

Transrail Lighting Private Limited

Transrail Lighting Employee Stock Option Plan 2023

(Adopted by the Resolution of Board of Directors of the Company at the meeting held on 10th August, 2023 and shareholders meeting held on 25th August, 2023)

ARTICLE 1

TITLE

This Plan shall be called the **Transrail Lighting Employee Stock Option Plan 2023**.

ARTICLE 2

AUTHORITY

This Plan has been adopted by the Board of Directors by way of a resolution passed at its meeting held on 10th August, 2023, pursuant to the authority granted by the members by way of a special resolution passed at the Extra-Ordinary General Meeting of the Company held on 25th August, 2023.

ARTICLE 3

OBJECTS

The objectives of the **Transrail Lighting Limited Employee Stock Option Plan 2023** are:

1. To provide means to enable the Company and/or its Subsidiaries to attract, retain and motivate Employees for the business of the Company and/or its Subsidiaries, if any.
2. To provide Employees with additional incentives and reward opportunities.
3. To enhance the profitable grants of the Company and to create Shareholder value by aligning the interests of the Employees with the long term interests of the Company and its Shareholders.
4. To create a sense of ownership and participation amongst the Employees.
5. To provide Employees with a wealth creation opportunity.



TRANSRAIL LIGHTING LIMITED

Corporate & Registered Office :

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ARTICLE 4

IMPLEMENTATION

The Plan shall be implemented by the Company in any manner as the Company may deem fit, under the directions and at the discretion of the Board of Directors of the Company including the amendments, modifications and alterations to the Plan made by the Company and/or the Board of Directors in this regard. The Board may issue and allot, in pursuance of this Plan directly to the Employees, at once or in tranches from time to time, such number of Shares (out of the total pool of Shares for issue under the Plan, authorized by the Company) as the Board may deem fit. The Board may, at its sole discretion, delegate the implementation of the Plan or any part thereof to any committee of the Directors, including Nomination and Remuneration Committee or such other committee as permitted under Applicable Law (irrespective of the nomenclature of such committee) and all references in this Plan to "the Board" shall be deemed to mean and include the Nomination and Remuneration Committee or any other duly constituted relevant committee.

ARTICLE 5

DEFINITIONS & INTERPRETATIONS

5.1 Definitions

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

- (a) 'Applicable Law' means and includes every law, rules, regulations, guidelines, circulars or notifications relating to equity based compensation plan, including, without limitation to, the Companies Act, 2013 read with the Companies (Share Capital and Debenture Rules), 2014, and includes any statutory modifications or re-enactments thereof, the Securities Exchange Board of India Act, 1992, the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and all relevant tax, securities, exchange control or corporate laws of India or any relevant jurisdiction or of any Stock Exchange on which the Shares are listed or quoted and includes, any amendment, modification, alteration or re-enactment made to such laws, rules, regulations or bye-laws.
- (b) 'Board' or 'Board of Directors' means the board of directors for the time being of the Company.
- (c) 'Cause' shall mean, as determined by the Board:



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- (i) the continued failure of the Grantee to substantially perform his duties to the Employer Company (other than any such failure resulting from retirement, death or disability as provided below),
 - (ii) the engaging by the Grantee in willful, reckless or grossly negligent misconduct which is determined by the Board to be detrimental to the interest of the Employer Company or any of its affiliates, monetarily or otherwise (including but not limited to bringing disrepute to the Employer Company or the Company),
 - (iii) fraud, misfeasance, breach of trust or wrongful disclosure by the Grantee of any secret or confidential information about the Employer Company,
 - (iv) the Grantee's pleading guilty to or conviction of a criminal offence, (other than a road traffic offence not punishable with imprisonment)
 - (v) breach of the terms and conditions of employment and
 - (vi) breach of the terms and conditions of the Plan.
- (d) 'Change in Capital Structure' means a change in capital structure of the Company as a result of reclassification of Shares, splitting up of the face value of Shares, sub-division of Shares, issue of bonus Shares, issue of Shares on a rights basis to the existing Shareholders of the Company, conversion of Shares into other Shares or Securities and any other change in the rights or obligations in respect of Shares.
- (e) '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 Corporate Change,
 - (ii) the per Share price offered, whether in cash or otherwise to Shareholders of the Company in any open offer whereby a Corporate Change takes place, or
 - (iii) if a Corporate Change occurs other than as described in Clause (i) or Clause (ii), the fair value of Option (i.e. Fair Market Value of Share minus Exercise Price or as may be determined in any other manner whatsoever at the discretion of the Board) determined by the Board of Directors as of the relevant date determined by the Board of Directors, whether it be the date of cancellation and surrender of Options or another appropriate date.

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If the consideration offered to Shareholders of the Company in the event of a 'Corporate Change', consists of anything other than cash, the Board of Directors shall determine the cash equivalent of the Fair Market Value of the portion of the consideration offered which is other than cash.

- (f) 'Companies Act' means the Companies Act, 2013 and the Companies (Amendment) Act, 2017, to the extent notified and in effect or any statutory modification or substitution thereof, as applicable.
- (g) 'Company' means Transrail Lighting Limited and its successors and assigns.
- .
- (h) 'Corporate Change' shall have the same meaning as understood under the Applicable Laws.
- (i) 'Director' means a director of the Company, duly appointed in terms of the Companies Act, 2013.
- (j) 'Employee' means:
 - (i) a permanent employee of the Company who has been working in India or outside India; or
 - (ii) a director of the Company, whether a whole time director or not but excluding an independent director; or
 - (iii) an employee as defined in clauses (a) or (b) of a Subsidiary, in India or outside India, or of a Holding Company of the Company or of an associate Company,but does not include;
 - (a) an employee who is a Promoter or a person belonging to the Promoter Group; or
 - (b) a Director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity Shares of the Company.
- (k) 'Employer Company' means the Company, or its Subsidiary Company or its Holding Company, if any with which a Grantee is employed.
- (l) 'Exercise (d)' in relation to Options means, making of an application by an Employee to the Company for issue of Shares or appreciation in form of cash, as the case may be, against vested Options in pursuance of the Plan.



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- (m) 'Exercise Date' means the date on which a Grantee elects to Exercise the Options.
- (n) 'Exercise Period' in relation to Options means the time period after vesting within which an Employee should exercise his right to apply for Shares against the vested options in pursuance of the Plan as may be set out in the Plan.
- (o) 'Exercise Price' the price, if any, payable by the Employee for exercising the Option granted to him in pursuance of the Plan.
- (p) 'Fair Market Value' means the fair market value of a Share of the Company as determined by an independent valuer or by any other valuer in compliance with Applicable Law for the time being in force, appointed by the Board. Provided however that , unless otherwise required by Applicable Law, if the Shares of the Company are listed on a Recognised Stock Exchange , then the Fair Market Value shall be determined with the reference to the price of the Shares , quoted on such stock exchange on such date or for such period as the independent valuer may deem fit.
- (q) 'Grant' means, individually or collectively, any Options granted pursuant to the Plan.
- (r) 'Grant Date' means the date on which Grant is made to an Employee.
- (s) 'Grant Letter' means the letter by which the Offer is communicated by the Board / Nomination and Remuneration Committee to the Grantee.
- (t) 'Grantee' means an Employee who has been granted Options pursuant to the Plan and where the context so requires includes the respective legal heirs and/or the designated beneficiary.
- (u) 'Holder' means a person who is holding the Options under a Grant.
- (v) 'Holding Company' means exiting or any future holding company as defined under the Companies Act, 2013.
- (w) 'Independent Director' means an independent director as defined under the provisions of Section 149(5) of the Companies Act, 2013 and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable upon listing of the Shares.
- (x) 'I.T. Act' means the Income Tax Act, 1961 or any statutory modification or substitution thereof.



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- (y) 'Insider' means a person defined as an insider under Regulation 2(1)(g) of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (z) 'Liquidity Event' means initial public offer of the Shares resulting in a listing of the Shares on any Recognized Stock Exchange or the divestment by the Promoters of more than 50% of their equity shareholding in the Company in any manner to any person outside the Promoter / Promoter Group or any other event or transaction as may be determined by the Board, from time to time.
- (aa) 'Nomination and Remuneration Committee' means the nomination and remuneration committee constituted under the Companies Act, 2013.
- (bb) 'Option' the option given to an Employee which gives him a right to purchase or subscribe at a future date, the Shares offered by the Company, directly or indirectly, at a pre-determined price.
- (cc) 'Permanent Disability' means any disability of whatsoever nature, be it physical, mental or otherwise, which totally incapacitates or prevents or handicaps an Employee on a permanent basis, from performing any specific job, work or task, which the said Employee was required to perform as part of his duties as an Employee, immediately before such disablement/
- (dd) 'Plan' means this Transrail Lighting Employee Stock Options Plan 2023.
- (ee) 'Promoter' and 'Promoter Group' shall have the meaning assigned to these terms under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- (ff) 'Promoter Director', 'Promoter Employee' means any Director or Employee of the Company being a Promoter or belonging to the Promoter Group.
- (gg) 'Recognized Stock Exchange' means, a stock exchange, whether in or outside India, which is notified/recognized by any government authority as a recognized stock exchange, for the purpose of trading of Shares/Securities of any company.
- (hh) 'Resultant Shares' means the Shares or other Securities issued on any Change in Capital Structure or on any Corporate Change.
- (ii) 'SEBI' means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.



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- (jj) 'SEBI SBEB Regulations' means Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 or any statutory modification or substitution thereof.
- (kk) 'Securities' means securities as defined under Section 2(h) of the Securities Contracts (Regulation) Act, 1956 and includes hybrids, derivatives and units or any instrument which entitles the owner to be allotted any kind of property, or payment of money in lieu thereof at a future date.
- (ll) 'Significant Investor' shall mean any investor who holds, has acquired or agreed to acquire not less than 5 % of the equity capital of the Company in one or more lots / tranches.
- (mm) 'Shares' means the equity shares of the Company having face value of Rs.10/- and Securities convertible into equity shares and shall include depository receipts representing underlying equity shares or Securities convertible into equity shares and where the context so requires include the Resultant Shares also.
- (nn) 'Shareholder' means a person whether a natural person or a corporate entity who holds shares in the paid-up equity share capital of the Company as at the relevant date (as notified by the Company).
- (oo) 'Subsidiary' means any present or future subsidiary company of the Company in accordance with the Companies Act.
- (pp) 'Vesting' in relation to Options means the eligibility of a Grantee to Exercise the Options.
- (qq) 'Vesting Date' in relation to Options means the earliest date on which the Options can be exercised by a Grantee which shall be at least one year from the Grant Date.

5.2 Interpretation

In this Plan, 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) clause headings are for information only and shall not affect the construction of this instrument;



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- (e) reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof;
- (f) the schedules and annexures hereto shall constitute an integral part of the Plan; and
- (g) the terms defined in the Plan shall for the purposes of Plan have the meanings herein specified and terms not defined in Plan shall have the meanings as defined in the Companies Act or Applicable Law as the context requires. Reference to any act, rules, regulations, statutes, circulars or notifications shall include any statutory modifications, substitutions, alterations, amendment or re-enactment thereof.

ARTICLE 6

EFFECTIVE DATE & PLAN DURATION

- 6.1 The Plan shall be deemed to have come into force on 25th August, 2023.
- 6.2 The Plan is established with effect from 8th September, 2023 and shall continue to be in force until the date on which all of the Options available for issuance under the Plan have been issued and are eligible for Exercise.

If any Options granted under the Plan are forfeited / lapsed under the provisions of the Plan, such Options shall be available for further Grant under the Plan, subject to Applicable Law. After the Closing Date, the Plan shall remain in effect until all Options granted under the Plan have been exercised or have expired by reason of lapse of time, whichever is earlier.

ARTICLE 7

POWERS VESTED IN THE NOMINATION AND REMUNERATION COMMITTEE

- 7.1 The Nomination and Remuneration Committee, shall amongst other have the power to:
 - (a) Determine the performance parameters, if any for Grant of Options to an Employee, under the Plan.
 - (b) Determine the number of Options granted, to each Employee and the times at which such Grant shall be made.
 - (c) Determine the Grant Price or the Exercise Price, taking into account the Fair Market Value, for Grants made under the Plan to the Employees or any class thereof.
 - (d) Determine the Vesting of the Grant made to any Employee and/or any conditions subject to which such Vesting may take place.



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- (e) Assess the performance of a Grantee for determining the Vesting of the Options.
- (f) Prescribe the conditions under which Options Vested in Grantees may lapse in case of termination of employment for "Cause" as defined in the Plan.
- (g) Determine and/or modify the Exercise Period within which the Grantee should Exercise the Option.
- (h) Prescribe the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Change in Capital Structure and/or Corporate Change, etc. In this regard, following shall be taken into consideration by the Nomination and Remuneration Committee –
 - (i) the number of Options and the Exercise Price shall be adjusted in a manner such that the total value of Options remain the same or as close thereto as possible, after the Corporate Change and/or Change in Capital Structure,
 - (ii) global best practices in this area including the procedures followed in India and abroad,
 - (iii) the Vesting Period and the life of the Option shall be left unaltered as far as possible, to protect the rights of the Option holders.
- (i) Provide for the right of a Grantee to Exercise all the Options Vested in him at one time or at various points of time within the Exercise Period.
- (j) Prescribe the method for satisfaction of any tax obligation arising on the Exercise of the Option or otherwise.
- (k) Prescribe the procedure for cashless Exercise of Options if any.
- (l) Provide for the Grant, Vesting and Exercise of Options in case of Grantees who are on long leave or whose services have been seconded/deputed to any other company at the instance of the Employer Company.
- (m) Frame suitable rules, policies and systems to ensure that there is no violation of:
 - (i) Companies (Share Capital and Debentures) Rules, 2014, as amended,
 - (ii) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, if applicable and



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- (iii) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 if applicable.
- (n) Exercise such powers as may be generally necessary or expedient in connection with the implementation or administration of the Plan.
- (o) The Nomination and Remuneration Committee has powers, in respect of the Lapsed Options (as defined hereunder), to withdraw, recall, accept surrender or cancel Options issued/ to be issued pursuant to this Scheme, and to issue fresh options in lieu thereof at such price, in such manner, during such period, in one or more tranches and on such other terms and conditions as the Committee may decide.
- (p) Removal of any difficulties arising in the implementation of this Scheme

Notwithstanding anything contained hereinabove or in this Scheme, it is clarified that no variation to the Scheme which is to the detriment of the Employees shall be effective in respect of the Options already granted.

- 7.2 A Director who is a member of the Nomination and Remuneration Committee shall not be eligible to be made a Grant, till the time he is a member of the Nomination and Remuneration Committee
- 7.3 No member of the Nomination and Remuneration Committee shall be personally liable for any decision or action made in good faith with respect to the Plan.
- 7.6 The powers and function as stated above may be, varied, altered or modified from time to time by the Board of Directors, subject to Applicable Law. The Board may further provide that the Nomination and Remuneration Committee shall exercise certain powers only after consultation with the Board and in such case the said powers shall be exercised accordingly.

ARTICLE 8

PROCEDURE FOR SELECTION OF AN EMPLOYEE

- 8.1 All permanent Employees, as may be determined by the Nomination and Remuneration Committee, are eligible to participate in the Plan.

The performance criteria for assessing the permanent employees under this Plan shall be as decided by the Nomination and Remuneration Committee^{8.3} The Board of Directors 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.



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ARTICLE 9

GRANT

- 9.1 The Nomination and Remuneration Committee may from time to time make Grants to one or more Employees determined by the Nomination and Remuneration Committee to be eligible for participation in the Plan.

Provided that an Employee who is a Promoter or his relative or belongs to the Promoter Group or a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company shall not be eligible to participate in the Plan.

Provided that no grant shall be made unless the disclosure as required under the SEBI SBEB Regulations is made by the Company.

- 9.2 The aggregate number of Options / underlying Shares that may be granted under the Plan shall not exceed **4,56,000 (Four Lakhs Fifty Six Thousand)** shares of the Company Further, Options under each Grant to an Employee shall not be less than 100 (Hundred) and in a financial year the aggregate number of Options granted to an Employee, in any year and in the aggregate under the Plan, shall not exceed 0.25% of the total issued capital of the Company .
- 9.3 The Grant shall be in writing and shall specify the number of Options granted, the price payable for exercising the Options shall be the Fair Market Value as determined by the Independent Valuer on the date of the Grant, the earliest date on which some or all the Options under the Grant shall be Vested, fulfilment of the performance and other conditions, etc. if any, subject to which Vesting shall take place, and the other terms and conditions thereto. . Provided however no Vesting of any Option shall take place unless one year has elapsed from the date of its Grant.
- 9.4 The Options shall not be transferable and can be exercised only by the Employee, except as otherwise stated in the Plan.

ARTICLE 10

EXERCISE PRICE

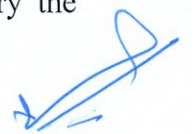
- 10.1 The Exercise Price for all or any Options shall be determined by the Nomination and Remuneration Committee, as per Applicable Law, as the case may be, in accordance with the authority granted under the resolution of the Shareholders, but not less than the face value of the Shares.
- 10.2 Subject to Clause 10.1 hereinbefore, the Nomination and Remuneration Committee , as the case may be, shall have powers to modify or vary the



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Exercise Price of the Granted Options, in respect of one or more Employees at their absolute discretion.

Provided any modification or variation of the Exercise Price shall not be detrimental to the interest of the concerned Employees and shall, unless it be in accordance with this Plan, be subject to the approval of the Shareholders

- 10.3** The Exercise Price shall be specified in the Grant Letter and shall, unless varied or modified pursuant to the Plan hereof, be fixed for the entire term of the Option.
- 10.4** The Company shall be entitled to recover from the Employee any tax that may be levied upon or in relation to the Options.

ARTICLE 11

VESTING OF OPTIONS

All Grants made to any Employee shall Vest as stated in the Grant Letter on the basis of criteria as may be set out by the Nomination and Remuneration Committee

- 11.1** Notwithstanding anything contained elsewhere in this Plan, the Board may, in its absolute discretion, specify a Vesting schedule and/or vary the Vesting schedule / basis of Vesting / Vesting from Grantee to Grantee or any class thereof, as it may deem fit.
- 11.2** The Board may, in its absolute discretion, 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 provided that a minimum period of one year shall elapse from the date of Grant before Vesting.
- 11.3** In the event of the Grantee:
- (a) dying while in the employment of the Company; or
 - (b) becoming Permanently Disabled while in the employment of the Company,

all unvested Options shall Vest on the date of the occurrence of such event and the rights and obligations under the Options Vested in him, shall accrue to his legal heirs, nominees or continue in his hands, as the case may be.

ARTICLE 12

EXERCISE OF OPTIONS

- 12.1** Unless otherwise specified in the letter of Grant or specified elsewhere in the Plan and subject to the provisions of Clause 13 of the Plan, hereinafter stated, Vested Options may be Exercised at any time during the Exercise Period

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(which shall be a period of 24 months from the date of the vesting of the Options) in such manner and at such time as the Nomination and Remuneration Committee may determine, except in case of termination of employment in which case the Vested Options shall be Exercised on or before:

- (a) 12 (twelve) months following the death of a Grantee or termination due to disability or retirement,
- (b) 90 (thirty) days from the date of termination of the employment for any other reason (subject to restrictions on Exercise in case of termination of employment for Cause)

12.2 The Grantee may, at any time during the Exercise Period, and subject to fulfilment of conditions of the Grant, Exercise the Options by submitting an application to the Board, to allot Shares pursuant to the Vested Options, accompanied by payment of an amount equivalent to the Exercise Price in respect of such Shares along with such other documents as the Board, may specify to confirm the extinguishment of the rights comprising in the Options then Exercised.

12.3 Except as otherwise provided, payment of the Exercise Price for the Shares to be acquired pursuant to any Options shall be made by:

- (a) cheque, payable at the registered office of the Company,
- (b) such other method (including but not limited to NEFT/ RTGS transfer) as may be approved by the Board from time to time to the extent permitted by Applicable Law, or

12.4 The application for Exercise shall be in such form as may be prescribed in this regard and the Board may determine the procedure for Exercise from time to time.

12.5 The Board shall have the power to specify the days on, or the period during which, the Vested Options can be exercised.

Provided however that in case of termination of employment due to voluntary resignation, termination by the Company or death, disability or retirement of the Grantee, the Grantee shall Exercise the Options in accordance with the provision of Clause 12.1, notwithstanding the Exercise dates specified under this clause but subject to the provisions of any law or regulation for the time being in force.

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12.6 Notwithstanding anything contained elsewhere in the Plan, the Board:

- (a) in the event of Exercise of Option(s) resulting in fractional Share, shall have the absolute power to round up or down to the nearest whole number, and adjust the Exercise Price for the same.
- (b) may not permit any Grantee to Exercise the Options (whether Vested or not), in the event of the Grantee being found to be involved in fraud, misfeasance, gross negligence, breach of trust, etc. and in such a case the rights under the Options (whether Vested or not) shall lapse forthwith, without any claim on, or recourse to the Company.
- (c) may defer or refuse to permit the Exercise of Option till such time as it is prohibited by the Applicable Law or regulations or guidelines or the provisions of this Plan or the conditions of Grant and in such an event, the Company shall not be liable to pay any compensation or similar payment to the Grantee for any loss suffered due to such refusal.

Provided further, the Board of Directors shall have the power to cancel exercise of all or any of the Options granted under the Plan if so required under any law for the time being in force including any order of regulatory, statutory, governmental or judicial authority. No compensation shall be payable for such cancelled Options.

12.7 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 and without requiring any act on the part of the Company or the Employer Company, as the case may be.

ARTICLE 13

TERMINATION OF EMPLOYMENT

- 13.1** Subject to the SEBI SBEB Regulations, if mandatorily applicable, if a Grantee's employment with the Employer Company terminates, for any reason whatsoever (other than death or disability), the Options, to the extent not vested, will automatically lapse on the date of such termination of employment or in case of voluntary resignation by the employee on the date of handing the letter of resignation to the Employer Company.

However:

- a. in case of termination of the employment of the Grantee, for any reason whatsoever (other than for Cause) including retirement /superannuation from service, the Grantee shall be permitted to Exercise the Options



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501 A, B, C, E Fortune 2000, Block-G, Bandra Kurla Complex, Bandra East, Mumbai - 400051, Maharashtra, India
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vested on the date of termination, during a period of 90 days after the date of termination, failing which they shall lapse.

- b. In case the employment of a Grantee is terminated due to Permanent Disability, all the Options granted shall, on the date of such Permanent Disability vest with the Grantee and can be Exercised, subject to any terms and conditions specified by the Nomination and Remuneration Committee, in accordance with Applicable Law.

These Options shall be Exercised by the Grantee within a period of 12 (twelve) months following such event or such extended time as provided by the Board.

- c. In case the employment of a Grantee is terminated due to the event of death while in the employment of the Company, the rights (including the Shares already allotted and the Options yet to be Exercised in pursuance of this Plan) and obligations of the deceased Grantee, under the Plan, till such date shall be automatically transferred and shall Vest in the beneficiary, legal heir or nominee of the deceased Grantee and can be Exercised, subject to any terms and conditions specified by the Nomination and Remuneration Committee, in accordance with Applicable Law.

These Options shall be Exercised by the beneficiary, legal heir or nominee within a period of 12 (twelve) months following such event or such extended time as provided by the Board.

- 13.2** Notwithstanding anything to the contrary elsewhere in this Plan, in the event of the Grantee's employment being terminated for "Cause", all Options Granted, whether Vested or otherwise, shall lapse/be forfeited irrevocably and the Company shall not be required to pay compensation for the same to such Grantee. Further, if such termination of employment for Cause happening at any time before the Liquidity Event and the Grantee having Exercised the Options, the Company shall have the right to have the Shares held by / on behalf of such Grantee to be transferred to any Employee nominated by the Company, at the Exercise Price paid by the Grantee for acquiring the such Shares.

- 13.3** Nothing contained in this Clause shall be applicable, in the event of termination of the Grantee's services due to secondment, so long as the Grantee continues to be employed by the Employer Company.

Provided further that the Board shall have full power and authority to relax any of the conditions and provisions of this Clause in case of a Grantee who, continues his services with the Employer Company.

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ARTICLE 14

RIGHTS OF A MEMBER IN SHARES

- 14.1** Neither the Grantee, nor his successor in interest, shall have any of the rights of a Shareholder of the Company with respect to the Shares for which the Option is exercised until such Shares are issued/allotted by the Company.

ARTICLE 15

TERMS AND CONDITIONS OF SHARES

- 15.1** All Shares acquired under the Plan 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 16

CHANGE IN CAPITAL STRUCTURE OR CORPORATE CHANGE

- 16.1** Except as hereinafter provided, a Grant made shall be subject to adjustment, by the Board, at its discretion as to number and price of Shares, as the case may be, in the event of 'Change in Capital Structure' or a 'Corporate Change'.
- 16.2** If there is a 'Change in the Capital Structure' of the Company before the Options granted under this Plan are Exercised, the Grantee 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 outstanding Options now Exercised by him, had been Exercised by him before such 'Change in the Capital Structure' of the Company had taken place and the rights under the Options shall stand corresponding adjusted.
- 16.3** The Shares in respect of which the Options are granted, are Shares as presently constituted. But if and when, prior to the expiry of the Exercise Period there is a 'Change in the Capital Structure' of the Company, the number of Shares with respect to which the Options may thereafter be Exercised shall, in the event of:
- (a) an increase in the number of Resultant Shares, be proportionately increased, and the Exercise Price, be proportionately reduced;
 - (b) a reduction in the number of Resultant Shares, be proportionately reduced, and the Exercise Price, be proportionately increased.

Provided further that the Board/ Nomination & Remuneration Committee shall have power to make suitable adjustments to the Exercise Price and / or the number of Options, in case the provisions of Applicable Law restrict / prohibit

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the issue of Shares at a discount to its par value, provided that the Exercise Price shall not be less than the amount as prescribed under Applicable Law.

In case the Company is listed on a recognized Stock Exchange, post the issue of the options and continues to opt for expensing of share based employee benefits using the intrinsic value method, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value method, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report'.

16.4 In the event of 'Corporate Change', the Board, at least seven days prior to any 'Corporate Change' or thirty days thereafter, acting in its absolute discretion with or without the consent or approval of the Grantee, as it may deem fit, shall in respect of the Options which have not Vested or which have Vested but not Exercised, may act on any of the following alternatives:-

- (a) Provide that on any Exercise of Options hereafter, the Grantee shall be entitled to the Share and/or Resultant Shares as if the Grantee had been a holder of the Shares on Exercise of the Options.
- (b) Make such adjustments to the Options outstanding to reflect the 'Corporate Change'.
- (c) Require the mandatory surrender to the Company, by all or some of the Grantees, 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 Board shall pay to such Grantee 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.
- (d) Accelerate the Vesting and/or the Exercise Period so that the Options can / must be Exercised before the date specified by the Board.

Provided however that unless specifically agreed upon, all unvested Options on the date of any 'Corporate Change' shall lapse and the Holder shall not be entitled to any compensation of any nature whatsoever.

- (e) Cancel the Options granted without any objection, hindrance or claim by the Grantee if the Fair Market Value, as determined by the Board, of the Shares underlying the Options is below the Exercise Price.
- (f) Substitute the Options with Options issued or to be issued by the new / resulting company pursuant to the Corporate Change on terms which are not materially less favorable to the terms on which the Options were hitherto granted.



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- 16.5** Notwithstanding anything to the contrary elsewhere in this Plan, in case of demerger of any part of the business of the Company, the Employees who are part of the demerged business shall be entitled in lieu of any options outstanding in the Company, Options only in the undertaking/company of which the demerged business is a part and as if the demerged business was the only business of the Company at the time of the grant of Options and such Employees shall not be entitled to claim any compensation for any loss of benefit or value or otherwise as a result of their being unable to participate in the business of the Company excluding the demerged business

Further in the event of a sale or demerger of a division or the sale or divestment of a Subsidiary whereupon the Company ceases to hold directly or indirectly through one or more of Subsidiaries, more than 50% of the voting power in the acquirer company or the Subsidiary or the resultant company, as the case may be, the Board may acting in its absolute discretion without the consent or approval of the Employees specify that:

- (a) In respect of one or more of the Employees of the division / Subsidiary sold or demerged, they shall be entitled on Exercise of Options to such number of Shares of only the acquirer company/ the Subsidiary / resulting company.
- (b) In respect of one or more of the Employees, not being Employees of the division / Subsidiary sold or demerged, that they may be entitled on Exercise of Options to such number of Shares of the residual business of the Company only (excluding any right to acquire the Shares of the acquirer company/ the Subsidiary / resultant company) after making a fair and reasonable adjustment to the number of Options and the Exercise Price to reflect the corporate action.

ARTICLE 17

VARIATION OR TERMINATION OF THE PLAN

- 17.1** The Board of Directors in its absolute discretion may from time to time amend or alter the Plan or any Grant or the terms and conditions thereof provided, that no amendment or alteration in any Grant previously made may be carried out, to the extent possible, which would impair or prejudice the rights of the Grantee without the consent of the concerned Grantee.

Provided further, that the Board will not, without the approval of the Shareholders, amend the Plan:

- (a) To increase the aggregate number of Shares which may be issued pursuant to the provisions of the Plan on Exercise or surrender of Options or upon Grants;
- (b) To increase materially the benefits accruing to Grantee under the Plan;

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- (c) To extend the maximum period during which Grants may be made under the Plan, in accordance with Applicable Law;
 - (d) To modify materially the requirements as to eligibility for participation in the Plan; or
 - (e) Such other terms which are detrimental to the Option holders.
- 17.2** Without prejudice to the above, the Board of Directors, without any reference to or consent of the Grantee concerned, amend the Plan or Grant or any Agreement to comply with Applicable Law, which is or may hereinafter, become applicable to this Plan, or terminate the plan.

ARTICLE 18

OTHERS

18.1 No Right to a Grant

Neither the adoption of the Plan nor any action of the Board of Directors or Board shall be deemed to give an Employee any right to be granted any Option to acquire Shares or to any other rights hereunder except as may be permitted on the terms and conditions expressly set forth in the Grant Letter.

The Plan 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 under any Grant.

18.2 No Employment Rights Conferred

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

- (a) confer upon any Grantee any right with respect to continuation of employment or engagement with the Employer Company, or
- (b) interfere in any way with the right of the Employer Company to terminate employment or services of any Grantee at any time.

18.3 Recovery of Taxes

The Company shall have the right to deduct, in connection with all Grants, any taxes, if any, required by law to be deducted at source and to require any payments necessary to enable it to satisfy such obligations.

Further the Company shall have the right to deduct/recover, any taxes including but not limited to any tax levied under Income Tax Act, 1961 if any, (including any statutory substitution or replacement thereof) required/permitted under law

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to be deducted at source and/or to be recovered in connection with all Grants and/or Vesting/Exercise of Options and to require any payments necessary to enable the Company to satisfy such obligations.

The Grantee and / or any person claiming through him shall authorise the Company to take such steps as the Company 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 obligation in the respect of tax deduction at source.

18.4 No Restriction on Corporate Change

The existence of the Plan and the Grants made hereunder shall not in any way affect the right or the power of the Board of Directors or the Shareholders or the Company to make or authorise any 'Change in Capital Structure' or any 'Corporate Change', in accordance with Applicable Law, including any issue of Shares, debt or other securities having any priority or preference with respect to the Shares or the rights thereof, whether or not such action would have an adverse effect on the Plan or any Grant made under the Plan. No Grantee or other persons shall have any claim against the Employer Company as a result of such change.

18.5 Insider Trading

The Grantee shall ensure that, if applicable, there is no violation of:

- (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and
- (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.

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

18.6 New Plans

Nothing contained in the Plan shall be construed to prevent the Employer Company from implementing any other new Employee ownership plan which is deemed by the Employer Company 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 Plan. No Grantee or other person shall have any claim against the Employer Company as a result of such action.



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18.7 Issues

In respect of any issues arising in respect of the Plan, the decision of the Board of Directors/Nomination and Remuneration Committee shall be final and binding on all concerned, subject to Applicable Law.

18.8 Restriction on Transfer of Option

An Option shall not to be transferable and shall be exercisable during the lifetime of the Grantee only by such Grantee or in case of death or permanent incapacity of a Grantee, by the Grantee's authorised legal representative or legal heirs.

The Grantee shall not mortgage/hypothecate or create lien or pledge or otherwise alienate his right in the Options.

18.9 Beneficiary Designation

Each Grant shall be pursuant and subject to the terms and conditions set out in the Grant Letter and this Plan. A Grantee shall have the right to appoint any individual or legal entity in writing as his or her beneficiary under the Plan in the event of his death. Such designation may be revoked in writing by the Grantee at any time and a new beneficiary may be appointed in writing in the form provided by the Board for such purpose. In the absence of such appointment, the beneficiary shall be the legal representative of the Grantee's estate.

18.10 Certificate from auditors

The Board of Directors shall at each annual general meeting place before the Shareholders a certificate from the secretarial auditors of the company that this Transrail Lighting Employee Stock Option Plan 2023 has been implemented in accordance with the SEBI SBEB Regulations and in accordance with the resolution of the company in the general meeting.

18.11 Severability

In the event any one or more of the terms, conditions and provisions contained in the Plan shall for any reason be held to be invalid, illegal or unenforceable, the same shall be severable from the rest of the Plan and shall not affect any other provision of the Plan. The Plan shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein, and the Plan shall be carried out as nearly as possible according to its original terms and intent. In the event of any inconsistency, between any of the provisions of the Plan and Applicable Law, the provisions under the Applicable Law shall prevail.



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18.12 Notices and Correspondence

Notices and Correspondences

Any notice required to be given by a Grantee to the Company or the Board / Nomination and Remuneration Committee or any correspondence to be made between an Grantee and the Company or the Board / Nomination and Remuneration Committee may be given or made to the Company at the registered office of the Company, or to the Board/ Nomination and Remuneration Committee, as may be notified by the Company in writing.

Any notice required to be given by the Company or the Board / Nomination and Remuneration Committee to a Grantee or any correspondence to be made between the Company or the Board / Nomination and Remuneration Committee and a Grantee shall be given or made by the Company or the Board / Nomination and Remuneration Committee on behalf of the Company at the address provided by the Grantee.

18.13 Confidentiality

Option Grantees must keep the details of the Plan, the Grant and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, or with any Employees and/or associate of the Company or that of its affiliates. In case a Grantee is found in breach of this clause, the Company has undisputed right to terminate his grant. The decision and judgement of the Company regarding breach of this Clause shall be final, binding and cannot be questioned by Grantee. In case of non-adherence to the provisions of this Clause, the Nomination and Remuneration Committee / Board will have the authority to deal with such cases as it may deem fit.

The Grantee agrees that the Company may be required to disclose information of the Grantee during the process of implementation of the Plan or while availing services relating to the Plan including consulting, advisory services or Plan management services and/or any other such incidental services. The Grantee hereby accords his consent that such confidential information may be disclosed by the Company to its officers, professional advisors, agents and consultants on a need to know basis.

18.14 General

This Plan constitutes the entire document in relation to its subject matter and supersedes all prior agreements and understandings whether oral or written with respect to such subject matter.

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18.15 Governing Laws

The Plan shall be subject to and construed in accordance with the laws of India and all applicable rules, regulations, notifications, guidelines etc. The Securities issued hereunder shall be governed by and in accordance with the Companies Act, 2013, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity Regulations, 2021, including regulations in respect of variations of terms of the scheme, winding up of the scheme, listing, compliances and conditions and accounting policies, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and any other relevant rules, regulations and guidelines issued by Securities and Exchange Board of India.

18.16 Dispute Resolution

In the event of any disputes, differences and contentions directly or indirectly arising at any time hereafter between the Company and any Employee or Grantee ("the Parties") or their respective representatives or assigns under, out of, in connection with or in relation to this Plan (or the subject matter of this Plan) including, without limitation, all disputes, differences, controversies and questions relating to the validity, interpretation, construction, performance and enforcement of any provision of this Plan or document in relation thereto, such dispute, difference or contention arising between the Parties in relation to any of the provisions of this Plan or the interpretation hereof, or as to rights, liabilities or duties of the Parties (hereinafter referred to as a "Dispute"), the same shall, so far as possible, be settled amicably between the Parties failing which the Dispute shall be referred to an arbitral tribunal for arbitration under the Arbitration and Conciliation Act, 1996 and the decision of such arbitral tribunal in relation to any such Dispute shall be final and binding on the Parties hereto.

18.17 Language and Venue

The arbitration proceedings shall be conducted in the English language. The venue of the arbitration shall be in Mumbai, India.

18.18 Jurisdiction

The Plan shall subject to the jurisdiction of courts in Mumbai only.

For TRANSRAIL LIGHTING LIMITED


DIGAMBAR BAGDE
EXECUTIVE CHAIRMAN
DIN : 00122564

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