EMPLOYEE STOCK-OPTION PLAN- 2016

PART A: STATEMENT OF RISKS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Plan, including the risks and uncertainties described below, before making an investment in the Equity Shares. If our business, profitability and financial condition gets affected, the price of our Equity Shares could decline, and you may lose all or part of your investment in the Equity Shares. Unless specified or quantified in the Plan, we are not in a position to quantify the financial or other implication of any of the risks. ESOPs are subject to the following additional risks:

1. ***Concentration**:* The risk arising out of any fall in value of shares is aggravated if the Employee's holding is concentrated in the shares of a single Company.

2. ***Leverage**:* Any change in the value of the share can lead to a significantly larger change in the value of the option as an option amounts to a leveraged position in the share.

3. ***Illiquidity**:* The options cannot be transferred to anybody, and therefore Employees cannot mitigate their risks by selling the whole or part of their options before they are exercised.

4. ***Vesting**:* The options will lapse if the employment is terminated prior to vesting. Even after the options are vested, the unexercised options may be forfeited if the Employee is terminated for gross misconduct.

5. ***Market Risk**:* The Employee can experience losses due to factors that affect the overall performance of the financial markets, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers, political turmoil, recessions, changes in interest rates and terrorist attacks.

PART B: INFORMATION ABOUT THE COMPANY

1. Business Profile of the Group & the Company

TCI XPS was established in 1996 as one of the foremost divisions of Transport Corporation of India Limited (TCIL), India's most admired logistics Company. TCI XPS has been demerged and vested into TCI EXPRESS LIMITED, pursuant to Scheme of Arrangement approved by Hon'ble High Court of Hyderabad for the state of Telangana and Andhra Pradesh.
The focus of the Company is very clearly on express cargo distribution with greater emphasis on the burgeoning e-commerce business.

Services Offerings

Surface Express Service
Offers express solutions with over 3000 pick-up and 13000 delivery locations with its fully containerized fleet of vehicles. It offers customized day definite by road, value added services to meet customer's requirements.

Domestic Air Express Service
Provide round the clock services and time sensitive express deliveries by Air mode. It facilitates deliveries in all major metros in 24hrs and Mini Metros and A class cities in 48hrs.

International Air Express Service
Provides services to 202 Countries across the globe (Commercial and Samples).

Ecommerce Express Service
Provides B2C and B2B on multi-model distribution for optimum on time delivery with value added features of COD (Cash on delivery), Pick n pack, late night and early morning deliveries.

Priority Express Service
Provides assured day definite delivery to selective locations backed by money back guarantee.

Reverse Express Service
Offers reverse logistics in cost effective manner with end to end visibility.

2. Financial Information:

The financial information of the Company for the last 5 (Five) years will be provided along with the Grant Letters to be given to the Employees at the time of grant of options to the Employee.

3. Risk Factors for the Company:

The Management of the Company has a perception that the following risks or uncertainties may occur during the course of business such as:

i. Our Company is in business of Express Distribution and any inaccuracy in forecasting future capital can affect liquidity and access to capital.

Our Company is in business of distribution and any inaccuracy in forecasting future capital (own trucks and hub centers) requirement(s) can affect liquidity and access to capital. Inability to forecast growing demands

of the sector and to align available resources accordingly leading to unavailability of required number of resources (trucks / drivers / BAs, etc.)

ii. Over dependency on Outsourced Vendors for Key business activities

We are reliant on outsourced manpower for key business activities such as loading/unloading of goods. Over dependence on outsourced vendors may also lead to non-standardization in service delivery, which may lead to different service outcomes to clients hence imp acting the Company's ability to control service delivery and customer experience.

We highly rely on third party vendors for logistic services with concern over their ability to fulfil TCIEL requirement and vendor's financial strength to support their business growth in conjunction with TCIEL growth plan.

iii. Fall in demand due to slow down in other industries or economy as a Whole/Competition

We are exposed to face fall in demand due to slow down in other industries or economy as a whole/ competition. Slowdown in the economy may adversely impact the overall growth of T&L industry. Inability to operate differently and more efficiently at larger volumes may result in diseconomies of scale that threaten margins.

iv. Political Turmoil

Political Turmoil is an inherent risk faced by all the operating business. Any significant change in Government policies that adversely affect the business and economic conditions in India could also adversely affect the business, future financial performance and the price of the Company's Equity Shares.

The above risks and uncertainties include but are not limited to risk and uncertainties regarding dependencies on the few customers and suppliers, changes in the regulatory framework, adverse development in the any of the customer industries to whom substantial part of the product is given, downgrading of our credit worthiness, political instability, legal restrictions and general economic conditions affecting our industry.

4. Continuing Disclosure Requirement:

The option Grantee shall be entitled to receive copies of all documents that are sent to the members of the Company. This shall include the annual accounts of the Company as well as notices of the meetings and the accompanying explanatory statements. However, the Grantee will not be entitled to attend and vote in the meeting or receive any dividend in respect of unexercised options.

Table of Contents

1.	**Introduction of the Plan**	5
2.	**Purpose of the Plan**	5
3.	**Definitions**	5
4.	**Implementation & Administration**	9
5.	**Nomination & Remuneration Committee**	9
6	**Shares Pool of the Plan**	10
7	**Appraisal and Eligibility of an Employee**	11
8	**Grant of Options**	15
9	**Method of acceptance**	11
10	**Vesting of Options**	12
11	**Exercise Price**	12
12	**Exercise of Options**	13
13	**Cessation of Employment**	13
14	**Terms & Conditions of Shares**	14
15	**Insider Trading, Company Rules and Policies**	14
16	**Notices and correspondence**	14
17	**Beneficiary designation**	15
18	**Non-transferability of Options**	**Error! Bookmark not defined.**
19	**Change in Capital Structure**	15
20	**Recovery of applicable taxes**	15
21	**Arbitration**	16
22	**Governing Law**	16
23	**Regulatory approvals**	16
24	**Modification of Plan**	16
25	**Term of the Plan**	17
26	**Confidentiality**	17

PART C: SALIENT FEATURES OF THE PLAN

1. Introduction of the Plan

The Employee Stock Option Plan 2016 was approved and recommended by the Board of Directors of the Company. The same has been approved by the members of the Company on 4th November, 2016.

The Plan has been formulated, keeping in mind the objectives of attracting key Employees to the Company and inducing key Employees to continue with the Company, and encourage them to increase their efforts to make the Company's business more successful. In furtherance thereof, this Stock Option Plan is designed to provide equity-based incentives to key Employees of the Company.

2. Purpose of the Plan

TCI-Express Limited, a Company limited by shares, incorporated under the Companies Act, 1956, having its registered office at Flat No. 306 & 307, 1-8-271 to 273, 3rd RD Floor Ashoka Bhoopal Chambers, S. P. Road Secunderabad Hyderabad TG 500003 IN, has structured this Plan for its Employees. The Principle purposes of this Plan are as under:

a) To motivate the Employees to contribute to the growth and profitability of the Company.

b) To retain the Employees for the growth of the Organization.

c) To provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company;

d) To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long term interests of the Company; and

e) To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come.

3. Definitions

In this Plan, except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against. Further, unless the context otherwise requires, words denoting the masculine gender shall include the feminine gender and words denoting the singular shall include the plural and vice versa.

3.1 **"Applicable Law"** means every law relating to Employee Stock Options in force, including, without limitation to, the Companies Act, 2013, the Securities and Exchange Board of India (SEBI) Act, 1992, the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred as SEBI (SBEB & SE) Regulations), SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and all relevant revenue, tax, securities or exchange control regulations or corporate laws of India or any relevant jurisdiction. The Applicable Law includes any provision of the applicable law, rules, regulations, notifications, circular(s) or any other similar form of directives issued by the competent authority under the relevant applicable law.

3.2 **"Associate Company"** shall have the same meaning as defined under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

3.3 **"Beneficiary or Nominee or legal heir**" means the person or persons, designated by the Option grantee, or in the absence of any designation by the Option grantee, a person or persons who is/are entitled by the will or probate of the option grantee to receive the benefits specified in the Plan, the legal heirs of the Option grantee, if the option grantee dies intestate and includes the Option grantee'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 the Plan or any other agreements forming part thereof.

3.4 **"Board"** means the Board of Directors of the Company and includes any Committee(s) consisting of one or more members of the Board and/or one or more officials of the Company, which the Board may constitute to exercise powers of the Board.

3.5 **"Category of Employees"** mean the Employees, including the Executive/Whole-time Directors, who will be eligible for grant of options under the Plan.

3.6 **"Change in Capital Structure"** means a change in the capital structure of the Company as a result of re-classification of Shares, sub-division of Shares, consolidation, issue of bonus Shares, conversion of Shares into other shares or Securities of the Company and any other change in the rights or obligations in respect of Shares, issue of shares on rights basis and any other form of equity share issuance.

3.7 **"Closing date"** means the last date on which the Grant of Options by the Company to a Grantee can be accepted. In case the last date is a non -working day, then it shall be the immediately next working day.

3.8 **"Committee"** means the Nomination and Remuneration Committee of the Board, constituted by the Board from time to time, as per the requirements of applicable laws.

3.9 **"Company"** shall mean TCI Express Limited, a Company limited by shares, incorporated and registered under the Companies Act, 1956 having its registered office at Flat No. 306 & 307, 1-8-271 to 273, 3rd Floor Ashoka Bhoopal Chambers, S. P. Road Secunderabad Hyderabad Telangana 500003 India.

3.10 **"Control"** shall have the same meaning as defined under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

3.11 **"Director"** shall have the same meaning as defined under the Companies Act, 2013.

3.12 **"Employee"** means-

(i) An Employee as designated by the Company who is working in India or outside India; or

(ii) A Director of the Company, whether a whole time Director or not including a Non-Executive Director who is not a Promoter or member of the Promoter Group but excluding an Independent Director; or

(iii) An employee as defined in clause (i) or (ii) of a group Company including subsidiary or its associate Company, in India or outside India, or of a holding Company of the Company but does not include:

a) An Employee who is a promoter or a person belonging to the promoter group; or
b) A director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

3.14 **"Eligibility Criteria"** means the criteria, as may be determined from time to time by the Committee based on internal ratings including loyalty, performance and designation of an Employee for granting Employee

Stock Options to the Employees.

3.15 **"ESOP Tax Provisions"** means the Income tax provisions notified pursuant to Section 17(2)(iii) of the Income tax Act, 1961.

3.16 **"Exercise"** means making of an application by the Employee to the Company for issuance of Shares against the Vested Options in the Employee/Beneficiary or Nominee or Legal Heir in pursuance to this Plan on payment of the Exercise Price.

3.17 **"Exercise date"** means the date on which the Employee exercises his Vested Options and in case of partial Exercise shall mean each date on which the Employee/Beneficiary Exercises part of his Vested Options.

3.18 **"Exercise Period"** means the time period after vesting within which an Employee can exercise his right to apply for Shares against the vested option in pursuance of the Plan.

3.19 **"Exercise Price"** means the price payable by the Grantee for exercising the options granted to him and vested in him in pursuance to the Plan covered under Part A of Chapter III of (SEBI (SBEB & SE) Regulations). Under this Plan, the Exercise Price will be informed to the Grantee, by the Committee/Company, through grant letter.

3.20 **"Grant"** means the process by which the Company issues options.

3.21 **"Grant Date"** means the date on which the Committee approves the grant.

Explanation- For accounting purposes, the grant date will be determined in accordance with applicable accounting standards;

3.22 **"Grant letter"** means the letter by which Grant of Options is communicated to the Grantee.

3.23 **"Grantee"** shall mean an Eligible Employee having a right but not an obligation to exercise an option in pursuance of this Plan.

3.24 **"Group"** means two or more Companies which, directly or indirectly, are in a position to:

a) exercise twenty-six per cent or more of the voting rights in the other Company; or
b) appoint more than fifty per cent of the members of the Board of Directors in the other Company; or
c) control the management or affairs of the other Company.

3.25 **"Independent Director"** shall have the same meaning as defined under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

3.26 **"Market price"** means the latest available closing price on a recognized stock exchange on which the shares of the Company are listed on the date immediately prior to the relevant date.

Explanation- If such shares are listed on more than one recognized stock exchange, then the closing price on the recognized stock exchange having higher trading volume shall be considered as the market price;

3.27 **"Option"** means a right, but not an obligation to purchase or subscribe at a future date, the shares offered by the Company, directly or indirectly, at a pre- determined price, in accordance with this Plan.

3.28 **"Option Acceptance letter"** shall mean the letter that the Grantee has to submit indicating his acceptance of the Grant made to him to participate in the Plan.

3.29 **"Permanent Incapacity"** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps a grantee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Nomination & Remuneration Committee, based on a certificate of medical expert identified by the Company.

3.30 **"Promoter" and "Promoter Group"** shall have the same meaning as defined under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

3.31 **"Relevant Date"** means

a) in the case of grant, the date of the meeting of the Committee on which the grant is made; or
b) in the case of exercise, the date on which the notice of exercise is given to the Company by the Employee;

3.32 **"Plan"** shall mean the Employee Stock Option Plan 2016 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.

3.33 **"SEBI (SBEB & SE) Regulations) "** means the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.

3.34 **"Share"** means an Equity Share of the Company.

3.35 "**Subsidiary Company**" shall have the same meaning as defined under the Companies Act, 2013.

3.36 **"Termination date"** means the date of termination of employment of the Employee with the Company.

3.37 **"Unvested Option"** means an Option, which is not a Vested Option.

3.38 **"Vesting"** means the process by which the Employee becomes entitled to receive the benefit of a grant made to him under the Plans.

3.39 **"Vesting period"** means the period during which the Vesting of the Options Granted to the Employee in pursuance of the Plan takes place.

3.40 **"Vested Option"** means an Option, which has Vested in pursuance to Clause 10 here of with the Employee/Beneficiary and has thereby become exercisable.

3.41 **"Vesting Date"** means the date on and from which the Option Vests with the Employee/Beneficiary and thereby becomes exercisable.

Interpretation:
In this document, unless the contrary intention appears:

a) The singular includes the plural and vice versa;
b) The word "person" includes an individual, a firm, a body corporate or unincorporated body or authority; and
c) Any word or expression importing the masculine, feminine or neuter genders only, shall be taken to include all three genders.

Article Headings:

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

References:

a) A reference to a Clause or Schedule is respectively a reference to a Clause or Schedule of this document. The Schedules to this document shall for all purposes form part of this document.

b) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.

4. Implementation & Administration

Subject to Applicable Laws, and the broad policy and the framework laid down by the Board of Directors, the Plan shall be shall be directly implemented and administered by the Company through its Nomination and Remuneration Committee. The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Plan.

The Board may correct any defect, omission or reconcile any inconsistency in the Plan in the manner and to the extent the Board deems necessary or desirable.

5. Nomination & Remuneration Committee

The Nomination and Remuneration Committee of the Company means the Committee as may be constituted or re-constituted by the Board of Directors from time to time, as per the requirements of applicable laws, for effective administration of the Plan. This Committee for all purposes under SEBI (SBEB & SE) Regulations, 2021 will be considered as Compensation Committee. The Committee shall be entitled to invite any person to attend its meetings and participate in the discussion and deliberations, if it may so deem fit. The Committee, in exercise of its powers, may require any information from the Company, and/or seek the assistance of any Employee of the Company as it may deem fit to fully and effectively discharge its duties.

5.1 The powers of the Committee, inter alia, include the power to:

I. Adopt rules and regulations for implementing the Plan from time to time.
II. Identification of classes of Employees entitled to participate in the Plan.
III. Grant Options to the identified Eligible Employee and determine the Grant date.
IV. Determine the number of Options to be Granted to each Grantee and in aggregate subject to the ceiling under the Plan.
V. To decide the specified time period within which the Employee shall exercise the vested options in the event of termination or resignation of an Employee;
VI. To accelerate the vesting of options on a case to case basis, as the Committee deems fit, subject to completion of minimum 1 year from the date of grant of options;
VII. To modify the vesting schedule on a case to case basis, as the Committee deems fit, subject to completion of minimum one year from the date of grant of options;
VIII. To decide upon the right of an Employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
IX. To decide upon the Grant, Vesting and Exercise of option in case of Employees who are on long leave i.e. who are on leave of more than 3 months;
X. The procedure for making a fair and reasonable adjustment to the entitlement including adjustment

to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale or any other form of corporate arrangement. In this regard, the following shall, inter alia, be taken into consideration by the compensation committee:

a) the number and price of options shall be adjusted in a manner such that total value to the Employee of the options remains the same after the corporate action;
b) the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the Employee(s) who is granted such options;

XI. Determine the method for exercising the Vested Options, period of Exercise, etc.
XII. Determine the Exercise price of the Options Granted.
XIII. Re-pricing of the options which are not exercised, whether or not they have been vested if Employee stock options rendered unattractive due to fall in the price of the shares in the market.
XIV. Determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option Granted hereunder.
XV. Determine the terms and conditions under which vested option can lapse in case of termination of employment for misconduct.
XVI. Approve forms or agreements for use under the Plan.
XVII. Transferability of Employee stock options.
XVIII. Decide all other matters that must be determined in connection with an Option under the Plan in accordance with SEBI (SBEB & SE) Regulations).
XIX. Construe and interpret the terms of the Plan, and the Options Granted pursuant to the Plan.
XX. To frame suitable policies and procedures to ensure that there should be no violation of securities laws, as amended time to time, including but not limited to:
    a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
    b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations 2003.

The powers and functions of the Committee can be specified, varied, altered or modified from time to time by the Board of Directors, subject to the rules and regulations as may be in force. The Board may further provide that the Committee shall exercise certain powers only after consultation with the Board and in such case, the said powers shall be exercised accordingly.

5.2 No member of the Committee shall be personally liable for any decision or action taken in good faith with respect to the Plan.

5.3 A member of the Committee shall abstain from participating in and deciding on any matter relating to grant of any Option to him.

6. Shares Pool of the Plan

The maximum number of options that may be issued pursuant to this Plan is 9,57,218 (Nine Lacs Fifty Seven Thousand Two Hundred & Eighteen) Options representing 2.5% of the paid-up capital of the Company as on the date of approval of shareholders of the Company, to be convertible into equal number of Equity Shares of the Company.

Forfeited / lapsed options under this Plan can be re-issued by the Committee at its discretion. Further, the maximum number of options that can be granted shall stand automatically changed in case of corporate actions such as rights issues, bonus issues, stock split/consolidation, merger/demerger, acquisition, sale or any form of corporate arrangement. The Company reserves the right to increase or reduce such number of shares as it deems fit, in accordance with the Applicable Laws.

7. Appraisal and Eligibility of an Employee

As soon as may be possible after the Plan comes into effect and at times thereafter, as deemed fit by the Committee, the Committee shall base on the following criteria, including but not limited to, decide on the Employees who are eligible for the grant / vesting of Options under the Plan and the terms and conditions thereof.

I. Loyalty: It will be determined on the basis of tenure of employment of an Employee in the Company;

II. Performance: Employee's performance during the financial year on the basis of the parameters decided by the management;

III. Designation: Employee's designation in the Company as per the HR Policy of the Company;

IV. The present and potential contribution of the Employee to the success of the Company;

V. High market value/difficulty in replacing the Employee;

VI. High risk of losing the Employee to competition and;

VII. Value addition by the new entrant if any.

The Committee may in its absolute discretion vary or modify such criteria and/or selection and/or the terms and conditions for granting any Option to any Employee or class of Employees.

Nothing in the Plan or in any Option granted pursuant to the Plan shall confer on any individual, any right to continue in the employment of the Company or interfere in any way with the right of the Company to terminate the individual's employment at any time.

8. Grant of Options

8.1 The Committee, in accordance with the terms and conditions of the Plan for the time being in force and subject to Employee's continuity in the employment, his performance, hierarchy and other parameters as set out by the Board grant options to one or more Employees.

8.2 The maximum number of Options that can be granted to any eligible Employee during any one-year shall not equal or exceed 1% of the issued capital of the Company at the time of grant of Options. The Board may decide to grant such number of options equal to or exceeding 1% of the issued capital to any eligible Employee as the case may be, subject to the separate approval of the shareholders in a general meeting.

8.3 The Employee shall accept the offer made to him by submitting his acceptance within a period of 30 days from the date of receipt of respective Grant Letters, to the Company, in the prescribed format.

8.4 Each Option granted shall be advised to the Grantee in writing, specifying the date, number of Options granted, the Exercise Price, the Vesting schedule of the Option, the earliest date on which the Options under the grant shall be eligible for Vesting, and other terms and conditions thereof.

8.5 Unless agreed otherwise between the Company and any Employee and subject to the Corporate Action(s) in the Company, the grant of 1 (One) Option to an Employee under this Plan shall entitle the holder of the Option to apply for 1 (One) Equity Share in the Company upon payment of Exercise Price.

9. Method of acceptance

9.1 Any Grantee who wishes to accept the Grant made pursuant to Clause 8 hereof, must deliver an Option Acceptance Letter, prescribed by the Committee from time to time, duly completed as required therein to the Company on or before the Closing date stated in the Grant letter.

9.2 Any Grantee who fails to return the Option Acceptance Letter on or before the Closing date shall, unless the Committee determines otherwise, be deemed to have rejected the Grant.

9.3 Any Acceptance Letter received after the Closing date shall not be valid.

9.4 Upon Acceptance, the Committee may issue to the Employee a statement, in such form as it deems appropriate, showing the number of Options to which the Employee is entitled pursuant to the acceptance of such Grant and the number of Shares for which the Employee will be entitled to subscribe pursuant to such Grant.

9.5 Subject to the terms contained herein, the acceptance in accordance with this clause, of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company.

10. Vesting of Options

10.1 The stock options granted under ESOP-Plan shall vest subject to completion of minimum one (1) year from the date of grant and may take place over a period of five (5) years from the date of grant, in accordance with the terms determined by the Nomination and Remuneration Committee. The vesting schedule and criteria may vary for different set of employees, as may be decided by the Nomination and Remuneration Committee.

Provided that in the event of death or permanent incapacity of an employee, the minimum vesting period of one (1) year shall not be applicable and the options granted shall vest with effect from the date of his death or permanent incapacitation, in the manner provided under clause 13.2 and 13.3.

10.2 Actual Vesting of Options in the hands of the Employee may further be evaluated on the basis of the grade of the Employee, in Annual Performance Appraisal system of the Company, as per the discretion of the committee.

10.3 The Committee shall have the power to modify or accelerate the vesting schedule on a case-to-case basis subject to the minimum gap of 1 (One) Year between the grant and first vesting.

10.4 The options which get lapsed due to Performance Appraisal in any of the vesting, will get lapsed from the hands of the Employee and will add-back to the pool of ungranted options of this Plan, and will be available for further grants under the Plan.

11. Exercise Price

11.1 Under this Plan, the Exercise price of the Shares will be the Market Price of the Shares one day before the date of the meeting of the Committee wherein the grants of options of that particular year will be approved.

The Committee has a power to provide suitable discount or charge premium on such price as arrived above. However, in any case the Exercise price shall not go below the par value of Equity Share of the Company. Further Committee has the power to re price the grants in future if the Grant made under the Plan is rendered unattractive due to the fall in the price of Shares in the Stock Market.

11.2 The payment of applicable taxes, if any, in respect of exercise of the Options shall be made by the Grantee to the Company, as the Committee, may prescribe, at the time of Exercise. However the Company have the right to recover tax from the Grantee, by deducting the respective amount of tax from Grantee's salary.

12. Exercise of Options

12.1 The vested Options shall be exercisable either wholly or in part, according to the terms and conditions as determined and mentioned under the Plan during the exercise period.

12.2 Under the Plan, the exercise period for the vested options will be upto three (3) months from the date of respective vesting, failing which the vested options shall stand lapsed in the hands of the Employee.

12.3 The Grantee, for issuance and allotment of Shares pursuant to the vested options, may, at any time during the Exercise Period, and subject to fulfilment of the conditions on which the Options have been granted, Exercise the vested Options by submitting an exercise application along with the Exercise Price and the applicable taxes.

12.4 The Aggregate Exercise Price shall be paid in full upon the exercise of the vested options by a cheque or demand draft drawn on the name of "TCI Express Limited" or such other offline or online banking channel, as may be accepted by the Company, from time to time.

12.5 An Employee can Exercise the vested Options subject to the adherence of Company's Code of Conduct for prevention of Insider Trading.

13. Cessation of Employment

Notwithstanding anything elsewhere stated in this document:-

13.1 In the event of **Resignation**, all Unvested Options shall expire and stand cancelled with effect from last working day of employee unless otherwise determined by the Committee whose determination will be final and binding. However, all Vested Options as on that date shall be exercisable by the Employee before his last working day in the organisation. The vested options not so exercised shall lapse irrevocably and the rights there under shall be extinguished.

13.2 In the event of **death** of an Employee while in employment with the Company, all the options granted to him till his death shall vest with effect from the date of his death, in the Beneficiary or legal heirs or nominees of the deceased Employee.

13.3 In the event of **Permanent Disability** of an Employee, while in employment with the Company, all the Options granted to him till such date of permanent incapacitation and lying unvested or/and unexercised shall Vest in him on the day of incapacitation. The Employee can Exercise all the Vested Options time to time, in accordance of the Plan.

13.4 In the event of **separation** from employment due to **Retirement/Superannuation:** In case service of the Employee with the Company is completed due to retirement or superannuation (as per Company Policy), all the unvested options granted to him shall continue to vest notwithstanding the condition of continued employment but subject to all other conditions pursuance to the Plan or any other condition specifically waived by the Committee (such as performance condition, etc.). The Employee can Exercise all the Vested Options during the exercise period. Any vested options not exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period.

13.5 In the event that an Employee who has been granted benefits under this Plan is **transferred or deputed** to an associate/group/subsidiary/holding Company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

13.6 In the event of an Employee going on **Long Leave**, the treatment of options granted to him, whether vested or not, shall be determined by the Committee, whose decision shall be final and binding.

13.7 In the event of **Termination of the Employment** due to misconduct of an Employee or otherwise, all options granted shall stand cancelled, with effect from the date of such termination unless otherwise determined by the Committee, whose determination will be final and binding. The Committee, at its sole discretion shall decide the date of termination of a Grantee, and such decision shall be binding on all concerned.

13.8 In the event where arises a **Dispute between Employee and the Company,** exercise will be put on hold till the date of settlement.

14. Terms & Conditions of Shares

14.1 Nothing herein is intended to or shall give the Grantee, any right to status of any kind as a shareholder of the Company in respect of any share covered by the grant unless the Grantee exercises the options and becomes the Registered Shareholder of the Company.

14.2 The Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to Exercise an Employee Stock Option in whole or in part.

14.3 The shares allotted to the Employees by the Company shall be listed immediately on stock exchanges, where the equity shares of the Company are listed.

14.4 The Shares allotted to the Employees pursuant to the exercise of an Option will not be subject to any lock-in period.

15. Insider Trading, Company Rules and Policies

15.1 The Employee shall ensure that he abides by and there is no violation of:

I. Insider Trading Regulations of any country and/or the recognized stock exchange(s) on which the shares of the Company are listed.
II. Other applicable restrictions for prevention of fraudulent and / or unfair trade practices relating to the securities market.
III. The rules, regulations, policies and systems laid down by the Company from time to time for the employees in general and in particular to the financial services market.

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

15.3 Any violation of the above may, at the discretion of the Board / Committee result in cancellation of grant. The decision of the Board /Committee shall be final and binding on the concerned.

16. Notices and correspondence

Any notice required to be given by an Employee to the Company or the Committee or any correspondence to be made between an Employee and the Company or the Committee may be given or made to the Company/ Committee at the corporate office or registered office of the Company or at the place as may be notified by the Company/ Committee in writing.

Any notice, required to be given by the Company or the Committee to an Employee or any correspondence to be made between the Company or the Committee and an Employee shall be given or made by the Company or the Committee on behalf of the Company at the address provided by the Employee in his

acceptance letter.

17. Beneficiary or nominee's designation

Each Employee under the Plan, at the time of Grant shall designate nominee(s) in the manner as may be prescribed by the Company time to time to whom any benefit under the Plan is to be delivered in case of his or her death. The Grantee may nominate fresh beneficiary, each such fresh nomination shall revoke all prior nominations.

18. Non- transferability of Options

The Options granted cannot be assigned, alienated, pledged, mortgaged, attached, hypothecated, sold, or otherwise transferred or encumbered by the Employee otherwise than by will or by the laws of descent, to the extent permitted under the Applicable Law, and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void and unenforceable against the Company.

19. Change in Capital Structure

19.1 Except as hereinafter provided, any grant made shall be subject to adjustment, by the Nomination & Remuneration Committee, at its discretion, as to the number and price of Options or Shares, as the case may be, in the event of 'Change in Capital Structure' as defined herein.

19.2 If there is a 'Change in the Capital Structure' of the Company before the Options granted under this Plan are Exercised, the Employee shall be entitled on Exercise of the Options, to such number of Resultant Shares to which he would have been entitled as if all the then outstanding Options exercised by him, had been exercised before such 'Change in the Capital Structure' had taken place and the rights under the Options shall stand correspondingly adjusted. In the event of a Bonus Issue, sub-division or consolidation of capital, the Nomination & Remuneration Committee, subject to the provisions of applicable laws to the Stock options, shall make fair and reasonable adjustments under the Plan, as it deems fit, with respect to the number of options, minimum vesting period, exercise price, distribution of sums and make any other necessary amendments to the Plan for this purpose. The vesting period and life of the options shall be left unaltered as far as possible.

19.3 In the event of severance of employment of a Grantee, as a part of reconstitution / amalgamation / sell-off or otherwise, the options granted and not exercised before such reconstitution / amalgamation / sell-off, shall be exercised as per the terms and conditions determined by the Committee at that time.

19.4 In the event of a dissolution or liquidation of the Company, any vested options outstanding under the Plan shall be cancelled if not exercised prior to such event and no compensation shall be payable in respect of the options so cancelled.

19.5 In the event of a reverse merger, the treatment of vested as well as unvested options will be decided by the Committee, whose decision shall be final and binding.

19.6 In the event of demerger of the Company, the respective Committees of the Resulting & the De-merged Company will take the decision regarding the time period for the exercise of the vested options and the treatment of unvested options.

20. Disclosures and Accounting Policies

The Company shall comply with the disclosure requirements and accounting policies specified in the SEBI

(SBEB & SE) Regulations 2021.

21. Recovery of applicable taxes

20.1 All Options Granted/Shares allotted under the Plan shall be subject to all applicable taxes, if any, and the Company or Committee may recover such taxes accordingly from the Employee.

20.2 An Employee beneficiary shall pay all tax and discharge all other liabilities to which he may become subject to as a result of his participation in this Plan or exercise of options.

22. Arbitration

In the event of a dispute arising out of or in relation to the provisions of this Plan (including a dispute relating to the construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such dispute 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 reasonable attempts, which attempt shall continue for not more than 30 days, gives 10 days' notice thereof to the other party in writing. In case of such failure, either party may refer the dispute to a single arbitrator to be appointed by Managing Director of the Company. The arbitration proceedings shall be held in New Delhi, India 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. The parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law of Delhi.

23. Governing Law

This Plan and all agreements there under shall be governed by and construed in accordance with the SEBI (SBEB & SE) Regulations) and other Applicable laws of India.

The Employee agrees and acknowledges that he Employee has received and read a copy of the Plan. The Options are subject to the Plan. Any term of the Plan that is contrary to the requirement of the SEBI Guidelines or any other Applicable Law or other Indian regulations shall not apply to the extent it is contrary.

The Courts in Hyderabad shall have exclusive jurisdiction on any matter arising out of this Plan.

24. Regulatory approvals

The implementation of the Plan, the Granting of any Option under the Plan and the issuance of any Shares under this Plan shall be subject to the procurement by the Company and the Employee/ Beneficiary of all approvals and permits, if any, required by any regulatory authorities having jurisdiction over the Plan, the Options and the Shares issued pursuant thereto. The Employee/ Beneficiary under this Plan will, if requested by the Committee/ Company, provide such assurances and representations to the Company or the Committee, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.

25. Modification of Plan

The Committee may, on its own or if required by the law, after authorisation by the shareholders/ Board of Directors, as the case may be, by way of special resolution, (wherever required) at any time and from time to time:

24.1 Revoke, add to, alter ,amend or vary all or any of the terms and conditions of the Plan or all or any of the rights and obligations of the Employee;

24.2 Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Employee/Beneficiary. Each of such sets of special terms and conditions shall be restricted in its application to those Employee;

24.3 Formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Employee separately and each of such sets of special terms and conditions shall be restricted in its applications to such Employee.

24.4 However, any amendment, variation or modification under the Plan shall not be prejudicial to the interest of the Employees of the Company.

26. Term of the Plan

25.1 Except as provided elsewhere specifically, the Plan shall continue in effect unless terminated by the Company or the Committee or until all options available to be granted under the Plan are fully exercised.

25.2 Any such termination of the Plan shall not affect Options already Granted and such Options shall remain in full force and effect as if the Plan had not been terminated unless mutually agreed otherwise between the Employee/ Beneficiary and the Committee/the Company.

27. Confidentiality

Notwithstanding anything contained in this Plan, the Employee shall not divulge the details of the Plan and/or his holdings to any person except with the prior written permission of the Committee unless so required to do under the Applicable laws or any statutes or regulations applicable to such Employee.