

**Revised Scheme**

**Polycab India Limited (Polycab)**  
**Polycab Employee Stock Option Performance Scheme 2018 – Performance**  
**Scheme**

**CERTIFIED TRUE COPY**

**For POLYCAB INDIA LIMITED**

  
**MANITA CARMEN A. GONSALVES**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**  
**A18321**

**POLYCAB INDIA LIMITED**

**POLYCAB EMPLOYEE STOCK OPTION PERFORMANCE SCHEME 2018 – PERFORMANCE SCHEME**

<b>1</b>	<b>NAME OF THE SCHEME.....</b>	<b>3</b>
<b>2</b>	<b>PURPOSE OF THE SCHEME .....</b>	<b>3</b>
<b>3</b>	<b>DEFINITIONS AND INTERPRETATION .....</b>	<b>3</b>
<b>4</b>	<b>ELIGIBILITY.....</b>	<b>4</b>
<b>5</b>	<b>GRANT OF OPTIONS .....</b>	<b>4</b>
<b>6</b>	<b>METHOD OF ACCEPTANCE .....</b>	<b>5</b>
<b>7</b>	<b>VESTING OF OPTIONS .....</b>	<b>5</b>
<b>8</b>	<b>EXERCISE PRICE.....</b>	<b>6</b>
<b>9</b>	<b>EXERCISE OF OPTIONS .....</b>	<b>6</b>
<b>10</b>	<b>DURATION OF THE SCHEME .....</b>	<b>6</b>
<b>11</b>	<b>LOCK IN.....</b>	<b>6</b>
<b>12</b>	<b>CONFLICT.....</b>	<b>6</b>

**1 Name of the Scheme**

This Scheme shall be termed the Polycab Employee Stock Option Performance Scheme 2018 – ‘Performance Scheme’. Performance Scheme forms a part of the Polycab Employee Stock Option Plan 2018 (‘the Plan’). Performance Scheme has been approved by a special resolution passed on 30<sup>th</sup> August, 2018 by the shareholders at the General Meeting of the Company. Performance scheme shall be effective from 30<sup>th</sup> August, 2018 herein after referred as the “Effective date”.

**2 Purpose of the Scheme**

\*Polycab India Limited has structured Performance Scheme for its Employees and Employees of its Subsidiary Companies.

The purpose of this Scheme is as under:

- a) Attain and exceed performance targets;
- b) Retention of employees;
- c) Align with shareholder’s interests; and
- d) Wealth creation.

Further, the Scheme will be implemented, for and on behalf of and at the request of the Subsidiary Companies of the Company, for the employees of the Subsidiary Companies of the Company respectively.

**3 Definitions and Interpretation**

Unless otherwise defined, the terms mentioned herein shall have the same meaning for the purpose of Performance Scheme as defined in the Plan. Apart from the generality of the above,

- 3.1 “Allocable Options” for the purpose of this Scheme means Options that are allocable in accordance with Clause 7.2 below;
- 3.2 “Closing Date” shall be 60 days from the Grant Date on or before such date the Grant of Options made by the Company to a Grantee can be accepted. In case such date is a non-working day, then it shall be the immediately following working day;
- 3.3 “Eligible Employee” for the purpose of this Scheme means Employee identified in accordance with Clause 4 below to whom the Grant of Options shall be made;
- 3.4 “Exercise Price” means the purchase price of each Share payable by the Participant/ Beneficiary for exercising the Vested Options Granted to the Participant in pursuance of the Scheme, as per Clause 8 below and shall be communicated in the Grant letter;
- 3.5 “Exercise Period” means the period of eight years from the Date of Grant, subject to Clause 13 of the Plan, unless the Board/ Committee/ Company decides otherwise;
- 3.6 “Gold Options” means 30% of the total granted options to an eligible employee considered as Gold options;
- 3.7 “Performance Ratings” shall mean the annual performance rating of the Participant as per the annual performance evaluation of the Company.

---

*\*Note: Amended vide passing the special resolution through postal ballot on 20<sup>th</sup> January 2020.*

- 3.8 “Platinum Options” means 30% of the total granted options to an eligible employee considered as Platinum options;
- 3.9 “Titanium Options” means 40% of the total granted options to an eligible employee considered as Titanium options;
- 3.10 “Vesting Period” shall be defined as per Clause 7 of the “Performance scheme” below;
- 3.11 “Construction”
- a) The headings/ subheadings/ titles/ subtitles are only for the sake of convenience and shall not be interpreted to restrict or otherwise affect the meaning or import of the Articles/Clauses, which shall be interpreted solely in light of the contents thereof.
  - b) Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
  - c) Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form.
  - d) The term 'including' shall mean 'including without limitation', unless otherwise specified.
  - e) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.
  - f) Unless the context otherwise requires, words denoting the masculine gender shall include the feminine gender and words denoting the singular shall include the plural and vice versa.

#### **4 Eligibility**

- 4.1 The Committee/ the Board/ Company at their sole discretion and based on satisfaction of criteria such as criticality of role, employees involved in strategic decision making, individual performance will identify the Eligible Employees for offer of the Options.

#### **4A \*\*Share Pool**

Subject to clause 7 of Polycab ESOP Plan 2018, the maximum number of Shares that may be issued/ transferred pursuant to Exercise of Options granted to the Participants under this Scheme shall not exceed 33,87,750 (Thirty Three Lakhs Eighty Seven Thousand Seven Hundred Fifty) Equity Shares of face value of Rs. 10 each.

#### **5 Grant of Options**

- 5.1 The Company/ Board/ Committee shall Grant the Options to the identified Eligible Employees in accordance with the terms and conditions of ‘Performance Scheme’ notified under the Plan for the time being in force.

---

*\*\*Note: Inserted vide passing the special resolution through postal ballot on 20<sup>th</sup> January 2020*

- 5.2 Subject to Clause 7 and Clause 17 of the Plan and in accordance with Clause 8, per Grant the maximum number of Options Granted to any Grantee under "Performance Scheme" together with Options granted in any other scheme shall not exceed 1 percent of the total share capital at the time of the Grant.
- 5.3 Out of the total Grant of Options made to the Eligible employees, 30% of the Grant shall be considered as Gold Options, 30% of the Grant shall be considered as Platinum Options and 40% of the Grant shall be considered as Titanium Options.
- 5.4 The Grant of the Options to the Eligible Employee shall be made in writing in Grant Letter and communicated to the Eligible Employee. Such Grant Letter shall state the Grant Date, number of Options offered, the Exercise Price and the Acceptance Period.
- 6 Method of acceptance**
- 6.1 In accordance with Clause 9 of the Plan, any Grantee who wishes to accept the Grant made pursuant to Clause 5 above, must deliver an Acceptance Form, prescribed by the Board/ Committee from time to time, duly completed as required therein to the Board/ Company/ Committee on or before the Closing date.
- 6.2 The Grant of Options to any Grantee who fails to return the Acceptance Form or any Acceptance Form received by the Board/ Company/ Committee after the Closing date shall not be valid and the Options granted will stand cancelled, unless the Board/ Committee/ Company determines otherwise.
- 7 Vesting of Options**
- 7.1 Subject to Clause 13.4 and Clause 13.5 of the Plan, the minimum vesting period shall be one year from the date of grant.
- 7.2 Subject to Clause 10 of the Plan, the Options that are granted under this Scheme shall be allocable (hereinafter referred as "Allocable Options") over 5 years from the date of Grant in the

*Polycab India Limited*

*Polycab Employee Stock Option Performance Scheme 2018 – ‘Performance Scheme’*

ratio of 15:15:20:20:30. Such Allocable Options will vest to the employees in accordance with Clause 7.3 below.

- 7.3 Subject to continuous employment with the Company or the Subsidiaries, as applicable and in accordance with Clause 7.1 above and Clause 10 of the Plan, Options shall Vest with the Participant as per vesting schedule below:

Sr.No.	Vesting period	Options to be vested
1.	Upon achieving a rating of 3	Gold Options that are allocable as per Clause 7.2 above shall vest to the Participant. Platinum Options and Titanium Options that are allocable as per Clause 7.2 above shall lapse <b>*unless the Board/ Committee at their discretion, decides that such Options will vest (full or partial vesting)</b> and the contract referred in Clause 9.3 of the Plan shall automatically stand terminated in respect of Allocable Options that lapse without surviving any right/ liability for any party
2.	Upon achieving a rating of 4	Gold Options and Platinum Options that are allocable as per Clause 7.2 above shall vest to the Participant. Titanium Options that are allocable as per Clause 7.2 above shall lapse <b>*unless the Board/ Committee at their discretion decides that such Options will vest (full or partial vesting)</b> and the contract referred in Clause 9.3 of the Plan shall automatically stand terminated in respect of Allocable Options that lapse without surviving any right/ liability for any party
3.	Upon achieving a rating of 5	Gold Options, Platinum Options and Titanium Options that are allocable as per Clause 7.2 above shall vest to the Participant.

(\*Note: Approved by the shareholders at the Annual General Meeting held on 21<sup>st</sup> July 2021.)

**8 Exercise Price**

- 8.1 The Exercise Price for the Options granted shall be INR 405.
- 8.2 The Aggregate Exercise Price shall be paid in full upon the Exercise of the Vested Options. Payment must be made by one of the methods specified in Clause 12.7 of the Plan.

**9 Exercise of Options**

- 9.1 In accordance with Clause 12 of the Plan and subject to Clause 13 of the Plan, the Participant/ Nominee can Exercise the Vested Options immediately on or after vesting but within the Exercise Period.

**10 Duration of the Scheme**

- 10.1 Scheme shall continue in effect unless terminated by the Board/ Company/ Committee.

**11 Lock in**

- 11.1 The Shares allotted/ transferred pursuant to the Exercise of Vested Options under Clause 9 above shall not be subject to a lock-in.

**12 Conflict**

In case there is a conflict between the terms of this Scheme and the terms of the Plan, then for the purposes of this Scheme, the terms of this Scheme shall prevail, unless specifically provided otherwise in the Plan.

**CERTIFIED TRUE COPY**

**For POLYCAB INDIA LIMITED**

*Manita*  
**MANITA CARMEN A. GONSALVES**  
**COMPANY SECRETARY & COMPLIANCE OFFICER-**  
**A18321**