Exercise Notice, the Company shall, subject to the terms of the ESOP Scheme and the Grant Letter, issue and allot the Exercised Shares to the Option Grantee. It is clarified that no person other than the Employee to whom the Option is granted shall be entitled to exercise the Options, except in the event of death of the Option Grantee.

8.7. The Employees who have been issued Shares, pursuant to Exercise of Options Granted to them, shall, if determined by the Nomination & Remuneration Committee, execute power of attorney or such other agreement or documents, as may be required by the Nomination & Remuneration Committee, in favor of the person as may be determined by the Nomination & Remuneration Committee authorising such person to exercise the voting rights on the Shares so allotted to such Employee in the shareholders' meetings of the Company.

9. Cash settlement of Vested Options / Exit Options on Liquidation Event

9.1. Subject to Applicable Law, at any time before an Exercise Event, the Company shall have the right to liquidate and settle all or a part of the Vested Options of an Option Grantee, at a price which is equal to the fair market value (as determined by the Nomination & Remuneration Committee) of the Option, and the relevant number of Options shall be reduced from the number of Options reserved under the ESOP Pool, l.

9.2. Upon the occurrence of an Exercise Event, the Option Grantee may be entitled to liquidate and settle his/her Exercised Shares, provided that the terms and conditions of such exit (including proportion and priority) shall be subject always to the Articles and decision of the Nomination & Remuneration Committee.

9.3. Subject to Applicable Law, in case the Exercise of Vested Options results in a fraction of a Share, then the Company subject to approval by the Nomination & Remuneration Committee shall be entitled to settle such fractions in cash, at a price which is equal to the fair market value.

10. Buy back right of the Company

10.1. Subject to Applicable Law, the Company shall, subject to the Articles, have the right to buy back all or a part of the Exercised Shares at a price which is equal to the fair market value of the Shares (as determined by the Board) at the time when the Company decides to buy back such Exercised Shares, or at the last issuance price of the Shares of the Company, as determined by the Board in accordance with Applicable Law.

10.2. Prior to any Exercise Event, the Board may, subject to Applicable Laws and any approval required under the Articles or any other corporate action required thereto, on case to case basis, endeavour to determine the methodology, price, timelines, restrictions and other relevant matters (including buy-back of Exercised Shares of certain Option Grantee(s),) for offering appropriate exit mechanism to the Option Grantee(s) who hold beneficial interest in the Shares of the Company.

11.Restrictions on Transfer

11.1. The Option Grantees shall not transfer the Options Granted to them by the Company under this ESOP Scheme .

11.2. The Option Grantees shall not have a right to transfer the Exercised Shares to any person prior to an Exercise Event, without prior written consent of the Nomination & Remuneration Committee.

11.3. Any transfer of the Exercised Shares issued in accordance with this ESOP Scheme shall always be subject to the restrictions on transfer as set out under the AoA, and/ or any specific restriction imposed by the Nomination & Remuneration Committee., including but not limited to the right of first refusal, drag along rights and tag along rights.

11.4. Any transfer that is in violation of AoA shall be void and the Company shall not be bound to record such transfer.

11.5. Option Grantee cannot transfer the share to the other employee of the company and at the time of leaving the company has to complete all the responsibility regarding the shares allotted to the option grantee

11.6. No Promoter or Promoter Group or Promoter Family shall be included in ESOP Scheme , and no employment stock can be issued to them.

12.Deduction of Tax

12.1. Will be further finalized as Indian Budget is published

12.2. The Company shall have the right to deduct/ recover all taxes payable either by itself or by the Option Grantee, in accordance with the Income Tax, 1961 in connection with all Options Granted under this ESOP Scheme by way of deduction at source from salary and in addition to require any payments necessary to enable it to satisfy such obligations. In this regard, the Company may require security for such reimbursement of taxes as a precondition to Exercise of any Option by the Option Grantee. Option Grantees are advised to consult their respective tax advisors. Without prejudice to the foregoing, it is hereby clarified that any tax liability arising in connection with Grant of Options, Vesting of Options, Exercise of Options and the issuance of Exercised Shares shall be borne by Option Grantee.

12.3. The Option Grantee to whom this ESOP Scheme will be applicable, will authorise the Company and/or its holding/subsidiary company(ies), as applicable:

12.4. To withhold monies from salary and/or any other dues payable to such Employee(s) or former Employee(s) to meet tax and social security withholding obligations; and/or

12.5. To recover directly from the Employee(s) or former Employee(s) the monies required to meet such obligations; and/or

12.6. To dispose of all or a part of the Shares due to be issued or transferred to such Employee(s) or former Employee(s) on the Exercise of Options for the purpose of raising monies to meet such obligations.

12.7. The applicable Income Tax laws and rules will be applicable to this ESOP Scheme.

13.Listing of the Company and Consequential Treatment of ESOP Scheme

13.1 Upon the listing of the equity shares of the Company on any recognised stock exchange in India, the existing **ESOP Scheme** shall stand automatically terminated with respect to all unvested and/or unexercised Options, unless the same is amended to ensure compliance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity)

Regulations, 2021, as amended from time to time, or any other applicable law. Subject to such compliance, the Company shall have the right, at its sole discretion, to either:

(a) amend the **ESOP Scheme** to ensure compliance with applicable SEBI regulations; or
(b) terminate the ESOP Scheme and introduce a new employee stock option scheme in accordance with applicable laws.

In the event of such termination, all unvested Options granted under the ESOP Scheme shall stand **forfeited**, unless otherwise determined by the Board or the Nomination and Remuneration Committee (NRC), and no employee shall have any claim against the Company in respect thereof.

13.2. Upon the Company becoming a listed entity, the ESOPs shall provide eligible employees with an avenue to realise the economic value of their vested equity holdings in a more liquid and market-driven manner. Subject to applicable law and Company policy, the Company may, at its discretion, provide employees with an exit opportunity by:

(a) facilitating the sale of vested shares by employees on the recognised stock exchange(s); or
(b) offering to repurchase the vested shares from employees at a fair market value determined in accordance with applicable SEBI guidelines and relevant Company policies.

All such transactions shall remain subject to compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and any other applicable laws or regulatory requirements.

13.2 The company may choose to buy back its shares from employees holding ESOPs, or employees can sell their shares in the open market.

14.Governing Law and Jurisdiction

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

14.2. Any dispute arising out of or in relation to this ESOP Scheme, including any question regarding its existence, validity, or termination, shall be referred to by Arbitration. The arbitration will be administered as per the (Indian) Arbitration and Conciliation Act, 1996. The seat and the venue for the arbitration proceedings shall be in New Delhi, India. Subjected to the courts in New Delhi, India shall have exclusive jurisdiction over matters relating to this ESOP Scheme, .

14.3. Nothing in this clause will however limit the right of the Company to bring proceedings against any Employee/Option Grantee in connection with this ESOP Scheme, .

14.3.1. in any other court of competent jurisdiction; or

14.3.2. concurrently in more than one jurisdiction.

15. Amendment or termination of the ESOP Scheme

15.1. The ESOP Scheme is established with effect from the Effective Date and shall continue to be in force until the earlier of: (i) its termination by the Board in accordance with Applicable Law; or (ii) the date on which all Options available under this Scheme have been issued and subsequently either exercised or lapsed and the Compensation Committee does not intend to re-issue the said lapsed Options.

15.2. At any time and from time to time, subject to Applicable Laws, the Nomination & Remuneration Committee may and shall have the power to, if it deems necessary and at its sole discretion: (a) vary the terms of the Scheme, including without limitation for the purposes of meeting any regulatory requirements and for the purposes of efficient implementation and administration of the Scheme, provided that such variation is not prejudicial to the interest of the Employees; and (b) to terminate the Scheme and/or cancel all or any of the Options granted under the Scheme.

15.3. In the event that an employee who has been granted benefits under a scheme, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing company, prior to the vesting or exercise, the treatment of options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the employee.

15.4. Post Listing, the Company shall be entitled to vary the terms of the Plan to meet any regulatory requirement without seeking shareholders' approval by way of a special resolution and Applicable Laws, and the Board may, if it deems necessary, vary the terms of the Plan, for the purpose of efficient implementation and administration of the Plan for (i) meeting any regulatory requirements or (ii) any adjustments for Corporate Actions made in accordance with this Scheme and the SEBI SBEB Regulations.

16. Miscellaneous

16.1. The Option Grantee shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the ESOP Scheme, Grant, or any connected matter. Any violation may result in cancellation of the Options, whether Vested or not, as the Compensation Committee may deem fit, without prejudice to any other actions which it may take in this regard. An Option Grantee shall not divulge the details of the ESOP Scheme, and his holding to any person except with the prior written permission of the Company.

16.2. Neither the existence of this ESOP Scheme, nor the fact that an individual has on any occasion been granted an 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 further participate in this ESOP Scheme, by being granted Option(s) on any other occasion.

16.3. 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 option in whole or in part

16.4. In the event that any term, condition or provision of this ESOP Scheme, is held to be a violation of any applicable Law, statute or regulation, the same shall be severable from the rest of this ESOP Scheme, and shall be of no force and effect and this ESOP Scheme, shall remain in full force and effect as if such terms, condition or provision was not originally provided under the ESOP Scheme, .

16.5. Nothing contained in the ESOP Scheme shall be construed to prevent the Company from implementing any other new employee stock option Scheme, directly or through any trust settled by the Company which is deemed by the Company and the Board to the extent applicable, to be appropriate or in the best interest of the Company and its employees

16.6. Nothing contained in the ESOP Scheme shall be construed to prevent the Company from taking any corporate action, whether or not such action would have an adverse effect on the ESOP Scheme or any grant made under the ESOP Scheme . No option Grantees, beneficiary or other person shall have any claim against the Company or the new Company/entity that is formed or takes over a part or whole of the business of the Company, as a result of such action.

16.7. The inability of the Company to obtain authority from any regulatory body as per the Applicable Laws, for the lawful allotment or transfer of any shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to allot or transfer or sell such Shares.

16.8. All notices of communication required to be given by the Company and/or the Compensation Committee to an Option Grantee by Virtue of this ESOP Scheme, shall be in writing and shall be sent via email or a letter to the address provided of the Option Grantee, available in the records of the Company and any communication to be given by and Option Grantee to the Company in respect of the ESOP Scheme shall be sent to the address mentioned below:

Address: KRBL Building, C-32, 3rd Floor, Sector -62, Noida, U.P. 201301
Attention: Mrs. Preeti Srivastava, Company Secretary
Email: cs@earkart.in

16.9. Notwithstanding anything contained in this ESOP Scheme or any agreement between the Company / Compensation Committee and any Option Grantee, all Options, and all shares allotment pursuant to the Exercise of Options, during the period of the continuance of this ESOP Scheme, or thereafter, shall be bound by and subject to the terms and restrictions specified in the Articles, including without limitation, the rights of first refusal, drag along rights and tag along set a forth therein upon any proposed transfer of Shares.

For Earkart Limited
(Formerly known as Earkart Private Limited)

Rohit Misra
Managing Director & CEO
DIN: 00775537

SCHEDULE 1
Definitions & Interpretation

Any terms capitalised but not defined herein shall have such meaning as ascribed to them under the Articles, to the extent not repugnant to the context hereof and a reference to any "Article" shall be to such Article number as set out under the Articles of the Company.

1. "**Abandonment**" means absence of an employee from work without authorization for a period of 30 days, without having communicated to the Company about such absence.
2. **"Act"** means the Companies Act, 2013 and the rules made thereunder, as amended from time to time.
3. **"Administrator"** shall have the meaning ascribed to the term under Clause 3 of the ESOP Scheme.
4. **"Applicable Law(s)"** means any statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, policy, requirement, listing agreement or other governmental restriction or any similar form of decision, in each case as in effect from time to time, to the extent applicable, including and without limitation to the Companies Act, Securities and Exchange Board of India Act, 1992, SEBI SBEB Regulations (as defined below), and all relevant tax, securities, exchange control or corporate laws or amendments thereof including any circular, notification issued thereunder, of India or of any relevant jurisdiction or of any Recognised Stock Exchange on which the Shares are listed or quoted.
5. **"Articles"** shall have the meaning ascribed to the term under Clause 1.4 of the ESOP Scheme.
6. **"Board"** 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 ESOP Scheme, .
7. **"Cause"** in relation to an Option Grantee shall mean, a finding by the Administrator, after giving the Employee/Option Grantee an opportunity of being heard, that any of the following has occurred: (a) that there has been gross negligence on the part of such Option Grantee; and/or (b) such Option Grantee has engaged in disloyalty to the Company, including without limitation, fraud, embezzlement, theft, commission of a crime, or

dishonesty, or misconduct in the course of his employment or service or association with the Company; and/or (c) such Option Grantee has been in breach of the provisions of his/ her employment agreement entered with the Company and/ or any policies of the Company, or, (d) such Option Grantee has engaged in such behaviour which is materially detrimental to the interests of the Company including but not limited to gross misconduct in carrying out the duties or obligations of such Option Grantee, or (e) Abandonment of employment, or (f) being disqualified from holding office in the Company or any other company under any legislation or being disqualified or disbarred from membership of, or being subject to any serious disciplinary action by, any regulatory body within the industry, which undermines the confidence of the Company in the individual's continued employment, or (g) Any other act or omission not included above but defined as serious misconduct in the Company Policies/Terms of Employment wherein a written notice has been issued to the defaulting Option Grantee and such Option Grantee has failed to cure the same to the satisfaction of the Administrator within 30 (thirty) days of receipt of such notice.

8. "**Company/(ies) Act**" means the Companies Act, 2013 together with all rules, regulations, circulars, notifications, clarifications and orders issued by a Governmental Authority in respect of the foregoing, each of the above, as amended, modified, supplemented or re-enacted from time to time.
9. **"Company"** means Earkart Limited (*formerly known as Earkart Private Limited*), a company incorporated in India under the provisions of the Companies Act, 2013, having its registered office at Shop No. 8-P, Street No. 6, Vasundhara Enclave, Delhi - 110096 and corporate office at A-133/5, Sector-62, Noida, Gautam Buddha Nagar - 201309, Uttar Pradesh, India.
10. **"Compensation Committee"** means Nomination and Remuneration Committee of the Company.
11. "**Corporate Action**" means, any one or more of the following events:
    (a) The merger, de-merger, spin-off, acquisition, consolidation, amalgamation, sale of business, dissolution or other reorganization of the Company in which the Shares are converted into or exchanged for:

(i) a different class of securities of the Company; or (ii) any securities of any other issuer; or (iii) cash; or (iv) other property.

(b) The sale, lease or exchange of all or substantially all of the assets or undertaking of the Company

(c) The adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up;

(d) Right issue and bonus issue;

(e) a change in the capital structure of the Company as a result of reclassification of shares, splitting up of shares, sub-division of shares, rights issue of shares, preferential issue of shares, bonus issue of shares or conversion of shares into securities of a different type;

(f) Acquisition (other than acquisition pursuant to any other sub-clause of this clause) by any company, person, entity or group of a Controlling Stake in the Company. For this purpose, 'Controlling Stake' shall mean more than 50% of the voting share capital of the Company; and

(g) Any other event, which in the opinion of the Board has a material impact on the business of the Company.

12. **"Director"** shall have the same meaning as defined under Section 2(34) of the Companies Act, 2013 (18 of 2013).
13. **"Effective Date"** shall have the meaning ascribed to the term under Clause 1.3 of the ESOP Scheme.
14. **"Eligibility Criteria"** means the criteria as may be determined from time to time by the Administrator, for Grant of Options pursuant to the ESOP Scheme.
15. **"Employee"** means:

    Prior to Listing means:

    a. a permanent employee of the Company working in India or out of India;
    b. a Director, whether a whole-time Director or not; or
    c. a permanent employee or a director whether a whole-time director or not, of the Subsidiary(ies) in or outside India or of the Parent Company of the Company;
    d. but does not include-
    e. an employee who is a Promoter or belongs to the Promoter Group;

f. a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity Shares of the Company;
g. a Director being an independent director (including any Independent Director); and
h. the Managing Director.

Post Listing 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; or
iii. employees as defined in sub-clauses (i) or (ii) above of a group company including a Subsidiary Company or Associate Company in India or out of India,
iv. but does not include-
    a. an employee who is a Promoter or belonging to the Promoter Group;
    b. a Director who either himself or through his relatives or through anybody corporate, directly or indirectly, holds more than 10% of the outstanding Equity Shares of the Company; and
    c. a Director being an Independent Director; and
    d. the Managing Director

16. **"Employee Stock Option"** or **"Option"** means the right granted to an Option Grantee, which gives such Option Grantee the right, but not an obligation, to purchase or subscribe, at a future date, to the Shares by exercising the Option at the Exercise Price in accordance with this ESOP Scheme.
17. **"Equity Shares"** shall mean the ordinary equity shares of the Company having a face value of INR 10/- (Indian Rupees Ten only) each.
18. **"ESOP Pool"** shall have the meaning ascribed to it in Clause 4.2 of the ESOP Scheme.

19. **“Exercise”** of an Option means written expression of an intention by an Option Grantee to the Company (through the Exercise Letter) to purchase/subscribe the Shares underlying the Options Vested in him/her, in pursuance of the ESOP Scheme and the Grant Letter for Exercise of Options and the term “Exercised” shall be construed accordingly.
20. **“Exercise Letter”** shall mean the letter sent by the Option Grantee to the Company and the Administrator notifying the Exercise of the Options Granted to such Option Grantee.
21. **“Exercise Period”** shall mean the periods provided for respective events listed in Clause 8 of this ESOP Scheme.
22. **“Exercise Price”** means INR 10 (Indian Rupees Ten only) or such other price payable by an Option Grantee as decided by the Administrator in order to Exercise the Options Granted to him in pursuance of the ESOP Scheme.
23. **“Exercised Shares”** means Shares that result from a valid and lawful Exercise of Options by the Option Grantee by submitting the Exercise Letter to the Company and the Administrator.
24. **“Grant”** means the grant of Options by providing a Grant Letter to an Option Grantee under the ESOP Scheme and the term “Granted” shall be construed accordingly.
25. **"Excess Grant"** shall mean any grant that surpasses the approved grants allocated for the fulfillment of the employee's requirements for their betterment, as determined by the majority approval of the NRC Committee pursuant to the ESOP Scheme.
26. **“Grant Date”** shall have the meaning ascribed to in Clause 6.3 of the ESOP Scheme.
27. **“Grant Letter”** means a letter issued by the Company making a Grant, in the format set out in Schedule 2 to the ESOP Scheme.
28. **“Independent Director”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
29. **“Initial Public Offer** or **IPO”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

30. **"Insider"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
31. **"Key Managerial Personnel"** shall have the same meaning as defined under Section 2(51) of the Companies Act, 2013 (18 of 2013).
32. **"Liquidation Event"** means and includes (a) liquidation, dissolution or winding up (whether voluntary or involuntary) of the Company, (b) merger, acquisition, change of Control, sale of shares including strategic sale and drag sale) or other transactions in which the Company's Shareholders as on a date which is immediately prior to occurrence of the above-mentioned events, will not, (i) retain a majority of the voting power in the Company or of the surviving entity (as the case may be), or (ii) control the board of directors of the Company or the surviving entity (as the case may be).
33. **"Market Price"** means the latest available closing price on a recognised stock exchange on which the shares of the company are listed on the date immediately prior to the relevant date.
34. **"Option Grantee"** means the Employee who has fulfilled the Eligibility Criteria and has been granted Option(s) in pursuance of this ESOP Scheme.
35. **"Permanent Incapacitation"** means any incapacity of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Option Grantee from performing any specific job, work or task which the Option Grantee was capable of performing immediately before such incapacitation, as determined by the Administrator based on a certificate of a medical expert identified by the Administrator.
36. **"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.
37. **"Redundancy"** means the Company has ceased, or intends to cease, to carry on the business or particular business function for which the Option Grantee is or was employed by it.
38. **"Register"** shall have the meaning ascribed to it in Clause 12.5 of the ESOP Plan.
39. **"Shares"** mean Equity Shares of the Company.

40. **“Shareholder(s)”** shall mean the shareholders, from time to time, of the Company.
41. **“Vesting”** means earning by the Option Grantee, of the right to Exercise the Employee Stock Options granted to him in pursuance of the ESOP Plan and the terms “Vest”, and “Vested” and “Unvested” should be construed accordingly.

INTERPRETATION

In this ESOP Plan unless the contrary intention appears:

1. the clause headings are for ease of reference only and shall not be relevant to interpretation;
2. a reference to a clause number is a reference to its sub-clauses;
3. words in singular number include the plural and vice versa;
4. words importing a gender include any other gender.
5. where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings;
6. any reference to ‘writing’ includes printing, typing, lithography and other means of reproducing words in visible form;
7. the term ‘including’ shall mean ‘including without limitation ;
8. unless otherwise specified, the provisions of this ESOP 2024 shall also be applicable to the Employees of any Subsidiary Company(ies) and/Associate Company. Accordingly, any reference to the term “company” and “employee” shall, unless the context otherwise provides, also mean to refer the Subsidiary Company(ies) and/or Associate Company, as the case may be, and the eligible Employees of such Subsidiary Company(ies) or Associate Company, respectively;
9. words and expressions used and not defined here but defined in the SEBI SBEB Regulations or Companies Act and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislations, as the context requires; and
10. any reference to any act, rules, regulations, statute or notification shall include any statutory modifications, substitution or re-enactment thereof.

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SCHEDULE 2 GRANT LETTER

To [•]

Dear [•],

As you know, at earKART Limited ("Company"), we are all committed to building a strong, enduring company and, in the process, creating value for our stakeholders. As an employee, you help create this value, and so we would like you to have a share in this value too. It gives us great pleasure, therefore, to honour you as a member of a select group of eligible employees who are being granted stock options. Congratulations!

You have been awarded Employee Stock Options ("Options") under the Employees' Stock Option Plan of the Company ("ESOP Plan,") (attached herewith). The Options granted will vest based on your continued employment with Company. The details of the Options have been specified in the particulars of the Grant (attached herewith).

We request you to study the enclosed documents carefully and familiarise yourself with the ESOP Plan .

If you wish to accept this offer, please submit the filled Acceptance Form (draft attached herewith) at the registered office or send an email at the email id of the Company to Mr./Ms./Mrs [•] on or before [•]. In case the Company does not receive the Acceptance Form within the prescribed timeline, it shall be deemed that you have rejected the offer.

All capitalised used but not defined herein shall have meaning ascribed to such term in ESOP Plan . With best wishes,

[•] Director Enclosures:

Particulars of the Grant

ESOP Plan

Acceptance Form

PARTICULARS OF THE GRANT

(Enclosure to the Grant Letter)

Name of the Option Grantee: Date of Grant:

Designation: Employee ID:

Given below are details concerning your options to purchase shares of EarKART Limited ("Company"), subject to the terms and conditions listed in the ESOP Plan:

Number of Options Granted	**[•]**
Exercise price per Option	**[•]**
Conversion ratio	**[•]**)
Number of equity shares	**[•]**

[Remainder of the page has been intentionally left blank.]

SCHEDULE 3

ACCEPTANCE FORM

Date:

From:

To

earKART Limited,

Dear Sir,

This is with reference to the Grant Letter dated [•] issued under the Employees' Stock Option Plan ("ESOP Plan ") of the Company.

I have read the terms and conditions stipulated in the Grant Letter, Particulars of Grant and the ESOP Plan and wish to accept the offer of [•] Options as granted to me.

I undertake to be bound by the terms and conditions of the ESOP Plan , which I confirm that I have understood fully.

Yours faithfully,

Name:

[Remainder of the page has been intentionally left blank.]

SCHEDULE 3

EXERCISE NOTICE

To

[●] Public Limited,

Dear Sir,

Pursuant to the Grant Letter dated [•], I hereby exercise the Option to subscribe for [•] ([•]) Shares in EarKART Limited (the “Company”) at [•] ([•]) per Share.

I hereby request the Company to allot and issue to me the number of Shares as specified hereinabove in my name and to deliver the share certificates relating thereto to me at my own risk.

I enclose a [•] for INR [•] in payment for the subscription of [•] for the total number of the said Shares.

I agree to subscribe for the Shares subject to the terms of the Grant Letter, the Employee Stock Option Plan (as the same may be amended pursuant to the terms thereof from time to time) and the memorandum and articles of association of the Company.

- Total Number of equity shares (“Shares”) at [•] ([•]) per Share under an Option granted on [•] (the “Grant Date”): [•] ([•])
- Number of Shares previously issued and allotted thereunder: [•] ([•])
- Outstanding balance of Shares which may be issued and allotted thereunder: [•] ([•])
- Number of Shares now to be subscribed: [•] ([•])

PLEASE PRINT IN BLOCK LETTERS

Name in Full: [•] Designation:

[•] Address:

[•] Nationality:

[•] Passport No.:

[•] E-mail:

[•] Signature:

[•] Date: [•]