



## **Employee Stock Option Scheme 2025**

**SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED**  
(CIN- L35106MH1986PLC284510)

Regd. Office: Unit – 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex  
Bandra East, Mumbai-400051, India

Phone: +91 22-61354800; Fax: +91 22-61354801

Corporate Office: Plot No.1, Sector 127, Noida-201301, Uttar Pradesh, India  
Phone: +91 120 6679500; Fax: +91 120 2521866.

Email: [investorrelations@motherson.com](mailto:investorrelations@motherson.com); Website: [www.motherson.com](http://www.motherson.com)

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## 1. Name, Objective and Term of the Scheme

- 1.1 This Employee Stock Options Scheme shall be called ‘**Samvardhana Motherson International Limited – Employee Stock Option Scheme 2025**’ (“**ESOP 2025**” or “**Scheme**”).
- 1.2 The primary objectives of the Scheme are to reward the Employees 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 way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The Company views stock option scheme as a long-term incentive tool that would assist in aligning Employees’ interest with that of the shareholders while limiting the dilution in the shareholding and enable the Employees not only to become co-owners, but also to create wealth out of such ownership in future.
- 1.3 The Scheme has been approved by the shareholders of the Company on August 22, 2025. The Scheme is effective from the date of the shareholders’ approval and shall continue to be in force until (i) its termination by the Board as per provisions of Applicable Laws, or (ii) the date on which all of the Options available for issuance under the Scheme have been issued and exercised, whichever is earlier.

## 2. Definitions and Interpretation

### 2.1 Definitions

- (i) “**Applicable Law**” means every law relating to employee stock options by whatever name called, including but without limitation to the Companies Act, the Securities and Exchange Board of India Act 1992, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“**ICDR Regulations**”), the Securities Contracts (Regulation) Act, 1956, (“**SCRA Regulations**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“**SBEB Regulations**”), as amended and enacted from time to time read with all circulars and notifications issued thereunder and all relevant tax, securities, exchange control or corporate laws of India or of any relevant jurisdiction or of any Stock Exchange on which the Shares are listed or quoted.
- (ii) “**Board**” means the Board of Directors of the Company, as defined under section 2(10) of the Companies Act.
- (iii) “**Claw Back**” means a contractual agreement between the Option Grantee and the Company, being evidenced on the acceptance of the Grant, in which case the Option Grantee shall relinquish any benefit that accrued to or return any benefit that is received by such Grantee to the Company (directly / indirectly) under circumstances specified at the time of Grant.

(iv) **“Committee”** means the Nomination and Remuneration Committee constituted by the Board from time to time, comprising of such members of the Board as provided under Regulation 19 of the LODR Regulations, as amended from time to time and having such powers as specified under the SBEB Regulations read with powers specified in this Scheme.

(v) **“Companies Act”** means the Companies Act, 2013 read with rules issued thereunder from time to time and includes any statutory modifications or reenactments thereof.

(vi) **“Company”** means Samvardhana Motherson International Limited, a company incorporated in India under the provisions of the Companies Act, 1956, having CIN: L35106MH1986PLC284510 and having its registered office at Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra – 400051.

(vii) **“Company Policies/ Terms of Employment”** means the Company’s policies for Employees and the terms of employment as contained in the employment letter, code of conduct and/or the company handbook, which includes provisions requiring a desired level of performance, securing confidentiality, non-compete and non-poaching of other Employees and customers.

Explanation: for this clause, the Company includes its Group Company(ies) and Subsidiary Company(ies), in India or outside India to the extent Employees of the said entities are covered.

(viii) **“Director”** shall have same meaning as defined under section 2(34) of the Companies Act.

(ix) **“Eligibility Criteria”** means criteria as may be determined from time to time by the Committee for granting the Options to the Employees.

(x) **“Employee”** means

- (a) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (b) 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
- (c) an employee as defined in sub-clauses (a) or (b), of a Group Company(ies) and Subsidiary Company(ies), in India or outside India,

**but does not include**

- (i) an employee who is a Promoter or belongs to the Promoter Group;

- (ii) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company;
- (iii) an Independent Director.

(xi) **“Employee Stock Options”** means an Option(s) granted to an Employee, which gives such Employee the right, but not an obligation, to acquire at a future date the Shares underlying the Options at a pre-determined price, subject to the terms of this Scheme.

(xii) **“Exercise”** of Options means submission of duly executed exercise application form in all respects by the Option Grantee to the Company/ Trust to acquire the Shares underlying the Vested Options, in accordance with the procedure laid down by the Company/ Trust for Exercise of Options.

(xiii) **“Exercise Period”** means such time period after Vesting within which the Option Grantee should Exercise the Vested Options in pursuance of the Scheme.

(xiv) **“Exercise Price”** means the price payable by an Employee in order to Exercise the Options granted to him in pursuance of the Scheme.

(xv) **“Grant”** means the process by which the Company issues Options to the Employees under the Scheme.

(xvi) **“Grant Date”** means the date of the meeting of the Committee in which Grant of Options to the Employees is approved or any such date which may be determined by the Committee as the Grant date.

**Explanation:** For accounting purposes, the Grant Date will be determined in accordance with applicable accounting standards.

(xvii) **“Group Company”** 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.

(xviii) **“Independent Director”** means a Director within the meaning of Section 149(6) of the Companies Act read with Regulation 16(1)(b) of the LODR Regulations.

(xix) **“Market Price”** means the latest available closing price on the Stock Exchange on which the Shares of the Company are listed, immediately prior to the Relevant Date.

**Explanation-** If Shares are listed on more than one Stock Exchange, then the closing price of the Shares on the Stock Exchange having higher trading volume shall be considered as the Market Price.

(xx) **“Misconduct”** means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the Company Policies/Code of Conduct/Terms of Employment, amounting to violation or breach, as determined by the Company after giving the Employee an opportunity of being heard:

- a) dishonest statements or acts of an Employee, with respect to the Company;
- b) any misdemeanour involving moral turpitude, deceit, dishonesty, or fraud committed by the Employee;
- c) gross negligence, misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company;
- d) participating or abetting a strike in contravention of any law for the time being in force;
- e) misconduct as provided under the labour laws after following the principles of natural justice; or
- f) any other terms and conditions as notified by the Committee from time to time.

(xxi) **“Option”** means Employee Stock Option individually or collectively, as the context may require within the meaning of the Scheme.

(xxii) **“Option Grantee”** means an Employee who has been granted Options, has accepted such Grant as required under the Scheme and shall deem to include nominee / legal heir of the option grantee in case of his/her death to the extent provisions of the Scheme are applicable to such nominee / legal heir.

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

(xxiv) **“Primary Issuance”** means issuance of new Shares by the Company to the Trust.

(xxv) **“Promoter”** shall have the same meaning assigned to it under the ICDR Regulations.

(xxvi) **“Promoter Group”** shall have the same meaning assigned to it under the ICDR Regulations.

(xxvii) **"Relevant Date"** means any of the following dates as the context requires:

- (i) in the case of Grant, the Grant Date; or
- (ii) in the case of Exercise, the date on which the notice of Exercise is given to the Company by the Option Grantee.

(xxviii) **"Retirement"** means retirement as per the rules of the Company.

(xxix) **"Secondary Acquisition"** means acquisition of existing Shares of the Company by the Trust on the platform of a recognized Stock Exchange for cash consideration.

(xxx) **"Secretarial Auditor"** means a company secretary in practice appointed by a company under Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit pursuant to regulation 24A of the LODR Regulations.

(xxxi) **"Shares"** means equity shares of face value of Re. 1/- (Rupee One only) each fully paid-up of the Company.

(xxxii) **"Stock Exchange"** means National Stock Exchange of India Limited or BSE Limited or any recognized other stock exchange in India on which the Company's Shares are listed.

(xxxiii) **"Subsidiary"** or **"Subsidiary Company"** shall have the same meaning as defined under Section 2(87) of the Companies Act and includes any present or future subsidiary company of the Company.

(xxxiv) **"Trust"** means the '**Motherson ESOP Trust**' an irrevocable trust to be set-up by the Company for the administration of the equity-based employee compensation scheme(s) of the Company including this Scheme.

(xxxv) **"Trustee"** shall mean the person/ entity appointed as a trustee under the trust deed of the Trust.

(xxxvi) **"Unvested Option"** shall mean the Options for which the relevant Vesting Conditions have not been fulfilled, and as a result, the Option Grantee has not yet acquired the right to Exercise such Options.

(xxxvii) **"Vest"** or **"Vesting"** means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of the Scheme.

(xxxviii) **"Vested Option"** means Options in respect of which the relevant Vesting Conditions have been satisfied, and as a result, the Option Grantee has acquired the right to Exercise such Options.

(xxxix)      **“Vesting Condition”** means relevant conditions subject to which the Options granted would Vest in the Option Grantee.

(xl)      **“Vesting Period”** means the period during which the Vesting of the Options granted to the Employee, in pursuance of the Scheme takes place.

## 2.2      **Interpretation**

In this Scheme, unless the contrary intention appears:

- a)      the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b)      a reference to a clause number is a reference to its sub-clauses;
- c)      words in singular number include the plural and vice versa;
- d)      words importing a gender include any other gender;
- e)      a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference;
- f)      for the purposes of any calculation under this Scheme any fraction will be rounded up or down to the nearest integer;
- g)      reference to any statute, rules, regulations, or notification shall include any amendment, modification, substitution or re-enactment thereof;
- h)      the terms defined above, including their grammatical variations and cognate expressions, shall, unless repugnant to the context or meaning thereof, for the purposes of this Scheme have the meanings herein specified and terms not defined above shall have the meanings as defined in the Applicable Laws, as the context requires;
- i)      words/ phrases and expressions used and not defined here but defined in the Applicable Laws and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation, as the context requires.

## 3.      **Authority and Ceiling**

3.1      The shareholders of the Company by way of special resolution effective from August 22, 2025 approved the Scheme authorizing the Committee to grant not exceeding 9,45,00,000 (Nine crore Forty Five lacs) Options to the eligible Employees in one or more tranches, from time to time, which in aggregate exercisable into not more than 9,45,00,000 (Nine crore Forty Five lacs) Shares. The Shares shall be sourced from the Secondary Acquisition, from time to time, through the Trust. However, the Company reserves the right to source the Shares from the Primary Issuance of the Shares to the Trust, in case circumstances warrant. In any case, the Shares acquired from Secondary Acquisition shall be subject to the ceiling above and in accordance with Applicable Laws. The Trust shall transfer the Shares to the Option Grantee upon Exercise of Options, in accordance with the terms and conditions as may be decided under ESOP 2025. Subject to the Applicable Laws, the Trust shall, at the Option Grantee’s request, transfer the Shares to a nominee entity for the Option Grantee’s beneficial interest.

- 3.2 The maximum number of Options under the Scheme that may be granted to each Employee per Grant and in aggregate (taking into account all Grants) vary depending upon the designation and the appraisal/ assessment process, however, shall not exceed 7,50,000 (seven lacs fifty thousand) Options at the time of Grant.
- 3.3 Prior approval of shareholders of the Company in the general meeting by passing special resolution shall be obtained in case the Grant of Options to any identified Employee, during any one year, is equal to or exceeding 1% (one percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Options.
- 3.4 The maximum quantum of benefits contemplated under the Scheme are in terms of the maximum number of Options that may be granted to an eligible Employee.
- 3.5 If an Option expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the Options pool as mentioned in Sub-clause 3.1 and shall become available for future Grants, subject to compliance with all Applicable Laws.
- 3.6 Where Shares are transferred by the Trust consequent upon Exercise of Vested Options under the Scheme, the maximum number of Shares that can be issued under Scheme as referred to in Clause 3.1 above shall stand reduced to the extent of such Shares transferred.
- 3.7 All Shares transferred by the Trust consequent to Exercise of Vested Options shall rank *pari passu* with existing Shares of the Company.
- 3.8 In case of a Share split or consolidation, if the revised face value of the Share is less or more than the current face value as prevailing on the date of coming into force of this Scheme, the maximum number of Shares being granted under the Scheme as specified above shall stand modified accordingly, so as to ensure that cumulative face value (number of Shares X face value per Share) prior to such Share split or consolidation remains unchanged after such Share split or consolidation.

#### **4. Supervision and Administration**

##### **4.1 Supervision**

- a. The Scheme shall be supervised by the Committee. All the functions relating to superintendence of the Scheme shall stand possessed with the Committee including the rights, powers, or duties of the Board to the extent delegated along with that contemplated under the Applicable Laws. All questions of interpretation of the Scheme shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Scheme.
- b. Neither the Committee nor any of its members shall be liable for any actions taken in good faith for the implementation of the Scheme.

- c. The Committee may rely upon the advice and assistance of any professional it deems appropriate in the implementation of the Scheme.
- d. The Committee shall, in accordance with the Scheme and Applicable Laws, determine:
  - i. the Eligibility Criteria for Grant of Options to the Employees upon recommendation of the Management of the Company;
  - ii. the quantum of Options to be granted under the Scheme per Employee and in aggregate, subject to the ceiling as specified in Sub-clause 3.1 and 3.2;
  - iii. the terms and conditions in respect of Grant, Vesting and Exercise of Options by the Employees which may be different for different Employees or classes thereof falling in the same tranche of Grant of Options under the Scheme;
  - iv. the Exercise Period within which the Employee should Exercise the Option and that Option would lapse on failure to exercise the Option within the Exercise Period;
  - v. the right of an Option Grantee to Exercise all the Vested Options at one time or at various points of time within the Exercise Period;
  - vi. the specified time period within which the employee shall exercise the Vested Options in the event of termination or resignation and modify Sub-clause 8.2(c) as needed, based on business requirements, while adhering to the maximum Exercise Period approved by the shareholders;
  - vii. the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration by the Committee:
    - a) the number and price of Options shall be adjusted in a manner such that total value of the Options remains the same after the corporate action; and
    - b) the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Option Grantee.
  - viii. the procedure and terms for the Grant, Vesting and Exercise of Options in case of Employees who are on long leave;
  - ix. the conditions under which Options shall vest and be exercised in case of suspension of employment for alleged Misconduct;
  - x. determine the treatment of the Options held by an eligible Employee in case of suspension/ termination of services or in case of any pending inquiries;
  - xi. formulate suitable policies and procedures to ensure that there is no violation of Applicable Laws, in relation to the Scheme, by the Company and the Employees;
  - xii. any matter relating to the Trust and aspects of administration of the Scheme by the Trust;
  - xiii. the procedure for buy-back of Options granted under the Scheme if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
    - a) permissible sources of financing for buy-back;

- b) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
- c) limits upon quantum of Options that the Company may buy-back in a financial year.
- xiv. the procedure for funding for Exercise of Options, as permitted under the Applicable Laws;
- xv. approve forms, writings and/or agreements for use in pursuance of the Scheme; and
- xvi. to deal with all incidental and related matters in connection with the items (i) to (xv) above and otherwise to ensure compliance with the requirements of Applicable Laws.

e. The Committee shall also frame suitable policies and systems to ensure that there is no violation of (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 (as amended from time to time) and (c) any other regulation as may be notified by the Securities and Exchange Board of India or any other authority from time to time, by the Company, and any of its Employee.

f. Subject to the extent allowed under the Applicable Laws, the Committee shall have the right to delegate or authorize any officer of the Company, such power to do specific acts and things as may be deemed necessary in connection with the Scheme.

#### 4.2 Administration

- a. The Scheme shall be administered by the Trust to the extent aspects of such administration are delegated by the Committee as per the requirements of Applicable Laws.
- b. The Trust shall be governed subject to following terms and conditions:
  - i. It shall not deal in derivatives and shall undertake only such transactions as permitted under the deed of Trust read with the provisions of the Applicable Laws;
  - ii. The Trustees appointed or re-appointed from time to time shall be such persons as being not disqualified as prescribed under the Applicable Laws; and
  - iii. The Trustees shall not vote in respect of the Shares held by the Trust.
- c. The Trustees while administering the Scheme shall abide by the provisions contained therein, terms of the Grant, Vesting and Exercise as decided by the Committee and shall ensure compliance of the provisions of relevant Applicable Laws as prevailing from time to time, in connection with dealing with the Shares of the Company including but not limited to maintenance of proper books of account, records and documents as prescribed.

## 5. Eligibility and Applicability

- 5.1 Only Employees within the meaning of ESOP 2025 are eligible for being granted Options. The specific Employees to whom the Options would be granted, and their Eligibility Criteria shall be determined by the Committee upon recommendation of the Management of the Company.
- 5.2 The broad criteria for appraisal and selection may include parameters like grade, criticality, skills, potential contribution and such other criteria as may be determined by the Committee upon recommendation of the management of the Company, from time to time.

**Provided that** the Committee while granting the Options to any eligible Employee(s) of any Group Company(ies) and Subsidiary Company(ies), in India or outside India, shall at its discretion, consider the factors including but not limited to the role(s) of such Employee(s) for safeguarding the interest of the Company, or such Employee's contribution to the Company.

- 5.3 The Scheme shall be applicable to:

- i. the Company (including any successor company thereof), its Employees; and
- ii. the Group Company(ies) and Subsidiary Company(ies), in India or outside India, and their employees/ directors, to the extent any of them covered as "Employees" under the Scheme.

## 6. Grant and Acceptance of Grant

### 6.1 Grant of Options

- (a) Grants contemplated under the Scheme shall be made on such day and month as decided by the Committee at its discretion upon recommendation of the Management of the Company subject to the terms of the Scheme
- (b) Each Grant of Option under the Scheme shall be made in writing by the Company to the eligible Employees fulfilling the Eligibility Criteria in a letter of Grant as may be approved containing specific details of the Grant, and disclosure requirements, as prescribed under Applicable Laws.
- (c) The Grants to be made by the Company under the Scheme shall be upto September 30, 2028.

### 6.2 Acceptance of the Grant

Any Employee who intends to accept the Grant made under the Scheme must submit a duly signed acceptance of the letter of Grant to the Company, either physically or through electronic means, in the prescribed format. Such acceptance must be delivered on or before the date specified in the letter of Grant ("**Closing Date**"), which shall not be later than 30 (thirty) days from the date of the Grant. Upon the Company's receipt of the acceptance in the prescribed form and manner, the Employee shall be formally

designated as the Option Grantee under the Scheme. The Employee's acceptance of the Grant under ESOP 2025 shall constitute an agreement between the Option Grantee and the Company.

- 6.3 Any eligible Employee who fails to deliver acceptance in the prescribed form and manner on or before the Closing Date shall be deemed to have rejected the Grant unless the Committee determines otherwise.
- 6.4 No amount is payable by the Option Grantee at the time of Grant and until Exercise of Vested Options.

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

- 7.1 The Options granted under the Scheme shall Vest not earlier than the minimum Vesting Period of **1 (One)** year and not later than maximum Vesting Period of **05 (Five)** years from the date of Grant.

**Provided that** in case where Options are granted by the Company under the Scheme in lieu of Options held by a person under a similar 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 may be adjusted against the minimum Vesting Period required under this Sub-clause in due compliance with the provisions of SBEB Regulations.

**Provided further that** in the event of death or Permanent Incapacity of an Option Grantee, the minimum Vesting Period of 1 (One) year shall not be applicable and in such instances, all the Unvested Options shall Vest with effect from date of the death or Permanent Incapacity.

**Provided further that** in case of Retirement, all the Unvested Options as on the date of Retirement would continue to Vest in accordance with the original vesting schedules even after the Retirement unless otherwise determined by the Committee in accordance with the Company's Policies and provisions of the then prevailing Applicable Laws.

- 7.2 The Vesting of Options shall be contingent upon the Employee's continued employment with the Company or its Group Company(ies) and Subsidiary Company(ies), in India or outside India, as applicable. In addition, the Committee, in its sole discretion, may impose specific performance criteria, the satisfaction of which shall be required for the Options to Vest. The Committee shall have the authority to determine the performance parameters applicable to an Employee or a class of Employees, based on their respective roles, and to assign relative weightages to each parameter as it deems appropriate.
- 7.3 The specific Vesting schedule and the Vesting Conditions to the Employee shall be decided by the Committee at the time of Grant. The specific Vesting schedule and the Vesting Conditions, upon which Vesting shall take place, will be detailed in the letter issued to the Employee at the time of the Grant.

7.4 The illustrative Vesting schedule is as follows:

<b>Date of Vesting</b>	<b>Vesting of Options</b>
1 <sup>st</sup> Anniversary from the Grant Date	0% of the Options Granted
2 <sup>nd</sup> Anniversary from the Grant Date	10% of the Options Granted
3 <sup>rd</sup> Anniversary from the Grant Date	10% of the Options Granted
4 <sup>th</sup> Anniversary from the Grant Date	20% of the Options Granted
5 <sup>th</sup> Anniversary from the Grant Date	60% of the Options Granted

7.5 The Option Grantee who has tendered his/her resignation shall not be considered for Vesting effective from the date of resignation and all the Unvested Options as on date of effective date of resignation shall be cancelled forthwith. Further, an Option Grantee must not be subject to any disciplinary proceedings pending against him on such date of Vesting. In case of any disciplinary proceedings against any Option Grantee, the relevant Vesting shall be kept in abeyance until disposal of the proceedings. In case of reinstatement, Vesting shall happen as if there was no abeyance. In case of termination from employment, the provisions of serial number 3 and 4 in the table given in Sub-clause 8.2(c) of the Scheme shall apply.

#### **7.6 Vesting of Options in case of Employees on long leave**

In an event of long leave, such as, sabbatical leave, earned leave, maternity leave above statutory defined period, sick leave or any other nature of long leave, the Committee shall have discretion to reduce the Grant(s) and/or Vesting of Options appropriately.

### **8. Exercise**

#### **8.1 Exercise Price**

- (a) The Exercise Price per Option shall be determined by the Committee, subject to a maximum discount of up to 15% (Fifteen percent) on the Market Price of the Shares on the Grant Date. However, the Exercise Price per Option shall not be less than the face value of the Share of the Company. The specific Exercise Price shall be intimated to the Option Grantee in the Grant letter at the time of Grant.
- (b) Payment of the Exercise Price (including applicable taxes) shall be made by a crossed cheque, or by any electronic mode or a demand draft drawn in favour of the Company/ Trust or in such other manner as the Company/ Trust may decide from time to time.
- (c) Subject to Applicable Laws and in accordance with the Scheme, the Trust shall have the authority to arrange funding, to the extent necessary to cover the Exercise Price, any applicable tax obligations, and other related expenses arising from the Exercise of Vested Options, by selling an appropriate number of Shares in the secondary market. Such sale shall be conducted by the Trust upon receiving a request from the Option Grantee or, in the event of the Option Grantee's death,

from their nominee(s) or legal heir(s), submitted in the format prescribed by the Company/ Trust.

## 8.2 Exercise Period

- (a) The Exercise Period for Vested Options shall be a maximum of **3 (Three) years** commencing from the date of each Vesting or such other shorter period as may be prescribed by the Committee at the time of Grant. In case of death or Permanent Incapacity, the Committee may, at its discretion, allow such additional period for Exercise which shall not be more than 12 months from the original prescribed Exercise Period.
- (b) All the Vested Options can be exercised by the Option Grantee at one time or at various points of time within the Exercise Period.
- (c) **Exercise period in case of various events:**

Subject to maximum Exercise Period specified in Sub-clause 8.2(a), the treatment of Vested and Unvested Options shall be as follows:

S. No.	Events	Vested Options	Unvested Options
1.	<b>While in employment/ Service</b>	All the Vested Options shall be exercisable by the Option Grantee within <b>the Exercise Period</b> .	All the Unvested Options shall continue to vest as per the terms and conditions of the Grant.
2.	<b>Resignation</b>	All the Vested Options as on date of resignation shall be exercisable by the Option Grantee on or before three month from the <b>last working day or Exercise Period, whichever is earlier</b> .	All the Unvested Options as on the effective date of resignation shall stand <b>cancelled</b> .
3.	<b>Termination (Other than due to Misconduct)</b>	All the Vested Options as on date of termination shall be exercisable by the Option Grantee on or before three month from the <b>last working day or Exercise Period, whichever is earlier</b> .	All the Unvested Options as on the date of termination shall stand <b>cancelled</b> with effect from the effective date of termination.
4.	<b>Termination due to Misconduct</b>	All the Vested Options at the time of such termination shall stand <b>cancelled</b> with effect from the date of such termination.	All the Unvested Options as on the date of such termination shall stand <b>cancelled</b> with effect from the date of such termination.
5.	<b>Retirement</b>	All the Vested Options as on date of Retirement shall be <b>exercisable within 12 (Twelve) months</b> from the date of Retirement or Exercise Period, whichever is earlier.	All Unvested Options as on the date of Retirement would continue to vest in accordance with the <b>original vesting schedules</b> even after the Retirement unless otherwise

S. No.	Events	Vested Options	Unvested Options
			determined by the Committee in accordance with the Company's Policies, if any, and provisions of the then prevailing Applicable Law. Such aforesaid Vested Options, if any, can be exercised within a period of <b>12 (Twelve) months</b> from the date of such Vesting.
6.	<b>Death</b>	All the Vested Options as on date of death shall be <b>exercisable</b> by the legal heir/ nominee of such deceased Option Grantee within <b>12 (Twelve) months</b> from the date of Death of the Option Grantee.	All the Unvested Options as on date of death shall <b>vest immediately</b> in the Option Grantee's nominee or legal heir and can be exercisable within a period of <b>12 (Twelve) months</b> from the date of such Vesting.
7.	<b>Permanent Incapacity</b>	All Vested Options may be exercised by the Option Grantee within <b>12 (Twelve) months</b> from the date of the Permanent Incapacity.	All the Unvested Options as on date of incurring such incapacity shall <b>vest immediately</b> with effect from such event to the Option Grantee and can be exercisable within a period of <b>12 (Twelve) months</b> from the date of such Vesting.
8.	<b>Transfer / deputation to/from Group Company(ies) or Subsidiary Company(ies)</b>	Exercise Period to remain the same as per the terms of the Grant. In case of subsequent separation, treatment of Options shall be as per the applicable circumstance mentioned in this table.	Vesting schedule and Exercise Period to remain same as per the terms of the Grant. In case of subsequent separation, treatment of Options shall be as per the applicable circumstance mentioned in this table.
9.	<b>Any other reason of separation</b>	The Committee <b>shall decide</b> whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of such termination shall stand <b>cancelled</b> unless otherwise required by Applicable Laws.

8.3 Notwithstanding any other provision contained in this Scheme, the Company and/or the Committee reserves the right to Claw Back profit or notional profit / benefit already made by the Employees, equivalent to the losses sufferer , in case of Termination due to Mis-conduct.

8.4 The Options shall be considered exercised when the Option Grantee submits a complete application, in writing or through any other method as determined by the Committee, to the Company/Trust, requesting the issuance/ transfer of Shares of the Company/ Trust for the Vested Options.

## 8.5 **Lapse of Options**

The Options not exercised within the respective Exercise Period shall lapse and be cancelled on expiry of such Exercise Period. The Option Grantee shall have no right or recourse over such lapsed/ cancelled Options.

## 9. **Lock-in**

The Shares arising out of Exercise of Vested Options shall not be subject to any lock-in from the date of transfer of such Shares under the Scheme.

**Provided that** the Shares transferred on such Exercise cannot be sold for such further period or intermittently as required under the terms of Code of Conduct for Prevention of Insider Trading of the Company framed under Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

## 10. **Exit route in case of de-listing**

If the Company gets de-listed from all the recognized Stock Exchanges, then the Committee shall have the power to set out terms and conditions for the treatment of Vested Options and Unvested Options in due compliance with the Applicable Laws.

## 11. **Restriction on transfer of Options**

- 11.1 The Option shall not be pledged, hypothecated, mortgaged, or otherwise alienated in any other manner.
- 11.2 Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case provisions at sub-clause 8.2(c) would apply.
- 11.3 No person other than the Option Grantee shall be entitled to Exercise the Vested Options except in the event of the death of the Option Grantee, in which case provisions at sub- clause 8.2(c) would apply.

## 12. **Rights as a shareholder**

- 12.1 The Option Grantee shall not have a right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of Options granted, till Shares underlying such Options are issued/ transferred by the Company/ Trust upon Exercise of such Options.
- 12.2 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any Shares covered by the Grant unless the Option Grantee exercises the Options and becomes a registered holder of the Shares of the Company. However, the necessary adjustments to the number of Options or the

Exercise Price or both would be made in accordance with sub-clause 4.1(d)(vii) of the Scheme.

### **13. Deduction/Recovery of Tax**

- 13.1 The liability of paying taxes, if any, in respect of Options granted pursuant to this Scheme and the Shares issued pursuant to Exercise thereof shall be entirely on Option Grantee (or his/her nominee(s)/ legal heir(s) in case of death of Option Grantee while in employment) and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to the Option Grantee of the Company working abroad, if any.
- 13.2 The Company shall have the right to deduct from the Option Grantee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.
- 13.3 The Company/ Trust shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

### **14. Authority to vary terms**

- 14.1 For the purpose of efficient implementation and administration of the Scheme but subject to the Applicable Laws and approval of the shareholders of the Company by way of a special resolution, the Committee may revise any of the terms and conditions in respect of existing Grant, provided that the variation is not prejudicial to the interest of the Option Grantees.

Provided that the Committee shall be entitled to vary the terms of the Scheme to meet any regulatory requirement without seeking shareholders' approval by way of a special resolution.

- 14.2 The Committee may also re-price the Options which are not exercised, whether or not they have been vested, if the Scheme is rendered unattractive due to fall in the value of the Shares, provided that the Company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantee and approval of the shareholders by way of a special resolution has been obtained for such re-pricing.

### **15. Miscellaneous**

#### **15.1 Regulations**

This Scheme shall be subject to all Applicable Laws, and approvals from government authorities, required if any. The Grant and the allotment/transfer of Shares under this Scheme shall also be subject to the Company requiring the Option Grantees to comply with all Applicable Laws including Company Policies/Code of Conduct Terms of Employment.

### **15.2 Inability to obtain authority**

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

**15.3** Neither the existence of this Scheme nor the fact that an individual has on any occasion been granted the Options shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Scheme by being granted the Options on any other occasion.

**15.4** The rights granted to an Option Grantee upon the Grant of the Options shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

**15.5** The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer because of being unable to Exercise the Options in whole or in part.

### **15.6 General Risks**

Participation in the Scheme shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the equity and the risks associated with the investments is that of the Option Grantee alone.

## **16. Accounting and Disclosures**

The Company shall follow the IND AS 102 on Share based Payments and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other statutory authority from time to time, including the disclosure requirements prescribed therein, in compliance with relevant provisions of SBEB Regulations.

## **17. Certificate from Secretarial Auditors**

The Board shall at each annual general meeting place before the shareholders a certificate from the Secretarial Auditors of the Company that the Scheme has been implemented in accordance with the SBEB Regulations and in accordance with the resolution of the Company in the general meeting.

## **18. Governing Laws**

The terms and conditions of the Scheme shall be governed by and construed in accordance with the Applicable Laws including the Foreign Exchange Laws mentioned below:

### **Foreign Exchange Laws**

In case any Options are granted to any Employee being resident outside India belonging to the Company working outside India, the provisions of the Foreign Exchange Management Act, 1999 and rules or regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vest, Exercise of Options and issue/transfer of Shares thereof.

## **19. Notices**

- 19.1 All notices of communication required to be given by the Company/ Trust to an Option Grantee by virtue of this Scheme shall be in writing. The communications shall be made by the Company in any one or more of the following ways:
  - i. Sending communication(s) to the address of the Option Grantee available in the records of the Company; and/ or
  - ii. Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; and/ or
  - iii. Emailing the communication(s) to the Option Grantee at the official email address provided if any by the Company during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.
- 19.2 All notices of communication to be given by the Option Grantee to the Company/ Trust in respect of Scheme shall be sent to the address mentioned below:

### **To the Company:**

Attention : Whole Time Director  
Address : 11<sup>th</sup> Floor, Plot No.1, Sector 127, Noida-201301, Uttar Pradesh  
Email : SAMIL.Esop2025@motherson.com

### **To the Trust:**

Attention : Trustee of Motherson ESOP Trust  
Address : 14<sup>th</sup> Floor, Plot No.1, Sector 127, Noida-201301, Uttar Pradesh  
Email : TRUST.Esop2025@motherson.com

## **20. Nomination**

The Employee has to nominate a person as his/her nominee with submission of nomination form complete in all respects. The nominee in case of death or legal incapacity of Employee shall be the legal representative recognized by the Company as the inheritor of the Employee in respect of all rights and liabilities for the purposes of this Scheme.

## **21. Jurisdiction**

- 21.1 The Courts in Mumbai shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this Scheme.
- 21.2 Nothing in this Sub-clause will however limit the right of the Company to bring proceedings against any Employee in connection with this Scheme:
  - (i) in any other court of competent jurisdiction; or
  - (ii) con-currently in more than one jurisdiction.

## **22. Severability**

In the event any one or more of the provisions contained in this Scheme shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Scheme, but the Scheme shall be construed as if such invalid, illegal, or unenforceable provision had never been set forth herein, and the Scheme shall be carried out as nearly as possible according to its original intent and terms.

## **23. Confidentiality**

- 23.1 An Option Grantee must keep the details of the Scheme and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this confidentiality Clause, the Company has undisputed right to terminate any agreement and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this confidentiality Clause shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this clause, the Committee shall have the authority to deal with such cases as it may deem fit.
- 23.2 On acceptance of the Grant of Options offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Scheme or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need to know basis.

-----**End of the Scheme** -----