



BALAJI TELEFILMS LIMITED

ESOP Scheme, 2023

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For BALAJI TELEFILMS LTD.

Company Secretary

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For BALAJI TELEFILMS LTD.

Company Secretary

BALAJI TELEFILMS ESOP SCHEME, 2023

ARTICLE 1: TITLE

This Scheme may be called BALAJI TELEFILMS EMPLOYEE STOCK OPTIONS SCHEME, 2023 ('The ESOP Scheme, 2023' or 'This Scheme').

ARTICLE 2: AUTHORITY

This Scheme has been approved by the Nomination and Remuneration Committee and the Board of Directors at their respective meeting(s) held on February 14, 2023. The same was further approved by the Members of the Company by way of Postal Ballot on March 29, 2023.

ARTICLE 3: OBJECTS

The key objects of BALAJI TELEFILMS ESOP, 2023 are as follows:

1. Attract critical talent for achieving the business plan;
2. Retain, motivate and reward talent;
3. Create ownership attitudes by aligning the interest of employees with that of the Company and the promoters;
4. Offer wealth creation opportunities to employees which are linked to the creation of overall shareholder value.

ARTICLE 4: IMPLEMENTATION

Under the authority of delegated vide resolution passed by way of Postal Ballot, the Scheme shall be implemented by the Nomination and Remuneration Committee, including any amendments, modifications and alterations to be made to the Scheme in this regard.

ARTICLE 5: DEFINITIONS & INTERPRETATIONS

I) Definitions:

In this instrument the following expressions including their grammatical variations and cognate expressions shall, where the context so requires, have the following meaning:

- 5.1 "Act" or "Companies Act" means the Companies Act, 2013 or any statutory amendment, re-enactment, modification or substitution thereof and for time being in force.
- 5.2 "Applicable Laws" means laws of India to the extent applicable and as amended and modified from time to time. Accordingly, any actions taken hereunder shall be governed by and construed in accordance with, the laws of India, without regard to the

application of the conflicts of laws' provisions thereof;

- 5.3 **"Associate Company"** shall have the same meaning as defined under Section 2(6) of the Act;
- 5.4 **"Board"** or **"Board of Directors"** means the Board of Directors of the Company or, where the context requires, any committee thereof.
- 5.5 **"Change in Capital Structure"** means a change in capital structure of the Company as a result of re-classification of Shares, splitting up of the face value of Shares, subdivision of Shares, issue of bonus Shares, a rights issue of Shares, conversion of Shares into other shares or securities and any other change in the rights or obligations in respect of Shares but does not include preferential issue of Shares on private placement basis (excluding to promoter and/or promoter group) by whatever name called.
- 5.6 **"Change of Control Value"** means the amount determined in Clause (i), (ii) or (iii), whichever is applicable, as follows:
- (i) the per Share price offered whether in cash or otherwise to shareholders of the Company in any merger, demerger, consolidation, amalgamation, sale of assets or dissolution transaction, or
 - (ii) the per Share price offered, whether in cash or otherwise to shareholders of the Company in any initial public offer or open offer or exchange offer whereby a Corporate Action takes place, or
 - (iii) if a Corporate Action occurs other than as described in Clause (i) or Clause (ii) and in such Corporate Action the Committee decides to cancel/surrender the Options then, the Fair Value per Share as on the date of cancellation and/or surrender of Options.
- 5.7 **"Charter Documents"** means Articles of Association and Memorandum of Association of the Company as amended from time to time.
- 5.8 **"Company"** means BALAJI TELEFILMS LIMITED having CIN No. L99999MH1994PLC082802 presently having its registered office at C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri-West, Mumbai - 400053 and its successors and assigns.
- 5.9 **"Cashless Exit Facility"** shall mean a facility provided by the Committee, at its discretion, to enable the Employees to Exercise the Options without any payment for Exercise Price of the Options Exercised.
- 5.10 **"Corporate Action"** means one of the following events but not resulting into a Liquidity Event:
- (i) the merger, de-merger, consolidation, amalgamation, sale of division, sale of assets or any other re-organization of the Company in which the Shares are converted into or exchanged for:
 - a. different class of securities of the Company; or
 - b. Securities of any other issuer (except a Subsidiary Company); or

- c. cash; or
 - d. any other property/asset.
- (ii) the sale, lease or exchange of all or substantially all the assets or resources of the Company to any other company or entity (except to a Subsidiary Company); or
 - (iii) reduction of the share capital by the Company; or
 - (iv) acquisition (other than acquisition pursuant to any other clause of this definition) by any person or entity or group of more than 51% (Fifty One percent) of the voting power in the Company, or
 - (v) the adoption by the Shareholders of the Company of a plan of liquidation, dissolution or winding up.

5.11 **“Employee”** shall mean individual who is:

- (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, but excluding an Independent Director; or
- (c) an employee as defined in clauses (a) or (b) of a group company including subsidiary or associate company, in India or outside, but does not include-
 - an employee who is a Promoter or a person belonging to the Promoter Group; or
 - a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent (10%) of the outstanding equity shares of the Company.

5.12 **“Exercise”** in relation to Options means, the tendering by an Employee, to whom a Grant has been made under the Scheme, of an application for issue of Shares, whether in full or in part, against the Vested Options offered to him under the Grant, accompanied by the Exercise Price payable for such Shares or tendering the Vested Options under Cashless Exit Facility, as the case may be.

5.13 **“Exercise Date”** means the date on which an Employee elects to Exercise the Options by submitting to the Company a duly filled Form for Exercise of the Options, in accordance with the Scheme.

5.14 **“Exercise Period”** in relation to Options means the period commencing from the date of Vesting of Options within which the employee can exercise his/her right to apply for shares against the Vested option, and ending on the date after which Options cannot be exercised.

5.15 **“Exercise Price”** or **“Grant Price”** means the price, if any, payable for the Shares underlying the Options offered under a Grant(s).

- 5.16 **“Fair Value”** shall mean value determined by an independent firm of chartered accountants, to be appointed by the Committee, after considering the globally acceptable valuation methods such as Net Asset value, Discounted Cash Flow method, etc.
- 5.17 **“Grant”** means, individually or collectively, any Options granted pursuant to the Scheme.
- 5.18 **“Grant Date”** means the date on which respective Grant is made to an Employee by the Nomination and Remuneration Committee. Further, for accounting purposes, the Grant Date will be determined as per the applicable accounting standards.
- 5.19 **“Grantee”** means an Employee who has been granted Options and/or has acquired Shares pursuant to the Scheme and where the context so requires includes the nominees, legal heirs, representatives and executors of respective Employee.
- 5.20 **“Holding Company”** means a Holding Company of the Company in terms of the Act.
- 5.21 **“Independent Director”** shall have the same meaning assigned to it under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 5.22 **“IT Act”** means the Income-tax Act, 1961 or any statutory amendment, re-enactment, modification or substitution thereof and for time being in force.
- 5.23 **“Liquidity Event”** means any event which enables the Promoter or the Promoter Group to monetise more than one-half of the Shares held by them in any manner.
- 5.24 **“Option”** means a right but not an obligation granted to an Employee by the Company to subscribe for / acquire one Share at a future date, offered by the Company directly or indirectly, at a pre-determined price.
- 5.25 **“Scheme”** means this BALAJI TELEFILMS ESOP Scheme, 2023 as detailed herein and amended and reconstituted by the Nomination and Remuneration Committee from time-to-time.
- 5.26 **“Promoter”** shall mean Promoter as defined in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 5.27 **“Promoter Group”** shall have the same meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 5.28 **“Relative”** shall have the same meaning as defined under section 2(77) of the Act.
- 5.29 **“Nomination and Remuneration Committee”** means the committee constituted by the Board of Directors of the Company. The powers of the Committee are given under Article 7 of this Scheme.
- 5.30 **“Resultant Shares”** means the Shares issued/proposed to be issued to the Grantees on any Change in Capital Structure or on any Corporate Action of the Company.

- 5.31 **"SEBI"** means Securities Exchange Board of India.
- 5.32 **"Securities"** mean securities as defined in clause (h) of Article 2 of the Securities Contracts (Regulation) Act, 1956.
- 5.33 **"Shares"** means the equity shares of the Company and securities convertible into equity shares and shall include American Depository Receipts (ADRs), Global Depository Receipts (GDRs) or other depository receipts representing underlying equity shares and where the context so requires includes the Resultant Shares.
- 5.34 **"Shareholder"** means the registered holder of any Share in the share capital of the Company.
- 5.35 **"Subsidiary"** means a Subsidiary Company of the Company in terms of the Act.
- 5.36 **"Tax on Perquisite"** means tax payable by an Employee on the value of perquisite under the I T Act.
- 5.37 **"Unvested Option"** means an Option, which is not a Vested Option.
- 5.38 **"Vesting"** in relation to Vested Options means the eligibility of an Employee to Exercise the Option(s).
- 5.39 **"Vested Option"** an Option which has Vested with the Employee and has thereby become exercisable.
- 5.40 **"Vesting Date"** in relation to respective Options means the date from which the Options can be Exercised by an Employee.
- 5.41 **"Vesting Period"** means the period during which the vesting of option, granted under any of the schemes takes place.

II) Interpretation:

In this instrument unless the contrary intention appears:

- a) the singular includes the plural and vice versa;
- b) the word "person" includes a firm, a body corporate, or unincorporated body or an authority;
- c) any word or expression importing the masculine, feminine or neutral genders only shall be taken to include all three genders;
- d) any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form; and
- e) the term 'including' shall mean 'including without limitation', unless otherwise specified.

III) **Clause Headings:**

Article / Clause headings are for information only and shall not affect the construction of this instrument.

IV) **References:**

- a) A reference to an Article/Clause or Schedule is respectively a reference to an Article/Clause or Schedule of this instrument. The Schedules to this instrument shall for all purposes form part of this instrument.
- b) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.

ARTICLE 6: EFFECTIVE DATE & SCHEME DURATION

- 6.1 The Scheme shall come into force on the **1st day of April, 2023**.
- 6.2 The Scheme shall remain in effect until all Options reserved under the Scheme have been granted and exercised or till the Scheme is otherwise terminated ("**the Closing Date**") and thereafter no Grants shall be made under the Scheme.
- 6.3 The Scheme shall remain in effect until all Options granted under the Scheme have been exercised or have expired by reason of lapse of time or terminated/forfeited, whichever is earlier.
- 6.4 If any Options granted under the Scheme are surrendered/terminated/forfeited/lapses under the provisions of the Scheme, such Options shall be available, prior to the Closing Date, for further Grant under the Scheme.

ARTICLE 7: POWERS OF THE NOMINATION AND REMUNERATION COMMITTEE

- 7.1 The Company shall constitute a Nomination and Remuneration Committee ('the Committee') for implementation, administration and superintendence of the schemes.
- 7.2 The Committee shall be a committee of such members of the Board of the Company as provided under Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 178 of the Companies Act, 2013, as amended or modified from time to time.
- 7.3 The Committee shall, *inter alia*, formulate the detailed terms and conditions of the Scheme which shall include the provisions as specified by the Board in this regard.
- 7.4 The powers of the Committee, *inter alia*, include the power to:
 - a) Determine or modify the number of Options to be Granted to each Employee and in the aggregate, and the time and other terms and conditions at which such Grants shall be made.
 - b) Determine or modify the Accrual, Vesting of the Grant made to any Employee and/or any conditions subject to which such Accrual, Vesting may take place.

- c) Determine or modify from time to time the Exercise Price at which the Options are to be granted to the Employees under the Scheme.
- d) Determine the Employees eligible for participation in the Scheme.
- e) Determine or modify the time or performance parameters for Grant of Options granted to an Employee, under the Scheme.
- f) Lay down the methodology to assess the performance of a Grantee for determining the Vesting of the Options.
- g) Assess the performance of a Grantee for determining the Vesting of the Options.
- h) Lay down the conditions under which Options granted to or Vested in Employees may lapse in the case of termination of employment for misconduct, Cause, etc.
- i) Determine or modify the Exercise Period within which the Employee should Exercise the Option vested, and that Option would lapse on failure to Exercise the Option within the Exercise Period.
- j) Determine, lay down and modify the time period within which the Employee shall exercise the Vested Options in the event of termination or resignation of an Employee
- k) Lay down the procedure for making a fair and reasonable adjustment to the entitlement including number of Options and to the Exercise Price in case of Change in Capital Structure and Corporate Action etc.
- l) Provide for 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.
- m) Lay down the method for satisfaction of any tax obligation arising on the Exercise of the Option or otherwise.
- n) Frame suitable administrative procedures for funding the Exercise of options including for Cashless Exit Facility.
- o) Provide for the Grant, Accrual, Vesting and Exercise of Options in case of Employees who are on long leave or whose services have been seconded/ deputed to subsidiary and/or Associate Company at the instance of the Company.
- p) Procedure for buy-back of specified securities issued under this Scheme, if to be undertaken at any time by the Company, and applicable terms and conditions.
- q) Approve Forms/writings and/or Agreements to be used in pursuance of the ESOP Scheme, 2023.
- r) Exercise such powers as may be necessary or expedient in connection with the effective and efficient implementation or administration of the Scheme.

7.5 No member of the Committee shall be liable for any decision or action made in good faith with respect to the Scheme.

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

ARTICLE 8: PROCEDURE FOR SELECTION OF EMPLOYEE

8.1 The Committee shall, based on the various criteria for selection of the Employees (which criteria shall be decided from time to time by the Committee for assessing the contribution of the Employees), decide on the Employees who are eligible for a Grant under the Scheme and the terms and conditions thereof.

Provided that the Committee may in its absolute discretion be entitled to vary or modify such criteria and/or selection and/or the terms and conditions of the Grant for any Employee or class of Employees.

ARTICLE 9: GRANT

- 9.1 The Committee may from time to time make Grants to one or more Employees determined to be eligible for participation in the Scheme.
- 9.2 The approval of shareholders by way of separate resolution in the general meeting shall be obtained by the Company in case of grant of option to:
- (a) employees of Subsidiary or Associate Company; or
 - (b) identified employees, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Option.
- 9.3 The aggregate number of Options/underlying Shares that may hereinafter be granted from time to time under the Scheme shall not exceed 53,22,655 (Fifty Three Lakhs Twenty Two Thousand Six Hundred and Fifty Five) options exercisable into not more than 53,22,655 (Fifty Three Lakhs Twenty Two Thousand Six Hundred and Fifty Five) shares of the paid up share capital of the Company on fully diluted basis, post Exercise of all Options Granted under the Scheme.
- 9.4 Further, Grant to Employee, under the Scheme, shall not exceed 1% of the fully diluted paid up capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Option.
- 9.5 A Grant agreed to be made to a prospective Employee upon the condition that such person becomes an Employee, shall be deemed to have been granted, effective on the date such person commences service with the Company, or such other date as may be determined by the terms of appointment.
- 9.6 The Grant Price shall be determined by the Committee and shall be specified in the Grant Letter.
- 9.7 The Grant Letter shall be in writing and shall specify the number of Options granted, the price payable for Exercising the Options, the date(s) on which some or all the Options under the Grant shall Vest, fulfillment of the performance and other conditions, etc., if any, subject to which Vesting shall take place, and the other terms and conditions thereto and shall be in the format enclosed in **Schedule A** or as near thereto as the circumstances require.

Provided however no Vesting of any Option shall take place unless one year has elapsed from the Grant Date.

- 9.8 Except as otherwise stated in this Scheme, the Options shall not be transferable in any manner and can be exercised only by the Employee.

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For BALAJI TELEFILMS LTD.


Company Secretary

ARTICLE 10: EXERCISE PRICE

- 10.1 The Vested Options shall be Exercised at the Exercise Price any time during Exercise Period. No amount is payable at the time of grant of options.
- 10.2 The Committee and/or the Company shall deduct/separately recover all applicable taxes payable by the Employee, including but not limited to Tax on Perquisites levied under IT Act or any such similar tax by whatever name called or any tax leviable on /recoverable from/deductible by the Company, if any, on or in relation to the Grant and/or Vesting and/or Exercise of Options.
- 10.3 The Committee shall have powers to determine, modify or vary the Exercise Price at their absolute discretion after considering the Fair Market Value of the shares.
- Provided any repricing of Option shall not result in Exercise Price being lower than the face value of the Shares.
- 10.4 The Exercise Price shall be specified in the Grant Letter and shall, unless varied or modified pursuant to the Scheme hereof, be fixed for the entire term of the Option.

ARTICLE 11: VESTING OF OPTIONS

- 11.1 All the Grants made under the Scheme shall, unless otherwise specified in the Grant, Vest in the following manner:

	Vesting Date	% of Options Granted that shall Vest
1	12 months from the Grant Date	25% (Twenty Five percent)
2	24 months from the Grant Date	35% (Thirty Five percent)
3	36 months from the Grant Date (Last Vesting Date)	40% (Forty percent)
	Total	100% (One Hundred percent)

- 11.2 Notwithstanding anything contained elsewhere in this Scheme, the Committee may, in its absolute discretion, vary the Vesting schedule/basis of Vesting/Vesting from Grantee to Grantee or class thereof, as it may deem fit.
- 11.3 In addition, the Committee in its absolute discretion may permit the Options granted, including Options which have not Vested, to be Exercised within such time and as per such terms and conditions as it may determine.

However, no Options shall Vest unless one year has elapsed from the date of the Grant of Options.

ARTICLE 12: EXERCISE OF OPTIONS

- 12.1 Unless otherwise specified elsewhere in the Scheme, Vested Options must be Exercised within a period of 3 (three) years from the Last Vesting Date.

- 12.2 The Employee may, at any time during the Exercise Period and subject to fulfillment of conditions of the Grant, Exercise some or all of the Vested Options by submitting an application to the Committee, to allot and/or transfer to him Shares pursuant to the Vested Options, accompanied by payment of an amount calculated at the Exercise Price in respect of such Shares and such other writing, if any, as the Committee, may specify to confirm extinguishment of the rights comprising in the Options then exercised.
- 12.3 On receipt of a valid application for Exercise of Vested Options together with the payment of the Exercise Price thereof and compliance of such other requirements in this regard, the Committee shall consider allotment/transfer of the Shares to the Employee. Except as otherwise provided, payment of the Exercise Price for the Shares, to be acquired pursuant to any Vested Options, shall be made by the Employee in any manner as may be permitted by the Committee from time to time to the extent permitted by Applicable Laws.
- 12.4 The Committee shall have power to:
- modify the conditions relating to the Exercise;
 - specify the days on which or the period during which the Vested Options can or cannot be exercised and
 - frame suitable administrative procedures Exercise of Options including for a Cashless Exit Facility.
- 12.5 Notwithstanding anything contained elsewhere in the Scheme, the Committee:
- shall, in the event of Exercise of Option(s) resulting in issue of fractional Share(s), have absolute power to round up or down to the nearest whole number, and the Exercise Price shall be adjusted for the same.
 - may not permit any Employee to Exercise the Options (whether Vested or not) granted to the Employee, in the event of the Employee being found to be involved in Cause and the rights under the Options (whether Vested or not) shall lapse forthwith, without any Claim on, or recourse to the Company/Committee.
 - may defer or refuse to permit the Exercise of Option, if the Exercise of Option within Exercise Period is prevented pursuant to any Applicable Laws or regulations, till such time as it is so prevented and in such an event, the Committee/Company shall not be liable to pay any compensation or similar payment to the Employees for any loss suffered due to such refusal.
 - shall have the power to cancel all or any of the Options granted under the Scheme if so required under any Applicable Laws for the time being in force. In the event of any such cancellation, no compensation shall be payable for such cancelled Options.
- 12.6 No Option can be exercised after the expiry of the Exercise Period unless otherwise specifically permitted in this regard. All Options not exercised before the expiry of the Exercise Period shall lapse without any recourse to the Company or Committee.

ARTICLE 13: LOAN TO EMPLOYEES

- 13.1 Subject to the provisions of any Applicable laws for the time being in force, including the Companies Act, 2013, the Company may at its sole discretion, consider grant of financial assistance to the Employees of such amounts and on such terms as may be deemed fit, to enable them to Exercise the Options.
- 13.2 For this purpose, the Company may require the Employees to sign such documents, for pledging/encumbering the Shares issued to the Employees on Exercise of the Options and do such other things as may be required in this regard.
- 13.3 The Employee shall pledge the Shares with the Company and the Company shall have a lien thereon, till such time as the loan/financial assistance given to the Employee together with any interest, if any and other charges payable thereon, if any, are fully repaid/ discharged by the Employees.
- 13.4 In the event of any loan or any installment remaining unpaid for a period of 30 (thirty) days from the date on which such loan / installment falls due for payment or the Employee failing to repay/discharge the loan, then the Company will have power to deal with the pledged Shares or otherwise dispose them off as it may deem fit. The excess amount, if any, after adjusting the amount payable by the Employee shall be paid to the Employee, as soon as, may be practicable.
- 13.5 Without prejudice any other rights or remedy available to the Company under any law or any agreement/contract, the Committee shall be entitled to adjust all the dues including any amount of loan remaining outstanding on date of termination of employment, against the sale proceeds of Shares acquired on Exercise of the Options.

ARTICLE 14: CESSATION OF EMPLOYMENT

- 14.1 The treatment of Vested and Unvested Options in case of Resignation, Death, Permanent Incapacity and Termination shall be as follows:

	<u>Events of Separation</u>	<u>Vested</u>	<u>Unvested</u>
1	Resignation	Vested Options shall be Exercised within 30 days or within such period as may be specified by the Committee.	All Unvested Options, on the last date of employment, shall expire and stand terminated with immediate effect.
2	Death	All the vested and unvested Options as on date of death would vest in the legal heirs / nominee of the Grantee on that day. The Options would be exercisable by the legal heirs / nominee during the exercise window, within the overall exercise period of 1 (One) year from the date of death or such extended time as may be provided by the Committee.	

	<u>Events of Separation</u>	<u>Vested</u>	<u>Unvested</u>
		failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.	
3	Permanent Incapacity	<p>All the Vested and Unvested Options Granted to Grantee as on date of Permanent Incapacity would vest in Grantee on that day.</p> <p>The Options would be exercisable by the Grantee during the exercise window, within the overall exercise period of 1 (One) year from the date of permanent incapacity or such extended time as may be provided by the Committee, failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.</p>	
4	Retirement/Super annuation	Vested Options shall be Exercised within 30 days or within such period as may be specified by the Committee.	All the unvested options granted to an employee would continue to vest in accordance with the respective vesting schedules even after retirement or superannuation, in accordance with the applicable law.
5	Termination for Cause or Misconduct*	All options to the extent not previously exercised, will lapse/expire on the date of termination of employment or service, without any recourse to the Company and/or the Committee.	All the Unvested Options shall expire on the date of termination of employment or service, without any recourse to the Company and/or the Committee.

*“Cause” or “Misconduct” shall mean and include:

- the continued and gross failure of the Employee to substantially perform his duties to the Company, (other than any such failure resulting from retirement, death or permanent disability, voluntary retirement); or
- the engaging by the Employee in willful, reckless or grossly negligent misconduct which is determined by the Committee to be detrimental to the interest of the Company or any of its Subsidiary or its Associate Company, monetarily or otherwise; or
- the Employee’s pleading guilty to or conviction of a felony; or
- fraud, misfeasance, breach of trust committed by an Employee or disclosure by the Employee to any outside party, of any confidential information relating to the Scheme and/or the Company and/or the Business; or
- employment of the Employee in any other organization or provision of services by the

- Employee for any other organization whilst in the employment of the Company; or
- f) the Employee being declared bankrupt; or
 - g) breach of employment agreement or any contractual arrangement with the Company or terms of this Scheme; or
 - h) moral turpitude, etc.;
 - i) breach of confidentiality clause; or
 - j) making disparaging remarks about the Company on social network sites or otherwise; or
 - k) any similar event, as may be determined by the Committee.
- 14.2 In case an Employee who has been granted benefits under this Scheme is transferred or deputed to an Associate 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 such transfer or deputation.
- 14.3 If an Employee who has been granted benefits under this scheme, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing company, prior to the Vesting or Exercise, the treatment of Options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Employee.

ARTICLE 15: RIGHTS OF A MEMBER IN SHARES


- 15.1 An Employee shall not have the right to receive dividend, vote, or in any manner enjoy the benefits available to a shareholder with respect to Options granted and is yet to be exercised, until such Shares are issued in the name of the Employee upon exercise of the option.

ARTICLE 16: TERMS AND CONDITIONS OF SHARES

- 16.1 Subject to restrictions and/or obligations contained in this Scheme and the Charter Documents, all Shares acquired under the Scheme will rank pari-passu with all other Shares of the Company for the time being in issue, save as regards any right attached to any such Shares by reference to a record date prior to the date of allotment.

ARTICLE 17: CHANGE IN CAPITAL STRUCTURE OR CORPORATE ACTION

- 17.1 Except as hereinafter provided, a Grant made shall be subject to adjustment, by the Committee, at its discretion as to number of Options and the Exercise Price, as the case may be, in the event of 'Change in Capital Structure' or a 'Corporate Action' as defined herein.
- 17.2 The existence of the Scheme and the Grants made hereunder shall not in any way affect the right or the power of the Committee of Directors or the shareholders or the Company to make or authorize any 'Change in Capital Structure; or any 'Corporate Action' including any issue of shares, debt or other securities having any priority or preference with respect to the Shares or the rights thereof.

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For BALAJI TELEFILMS LTD.

Company Secretary

- 17.3 If there is a 'Change in the Capital Structure of the Company' before the Options granted under this Scheme are Exercised, the Employee shall be entitled on Exercise of the Options, to such number of shares and/or the Resultant Shares to which he would have been entitled as if all the Options not Exercised by him had been Exercised by him before such 'Change in the Capital Structure of the Company' had taken place and the rights (including the number and the Exercise Price) under the Grant shall stand correspondingly adjusted subject to the Exercise Price not being less than the face value of the Shares.
- 17.4 In the event of 'Corporate Action' not resulting into the Liquidity Event, Committee, at least seven days prior to any 'Corporate Action' or 180 (one hundred and eighty) days thereafter, acting in its absolute discretion with or without the consent or approval of the Employee, as it may deem fit, shall in respect of the Options granted but not Accrued, may inter-alia act on any of the following alternatives:
- (i) Provide that on any Exercise of Options hereafter, the Employee shall be entitled to the Share and/or Resultant Shares as if the Employee had been a holder of the Shares on Exercise of the Options.
 - (ii) Make such adjustments to the number of Options outstanding to reflect the 'Corporate Action'.
 - (iii) Require the mandatory surrender to the Company, by all or some of the Employees, of all or some of the outstanding Options, irrespective of whether, the Options, have Vested or not, as on that date, and in such an event the Committee shall pay to the Employee an amount, in cash or otherwise, per Option, as the case may be, of the "Change in Control Value" after deducting the balance Exercise Price payable, if any.
 - (iv) Accelerate the Vesting and/or the Exercise Period so that the Options can be exercised before the date specified by the Committee.
 - (v) Substitute the Options with Options issued or to be issued by the new/resulting Company pursuant to the Corporate Action on terms which, to the extent possible, are not materially prejudicial to the terms on which the Options were hitherto granted.

Provided however that unless specifically agreed upon, all unvested Options on the date of any 'Corporate Action' as envisaged under Article 5.10.(v), shall lapse and the Grantee shall not be entitled to any compensation of any nature whatsoever.

ARTICLE 18: AMENDMENT OR TERMINATION OF THE SCHEME

- 18.1 The Company/Committee may, in its absolute discretion may from time to time, by special resolution, vary the terms of Options Granted but not yet Exercised provided such variation is permitted by law and is not prejudicial to the interests of the Employees/Grantees.

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

- 18.2 The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefor, and the details of Employees who are beneficiaries of such variation.

- 18.3 A Company may reprice the Options which are not Exercised, whether or not they have been Vested, if the Options are rendered unattractive due to fall in the price of the Shares.

Provided that the Company ensures that such repricing shall not be detrimental to the interest of the Employees and approval of the shareholders by way of special resolution has been obtained for such repricing.

- 18.4 Without prejudice to the above, the Committee may, with or without any reference to or consent of the Employee concerned, modify, amend or terminate the Scheme or Grant or any Agreement if it is to comply with any Applicable law, regulations or guidelines.

ARTICLE 19: OTHERS

19.1 No Right to a Grant:

Neither the adoption of the Scheme nor any action of the Committee shall be deemed to give the Employee any right to be granted any Option to acquire Shares or to any other rights hereunder except as may be evidenced by a Grant Letter or the BALAJI Option Agreement ('Option Agreement') duly executed on behalf of the Company and the Employee and then only to the extent of and on the terms and conditions expressly set forth therein.

19.2 Scheme to be Unfunded etc.:

The Scheme shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of funds or assets to assure the payment of any Grant.

19.3 No Employment Rights Conferred:

Nothing contained in the Scheme or in any Grant made hereunder shall:

- (i) confer upon any Employee any right with respect to continuation of employment or engagement with the Company, or
- (ii) interfere in any way with the right of the Company to terminate employment or services of any Employee at any time.

19.4 Tax deduction/recovery:

The Company/Committee shall have the right to deduct/recover income tax (or any such similar tax by whatever name called), from the salary of the Employee, leviable/levied in connection with Grants/Accrual/Vesting/Exercise/Buyback of shares (including Cashless Exit Facility) etc., under IT Act or any such similar law and to require any payments necessary to satisfy such obligations and if required, sell the Shares, to the extent required, for the payment of taxes and pay over the excess, if any, to such Employee.

The Employee and/or any person claiming through him shall authorise the Company/Committee to take such steps as the Company/Committee may consider necessary including but not limited to sell such number of Shares, out of the Shares to which he is entitled upon conversion,

such number of Options, and appropriate the proceeds thereof towards the same as would be necessary to discharge the tax liability as outlined above in preceding paragraph.

19.5 No Restriction of Corporate Action and/ Change in the Capital Structure:

Nothing contained in the Scheme shall be construed to prevent the Company from taking any Corporate Action or making any Change in the Capital Structure which is deemed by the Company to be appropriate or in its interest, whether or not such Corporate Action or Change in the Capital Structure would have an adverse effect on the Scheme or any Grant made under the Scheme. Neither the Employee nor other persons shall have any claim against the Company as a result of such Change or Corporate Action.

19.6 Confidentiality:

The Employee shall ensure complete confidentiality in respect of the Scheme Document and all other documents, matters and discussions in relation to the Scheme or any connected matter. Any violation may result in cancellation of Grant, lapse of all Options whether Granted/Vested or not, or compulsory re-transfer of Shares acquired on Exercise of the Options to the Company as the Committee may deem fit, without prejudice to the other action which may be taken in this regard.

19.7 New Plans:

Nothing contained in the Scheme shall be construed to prevent the Company directly or through its Director or the Company from implementing any other employee ownership plan which is deemed by the Company or the Committee to be appropriate or in its interest, whether or not such other action would have any adverse impact on the Plan or any Grant made under the Scheme. Neither the Employee nor other person shall have any claim against the Company and as a result of such action whatsoever

19.8 Issues:

In respect of any issues arising in respect of the Scheme, the decision of the Committee shall be final and binding on all concerned.

19.9 Restriction on Transfer of Option:

- i) The Option granted under the Scheme cannot be pledged, hypothecated, mortgaged or otherwise alienated in any other manner nor can it be assigned or transferred in any manner.
- ii) In case of death or permanent disability of the Employee, the Options granted under the Scheme till such date shall Vest with effect from the date of death/permanent disability, in the legal heirs or nominees of such Employee. The Option shall be exercisable only during the Exercise Period by the Employee or in case of death or permanent incapacity of the Employee, by the Employee's legal heirs or authorized legal representatives, as the case may be.

19.10 Forfeiture of Options/Shares:

Notwithstanding anything contained elsewhere in this Scheme, if an Employee:

- a. is dismissed from the Company's employment for Cause; or
- b. commits breach of any of terms and conditions of this Scheme.
- c. assigns or charges or attempts to assign or charge his interest in the Options granted under the Scheme.

the Committee/Company in its absolute discretion may direct the Board in any of the following circumstances (as to which in questions of doubt the decision of the Company shall be final) to forfeit all right and interest whatever in the Option and/or Shares or any one or more of them held by the Employees, and in such an event the Employee shall have no claim against the Company.

19.11 Governing Laws:

The Scheme shall be construed in accordance with the laws of India. The securities issued hereunder shall be governed by and in accordance with the Act or any other relevant statutory authority from time to time.

19.12 Jurisdictional Court:

The Scheme shall subject to jurisdiction of courts in Mumbai.

19.13 General

- a. This Scheme and the grant letter/option agreement are incorporated herein by reference and constitute the entire agreement of the parties in relation to its subject matter and supersedes in its entirety all prior agreements and understandings of the Company and Employee whether oral or written with respect to such subject matter.
- b. The Company shall conform to the accounting policies specified in the relevant SEBI Regulations. The Company shall follow the requirements including the disclosure requirements of the Accounting Standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 (18 of 2013) including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time. Further, Company shall use "Fair Value" method to value its options and to calculate employee compensation cost.
- c. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Scheme, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc. Further, any amendments to the applicable laws shall automatically apply to this Policy.

CERTIFIED TRUE COPY

For BALAJI TELEFILMS LTD.


Company Secretary

IN WITNESS WHEREOF the following Directors of the Company have set their respective hand and seal on the _____ day of _____, 2023.

SIGNED BY THE WITHIN NAMED
Directors of BALAJI TELEFILMS LIMITED

1.

2.

in the presence of

CERTIFIED TRUE COPY
For BALAJI TELEFILMS LTD.

Company Secretary

Schedule A

(Pursuant to the BALAJI TELEFILMS ESOP SCHEME, 2023)

GRANT LETTER

1. Date of Grant : _____, 20____ (Date of offering)
2. Name of Grantee/Employee : _____
3. Employee Code : _____
4. Number of Options granted : _____

(In words _____)


5. On exercise of 1 option, the Grantee will be entitled to receive one Share of Rs. 2 each at the Exercise Price of 25% discount to last closing market price.
6. The Options Granted herein shall Vest on as per the Schedule given below and in accordance with the Scheme:

	Vesting Date	% of Options Granted that shall Vest
1	12 months from the Grant Date	25% (Twenty Five percent)
2	24 months from the Grant Date	35% (Thirty Five percent)
3	36 months from the Grant Date	40% (Forty percent)
	Total	100% (Hundred percent)

7. The Vesting of the Options may take place earlier than the above date in accordance with the Scheme. However, no Options shall Vest unless one year has elapsed from the Grant of Options.
8. The Options should be Exercised within Exercise Period as provided in the Scheme or such further time as may be permitted, in this regard.
9. Except in case of death or permanent disability of the Employee, the Options cannot be transferred, assigned or otherwise alienated in any other manner. The Options cannot be pledged, hypothecated, mortgaged under any circumstances. The Options shall be exercisable during Exercise period by the Grantee (during his/her lifetime) or in case of death or permanent incapacity of a Grantee, by the Grantee's authorised legal representative or legal heirs.
10. All tax liabilities arising on Grant and/or Vesting and/or Exercise and/or otherwise in connection with Options held by the Grantee shall be borne and paid by the Grantee alone.

CERTIFIED TRUE COPY

For BALAJI TELEFILMS LTD.


Company Secretary

11. On cessation of employment, as provided in the Scheme the unexercised/unvested Options under the Grant shall lapse. Further, the Shares acquired on Exercise of Vested Options shall be subject to the Charter Documents and dealt in accordance with the Scheme / BALAJI Option Agreements or Charter documents.
12. The Grant shall be subject to the terms and conditions of the Scheme and BALAJI Option Agreement to be executed between the Company and the Grantee.

Place: Mumbai

Dated: _____

Member - Nomination and
Remuneration Committee
BALAJI TELEFILMS LIMITED

I have read the Grant Letter and BALAJI TELEFILMS ESOP SCHEME, 2023. I agree to be bound by the same. I also agree to enter into BALAJI Option Agreement when called upon by the Company and further agree to be bound by the same.

Place: _____

Dated: _____

(_____) Employee

CERTIFIED TRUE COPY
For BALAJI TELEFILMS LTD.

Company Secretary