



CLEAN SCIENCE AND TECHNOLOGY LIMITED

Employee Stock Option Scheme 2021

Contents

1.	Name, Objective and Term of the Scheme	2
2.	Definitions and Interpretation	2
3.	Authority and Ceiling	7
4.	Administration	8
5.	Eligibility and Applicability	10
6.	Vesting Schedule and Conditions.....	10
7.	Exercise	10
8.	Lock-in.....	13
9.	Exit route	13
10.	Restriction on transfer of Options	13
11.	Rights as a shareholder.....	14
12.	Taxation.....	14
13.	Authority to vary terms	15
14.	Miscellaneous	15
15.	Accounting and Disclosures.....	16
16.	Certificate from Auditors	17
17.	Governing Laws	17
18.	Notices.....	17
19.	Governing Jurisdiction	18
20.	No restriction of Corporate Action.....	18
21.	New Schemes.....	19
22.	Severability	19
23.	Confidentiality	19

1. Name, Objective and Term of the Scheme

- 1.1 This Scheme shall be called the “Clean Science and Technology Limited Employee Stock Option Scheme 2021 (“CSTL ESOS 2021” or “Scheme”).
- 1.2 The objective of the CSTL ESOS 2021 is to reward the employees of the Clean Science and Technology Limited (“the Company”) and/or its Subsidiary Companies for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to attract and retain talent in the organization. The Company views employee stock options as instruments that would enable the employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the coming years.
- 1.3 The CSTL ESOS 2021 is established with effect from 27 March 2021, on which the shareholders have approved the CSTL ESOS 2021 by way of a special resolution. The CSTL ESOS 2021 was further amended to bring it in line with the SEBI SBEB and Sweat Equity Regulations 2021 and ratified by shareholders by way of Postal Ballot vide special resolution dated 17th March 2022 as it was formulated prior to the Initial Public Offer (IPO). It shall continue to be in force until (i) its termination by the Board or Nomination and Remuneration Committee as per provisions of Applicable Laws, or (ii) the date on which all of the Options available for issuance under the CSTL ESOS 2021 have been issued and exercised, whichever is earlier.
- 1.4 The Board of Directors or the Nomination and Remuneration Committee of Board as authorised may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the CSTL ESOS 2021.

2. Definitions and Interpretation

2.1 Definitions

- i. **“Applicable Law”** means every law relating to equity-based compensation plan, including, without limitation to, the Companies Act, 2013 and rules thereof and includes any statutory modifications or re-enactments thereof, Securities Exchange Board of India Act, 1992, the SEBI SBEB 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.
- ii. **“Board”** means the Board of Directors of the Company.
- iii. **“Companies Act”** means The Companies Act, 2013 and includes any statutory modifications or re-enactments thereof.

- iv. **“Company”** means Clean Science and Technology Limited, a Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at Office No. 503, Pentagon Tower P-4, Magarpatta City, Hadapsar, Pune - 411013, Maharashtra, India.
- v. **“Company Policies/Terms of Employment”** means the Company’s policies for employees and the terms of employment as stated in the Employment Letter or any other policy documents issued by the Company/ Subsidiary(ies) from time to time.
- vi. **“Corporate Action”** means a change in capital structure of the Company as a result of re-classification of shares, sub-division of shares, consolidation, issue of bonus shares, conversion of shares into other shares or securities of the Company, merger or reverse merger, amalgamation, sell off and any other change in the rights or obligations in respect of shares, re-organisation of share capital, issue of shares on right basis and any other form of equity share issuance.
- vii. **“Director”** means a member of the Board of the Company.
- viii. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Nomination and Remuneration Committee for granting Options to the Eligible Employees.
- ix. **“Eligible Employee”** means (i) a permanent employee of the Company working in India or outside India; or (ii) a Director of the Company, whether whole time director or not, including a non-executive director who is not a promoter or member of the promoter group, or (iii) a permanent employee of Subsidiary Company working in India or outside India but excludes-
 - a. An employee, who is a Promoter or belongs to the Promoter Group;
 - b. A Director, who either by himself or through his relatives (as defined in the Companies Act, 2013) or through any body corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company;
 - c. An Independent Director within the meaning of the Companies Act, 2013 and/or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- x. **“Employee Stock Option” or “Option”** means the option granted to an Eligible Employee, which gives such Eligible Employee the benefit or right, but not an obligation, to purchase or subscribe at a future date the Shares underlying the Option at a pre-determined price.

- xi. **“CSTL ESOS 2021”** means this CSTL Employee Stock Option Scheme 2021 under which the Company is authorised to grant Options to the Eligible Employees.
- xii. **“Exercise”** of an Option means making of an application by an Eligible Employee to the Company to purchase the Shares underlying the Options vested in him, in pursuance of the CSTL ESOS 2021, in accordance with the procedure laid down by the Company for exercise of Options.
- xiii. **“Exercise Date”** shall mean any of the dates, during the Exercise Period, during which exercise application may be made by the employee for exercising Options granted to him or such other dates as the Nomination and Remuneration Committee may determine from time to time.
- xiv. **“Exercise Period”** means such time period after vesting within which the Eligible Employee should Exercise the Options vested in him in pursuance of the CSTL ESOS 2021.
- xv. **“Exercise Price”** means the price payable by the Eligible Employee in order to Exercise the Options granted to him in pursuance of the CSTL ESOS 2021.
- xvi. **“Grant”** means the process by which the Company issues Options to the Eligible Employees under the CSTL ESOS 2021.
- xvii. **“Grant Date”** means the date on which the Nomination and Remuneration Committee approves the grant.
- xviii. **“Grant Letter”** shall mean the letter issued by the Nomination and Remuneration Committee intimating an Eligible Employee of the Options granted to him for acquiring a specified number of Equity Shares at the Exercise Price and as per the Vesting schedule described therein in terms of the Scheme.
- xix. **“Market Price”** means
 - a. **If equity shares of the Company are listed on Recognised Stock Exchange:** the latest available closing price on the Recognised Stock Exchange on which the shares of the Company are listed on the date immediately prior to the Relevant Date.

Explanation- If such shares are listed on more than one Recognised Stock Exchange, then the closing price on the Recognised Stock Exchange having higher trading volume shall be considered as the market price.

b. **If equity shares of the Company are not listed:** Fair market value as on Relevant Date or any other appropriate date as determined by the Independent Registered Valuer.

- xx. **“Listing Regulations”** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- xxi. **“Misconduct”** means disregard of the Company’s / Subsidiary Company bye-laws, rules, regulations and the Company Policies/ Terms of Employment and includes mismanagement of position by action or inaction, alleged wrong doing, misfeasance, or violation of any rule, regulation or law which was expected to be abided by the Eligible Employee or a breach of confidentiality conditions under Clause 23 of the CSTL ESOS 2021.

- xxii. **“Nomination and Remuneration Committee”** means the nomination and remuneration committee constituted by the Board from time to time, as per the requirements of Applicable Laws, and designated by the Company as the ‘compensation committee’ for administration and supervision of the CSTL ESOS 2021 and other employee benefit schemes.

- xxiii. **“Option Grantee”** means an Eligible Employee who has been Granted an Employee Stock Option in pursuance of the CSTL ESOS 2021.

- xxiv. **“Permanent Incapacity”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Option Grantee from performing any specific job, work or task which the said Option Grantee was capable of performing immediately before occurrence of such disability, as determined by the Nomination and Remuneration Committee based on a certificate of a medical expert identified by the Company.

- xxv. **“Promoter”**, for the purpose of CSTL ESOS 2021, has the same meaning assigned to it under the SEBI SBEB and Sweat Equity Regulations, 2021.

- xxvi. **“Promoter Group”**, for the purpose of CSTL ESOS 2021, has the same meaning assigned to it under the SEBI SBEB and Sweat Equity Regulations, 2021.

- xxvii. **“Relevant Date”** means,-

- a. in the case of grant, the date of the meeting of the Nomination and Remuneration Committee on which the grant is made; or
 - b. in the case of exercise, the date on which the notice of exercise is given to the Company by the Eligible Employee;
- xxviii. **“Retirement”** means retirement as per the Company/Subsidiary Company Policies and Terms of Employment.
- xxix. **“SEBI Act”** means the Securities & Exchange Board of India Act, 1992 as amended, and includes all regulations and clarifications issued there under.
- xxx. **“SEBI SBEB and Sweat Equity Regulations, 2021”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and includes all regulations and clarifications issued thereunder.
- xxxi. **“Shares”** means equity shares of face value of Re. 1 (Rupee one) each of the Company within the meaning of this CSTL ESOS 2021.
- xxxii. **“Stock Exchange”** means the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) or any other stock exchange in India on which the Company’s Shares are listed.
- xxxiii. **“Subsidiary Company”** means any present or future Subsidiary Company(ies) of the Company as defined under Section 2(87) of the Companies Act, 2013
- xxxiv. **“Unvested Option”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become entitled to receive the benefit of Grant made under CSTL ESOS 2021.
- xxxv. **“Vest” or “Vesting”** means the process by which the Option Grantee becomes entitled to receive the benefit of the Grant of Employee Stock Options made to him in pursuance of the CSTL ESOS 2021.
- xxxvi. **“Vesting Conditions”** means the conditions subject to which the Options Granted pursuant to the CSTL ESOS 2021 would Vest in an Option Grantee, as set out in the Grant Letter.
- xxxvii. **“Vesting Period”** means the period, during which all the specified Vesting Conditions of the Employee Stock Options granted to the Option Grantee, are to be satisfied pursuant to the CSTL ESOS 2021.

xxxviii. “**Vested Option**” means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to Exercise the Option.

2.2 Interpretation

In this Scheme, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words describing a gender include any other gender;
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

Words and expressions used and not defined herein but defined in the SEBI SBEB and Sweat Equity Regulations, 2021, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 or the Companies Act, and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those regulations/ legislations.

3. Authority and Ceiling

- 3.1 The shareholders by way of special resolution dated 10th August 2023 have authorised the Nomination and Remuneration Committee to grant Options not exceeding 3,50,000 (Three Lakhs Fifty Thousand) to the Eligible Employees under the CSTL ESOS 2021, in one or more tranches, exercisable into not more than 3,50,000 (Three Lakhs Fifty Thousand) Shares of face value of Re. 1 (Rupee One) each fully paid-up, with each such Option conferring a right upon the Eligible Employee to apply for one Share of the Company, in accordance with the terms and conditions as may be decided under the CSTL ESOS 2021.
- 3.2 The maximum number of Options under CSTL ESOS 2021 that may be granted to any Eligible Employee shall not exceed 15,000 (Fifteen Thousand) in number per Eligible Employee, without any further approval from shareholders.
- 3.3 If the number of Options that may be offered to any specific Eligible Employee shall exceed 0.01412% or more of the issued share capital (excluding warrants & convertible securities) of

the Company at the time of grant of Options, then the Company shall take prior approval from shareholders of the Company.

- 3.4 If an Option expires, lapses, is forfeited or becomes un-exercisable due to any reason, it shall be brought back to the Options pool and shall become available for future Grants, subject to compliance with the provisions of the Applicable Laws.
- 3.5 Where Shares are issued consequent to an exercise of Options under the CSTL ESOS 2021, the maximum number of Shares that can be issued under CSTL ESOS 2021 as referred to in Clause 3.1 above will stand reduced to the extent of such Shares issued.
- 3.6 In case of a share split or consolidation, if the revised face value of the Share is less or more than the current face value as prevailing on the date of coming into force of this CSTL ESOS 2021, the maximum number of Shares being granted under CSTL ESOS 2021 as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares X face value per Share) prior to such Share split or consolidation remains unchanged after such share split or consolidation.

4. Administration

- 4.1 The CSTL ESOS 2021 shall be administered by the Nomination and Remuneration Committee. All questions of interpretation of the CSTL ESOS 2021 shall be determined by the Nomination and Remuneration Committee and such determination shall be final and binding upon all persons having an interest in the CSTL ESOS 2021.
- 4.2 The Nomination and Remuneration Committee shall, in accordance with this CSTL ESOS 2021 and Applicable Laws, inter-alia determine the following:
 - (a) The quantum of options to be granted under the CSTL ESOS 2021 per Eligible Employee and in aggregate, subject to the ceiling as specified in Para 3.1, Para 3.2 and Para 3.3;
 - (b) The appraisal process for determining the eligibility of the employee will be based on criteria such as the grade of employee, length of service, performance record, merit of the Employee, future potential contribution by the employee and/or by any such criteria that may be determined by the Committee
 - (c) the kind of benefits to be granted under the CSTL ESOS 2021;
 - (d) the Exercise Period within which the Eligible Employee should Exercise the Option and that Option would lapse on failure to Exercise the Option within the Exercise Period;

- (e) the specified time period within which the Eligible Employee shall Exercise the vested Options in the event of termination or resignation of an Eligible Employee;
- (f) the right of an Eligible Employee to Exercise all the Options vested in him at one time or at various points of time within the Exercise Period;
- (g) the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Corporate Actions. In this regard, the following shall be taken into consideration by the Nomination and Remuneration Committee:
 - (i) the number and the price of Options shall be adjusted in a manner such that total value of the Options remains the same after the Corporate Action.
 - (ii) the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Option holders.
- (h) the procedure and terms for the Grant, Vesting and Exercise of Employee Stock Options in case of Eligible Employees who are on long leave;
- (i) the conditions under which options Vested in Eligible Employees may lapse in case of termination of employment for Misconduct;
- (j) the procedure for cashless Exercise of Options, if required;
- (k) approve forms, writings and/or agreements for use in pursuance of the CSTL ESOS 2021; and
- (l) frame suitable policies and systems to ensure that there is no violation of:
 - (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended; and
 - (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 as amended, by Company and its employees as applicable.
- (m) the procedure for buy-back of specified securities issued under these regulations, if to be undertaken at any time by the company, and the applicable terms and conditions, including:
 - i) permissible sources of financing for buy-back;
 - ii) any minimum financial thresholds to be maintained by the company as per its last financial statements; and
 - iii) limits upon quantum of specified securities that the company may buy-back in a financial year.

5. Eligibility and Applicability

Only Eligible Employees of the Company / Subsidiary Company (ies) are eligible for being granted Options under CSTL ESOS 2021. The specific Eligible Employees to whom the options would be granted and their eligibility criteria would be determined by the Nomination and Remuneration Committee.

6. Vesting Schedule and Conditions

6.1 Options granted under CSTL ESOS 2021 would vest after **1 (one) year** but not later than **4 (four) years** from the date of Grant of such Options.

6.2 Vesting of Options would be subject to continued employment with the Company/ Subsidiary Company and thus the Options would Vest essentially on passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance criteria and Vesting schedule subject to satisfaction of which the Options would vest.

6.3 As a prerequisite for a valid Vesting, an Option Grantee is required to be in employment or service of the Company/Subsidiary Company(ies) on the date of Vesting and must neither be serving his notice for termination of employment/ service, nor be subject to any disciplinary proceedings pending against him on such date of Vesting.

6.4 The specific Vesting schedule and conditions subject to which Vesting would take place would be outlined in the Grant letter given to the Option Grantee at the time of Grant of Options.

6.5 Vesting of Options in case of employees on long leave

The period of leave shall not be considered in determining the Vesting Period in the event the employee is on a sabbatical leave. The Nomination and Remuneration Committee at its sole discretion shall decide the sabbatical leave period. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Nomination and Remuneration Committee.

7. Exercise

7.1 Exercise Price

(a) The Exercise Price per Option shall be at the price determined by the Nomination and Remuneration Committee which in no case shall be less than face value of the Shares.

- (b) No Exercise Price is required to be paid by the Eligible Employee at time of Grant in respect of Options granted to him under CSTL ESOS 2021. Eligible Employee needs to pay Exercise Price only at the time of Exercise of Options.
- (c) Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn or by any electronic mode in favour of the Company or in such other manner as the Nomination and Remuneration Committee may decide from time to time.

7.2 Exercise Period

- (a) **While in employment:** The Exercise Period shall be **5 (five) years** from the date of Vesting of Options, subject to clause 7.3.
- (b) **In case of separation from employment:** Options can be exercised as per provisions outlined below:

S. No.	Separations	Vested Options	Unvested Options
1	Resignation or termination other than due to Misconduct	All the Vested Options as on the date of submission of resignation shall be exercisable by the Option Grantee on or before his last working day with the Company / Subsidiary Company(ies).	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
2	Termination due to Misconduct	All Vested Options which were not Exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	Retirement	All Vested Options can be exercised by the Option Grantee immediately after, but in no event later than six months from the date of such retirement.	All Unvested Options as on the date of retirement shall vest on accelerated basis immediately on the date of retirement (subject to minimum Vesting Period of 1 year from the date of Grant) and may be exercised by the Option Grantee immediately, but in no event later than six months from the date of such retirement.

S. No.	Separations	Vested Options	Unvested Options
4	Death	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 12 months from the date of Death.	All the Unvested Options as on the date of death shall be deemed to have been Vested and may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 12 months from the date of Death.
5	Permanent Incapacity	All Vested Options may be exercised by the Option Grantee or Option Grantee's nominee, immediately after, but in no event later than 12 months from the date of such incapacity.	All the Unvested Options as on the date of such Permanent Incapacity shall be deemed to have been Vested and can be exercised by the Option Grantee or Option Grantee's nominee immediately after, but in no event later than 12 months from the date of such incapacity.
6	Abandonment*/ leaving without any notice	All Vested Options as on the date of such termination shall stand cancelled.	All the Unvested Options as on the date of such termination shall stand cancelled.
7	Other reasons apart from those mentioned above	The Nomination and Remuneration Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

*The Nomination and Remuneration Committee at its sole discretion shall decide the date of lapse of Options and such decision shall be final and binding on all concerned.

- 7.3 The Vested Options can be Exercised by the Eligible Employee any time within the Exercise Period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter.
- 7.4 The Options shall be deemed to have been exercised when an Eligible Employee makes an application in writing and pays the Exercise Price to the Company or by any other means as decided by the Nomination and Remuneration Committee for the Shares of the Company against the Options vested in him.

- 7.5 The Options not Exercised within the Exercise Period shall lapse and the Eligible Employee shall have no right over such lapsed or cancelled Options.
- 7.6 In the event of transfer of an Option Grantee from the Company to the Subsidiary Company or vice versa, the Unvested Options as on the date of transfer, will continue to vest as per the original vesting schedule and capable of being exercised by the Option Grantee subject to compliance with the Applicable Laws.
- 7.7 In the event that an employee who has been granted benefits under the CSTL ESOS 2021 is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing company prior to 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.

8. Lock-in

The Shares arising out of Exercise of Vested Options shall not be subject to any lock-in period from the date of allotment of such Shares under CSTL ESOS 2021.

Provided that the Shares allotted on such Exercise shall be sold in accordance with the terms of Code of Conduct for Prevention of Insider Trading of the Company framed under Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

9. Exit route

In case the Company does not get listed on any Stock Exchange or gets de-listed from any Stock Exchange, the Board shall have the powers to set out exit route terms and conditions for the treatment of Vested Options and Unvested Options in due compliance of the Applicable Laws.

10. Restriction on transfer of Options

- 10.1 The Options shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

- 10.2 Options shall not be transferable to any person, except in the event of death of the Option Grantee or inability to exercise due to Permanent Incapacity, in which case clause 7.2 (b) would apply.
- 10.3 No person, other than the Eligible Employee to whom the Option is Granted, shall be entitled to Exercise the Option, except in the event of the death or Permanent Incapacity of the Option Grantee, in which provisions in table under Sub-clause 7.2 (b) would apply.

11. Rights as a shareholder

- 11.1 The Eligible Employee shall not have a right to receive any dividend or to vote or in any manner or enjoy the benefits of a Shareholder in respect of Employee Stock Options Granted, till Shares underlying such Employee Stock Options are allotted on Exercise of such Options.
- 11.2 Nothing herein is intended to or shall give the Option grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc) in respect of any Shares covered by the Grant unless the Option grantee Exercises the Employee Stock Options and becomes a registered holder of the Shares of the Company.
- 11.3 If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the exercise price or both would be made in accordance with Clause 4.2(f) of CSTL ESOS 2021.

12. Taxation

- 12.1 The liability of paying taxes, if any, in respect of Options granted pursuant to this CSTL ESOS 2021 and the Shares issued pursuant to Exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder.
- 12.2 The Company/Subsidiary shall have the right to deduct from the Option Grantee's salary, any of the Option Grantee's tax obligations arising in connection with the Options upon the Exercise thereof. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.
- 12.3 The Company shall have no obligation to deliver Shares until the Company's/ Subsidiary tax deduction obligations, if any, have been satisfied by the Option Grantee/Nominee of the Grantee.
- 12.4 Any other Income tax Laws and Rules in force will be applicable to the Company/Subsidiary and employee.

13. Authority to vary terms

Subject to shareholders approval (in the prescribed manner) and such other approvals as may be required, the Board and the Nomination and Remuneration Committee may at any time amend, alter, or vary the terms of the CSTL ESOS 2021 and/ or terms of the Options already granted under the CSTL ESOS 2021 subject to the condition that such amendment, alteration, or variation, as the case may be is not detrimental to the interest of Eligible Employees and Option Grantees. The Company shall be entitled to vary the terms of the CSTL ESOS 2021 to meet any regulatory requirements.

14. Miscellaneous

14.1 Government Regulations

This CSTL ESOS 2021 shall be subject to all Applicable Laws including any statutory modification(s) or re-enactment(s) thereof, and approvals from governmental authorities, if any, and to the extent required.

14.2 Inability to obtain approval

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

14.3 Neither the existence of this CSTL ESOS 2021 nor the fact that an individual has on any occasion been granted an Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this CSTL ESOS 2021 or any future scheme(s) by being granted an Options on any other occasion.

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

14.5 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise Options in whole or in part.

14.6 General Risks

Participation in the CSTL ESOS 2021 shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the equity and the risks associated with the investments is that of the Option Grantee alone.

15. Accounting and Disclosures

15.1 The Company shall follow the laws/regulations/ policies applicable to accounting and disclosure related to Options, including but not limited to the Ind AS and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India/Ministry of Corporate Affairs (MCA)/Securities Exchange Board of India (SEBI) from time to time, including the disclosure requirements prescribed therein.

15.2 Where the existing accounting guidance do not prescribe accounting treatment or disclosure requirements for CSTL ESOS 2021, then the Company shall comply with the relevant accounting guidance as may be prescribed by the ICAI or any other appropriate authority from time to time.

15.3 The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features of the CSTL ESOS 2021 in a format as prescribed under SEBI SBEB and Sweat Equity Regulations, 2021.

15.4 The Board shall, *inter alia*, disclose either in the Directors report or in the annexure to the Director's report, the following details of the CSTL ESOS 2021, or as amended from time to time under applicable laws:

- a) Options granted;
- b) Options vested;
- c) Options exercised;
- d) The total number of shares arising as a result of exercise of options;
- e) Options lapsed;
- f) Exercise price;
- g) Variation of terms of options, if any;
- h) Money realized by exercise of options;
- i) Total number of Options in force;

- j) Effect of share-based payments in financials;
- k) Weighted average remaining contractual life of options;
- l) Employee-wise details of Options to:
 - key managerial personnel,
 - any other employee, who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year,
 - identified employees who were granted option, 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, and
- m) Diluted Earnings Per Share (EPS) pursuant to issue of Shares on exercise of option calculated in accordance with the relevant Indian Accounting Standards.
- n) Such other details as required to be disclosed from time to time.

16. Certificate from Auditors

- 16.1 In case the equity shares of the Company are listed on Recognised Stock Exchange, the Board shall at each annual general meeting place before the shareholders a certificate from the secretarial auditors of the Company that the CSTL ESOS 2021 has been implemented in accordance with the SEBI SBEB and Sweat Equity Regulations, 2021 and in accordance with the resolution of the Company passed in the general meeting where CSTL ESOS 2021 has been approved.

17. Governing Laws

- 17.1 The terms and conditions of the CSTL ESOS 2021 shall be governed by and construed in accordance with the Applicable Laws including the Foreign Exchange Laws mentioned below.

17.2 Foreign Exchange Laws

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

18. Notices

- 18.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this CSTL ESOS 2021 shall be in writing and/or in any other means of electronic

communication. The communications shall be made by the Company in any one or more of the following ways:

- i. Sending communication(s) to the last known address of the Option Grantee available in the records of the Company; or
- ii. Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or
- iii. Emailing the communication(s) to the Option Grantee at the official email address provided if any by the Company during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

- 18.2 Any communication to be given by an Option Grantee to the Company in respect of CSTL ESOS 2021 shall be sent to the person at the address mentioned below:

COMPANY SECRETARY Clean Science and Technology Limited

Address : Office No. 503, Pentagon Tower P-4, Magarpatta City, Hadapsar, Pune - 411013, Maharashtra, India.

19. Governing Jurisdiction

- 19.1 The Courts in Pune, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this CSTL ESOS 2021.
- 19.2 Nothing in this Clause shall however limit the right of the Company to bring proceedings against any Eligible Employee in connection with this CSTL ESOS 2021:
- (i) in any other court of competent jurisdiction; or
 - (ii) Concurrently in more than one jurisdiction.

20. No restriction of Corporate Action

The existence of this Scheme and allotment made hereunder shall not in any way effect the rights or the powers of the Board or the shareholders or the Company to make or authorise any change in capital structure; including any issue of Shares, debt or other securities having any priority or preference with respect to the Shares or the rights thereof.

Nothing contained in this Scheme shall be construed to prevent the Company from taking any Corporate Action, such as stock split, reverse stock split, dividend, combination or reclassification of equity shares, any other increase or decrease in the number of issued equity shares effected without receipt of consideration by the Company, or in the event of

the merger/de-merger, or sale of all or substantially all the assets of the Company, as the case may be, to be appropriate or in its best interest. No Eligible Employee or other person shall have any claim against the Company, as the case may be, as a result of such action.

21. New Schemes

Nothing contained in the CSTL ESOS 2021 will be construed to prevent the Company, from implementing any other new scheme for share based employee benefits, which is deemed by the Company to be appropriate or in its best interest. No employee or other person claiming through him will have any claim against the Company as a result of such action.

22. Severability

In the event any one or more of the provisions contained in this CSTL ESOS 2021 shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this CSTL ESOS 2021, but this CSTL ESOS 2021 shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein, and the CSTL ESOS 2021 shall be carried out as nearly as possible according to its original terms and intent.

23. Confidentiality

- 23.1 An Option Grantee must keep the details of the CSTL ESOS 2021 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates or any third parties. In case Option Grantee is found in breach of this Confidentiality Clause, the Company has undisputed right to terminate any Agreement for Grant of Options and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this Confidentiality Clause shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this clause, the Nomination and Remuneration Committee will have the authority to deal with such cases as it may deem fit.
- 23.2 On acceptance of the grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorised the Company to disclose information relating to the Option Grantee (including the number of Options Granted) during the process of implementation of the CSTL ESOS 2021 or while availing any consulting or advisory services thereof, or any other incidental services to its officers, professional advisors, agents and consultants on a need-to-know basis, or in any offer documents in relation to any proposed initial public offering or other fund-raising by the Company, or in any communication with statutory or regulatory authorities.

For Clean Science and Technology Limited

Ashok Boob
Managing Director

Place: Pune, Maharashtra, India
Date: 18th May, 2023.