

GARNDEUR EMPLOYEES STOCK PURCHASE GPL- ESPS 2017

GRANDEUR PRODUCTS LIMITED

Regd. Office: H. No. 1-62-192, 3rd Floor, Dwaraka Avenue, Kavuri Hills,

Madhapur Hyderabad-Telangana-500033

CIN: L15500TG1983PLC110115

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For Grandeur Products Limited

Priyanka Kumari
Company Secretary

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Company Secretary

For Grandeur Products Limited

Priyanka Kaur
Company Secretary

1. NAME AND BACKGROUND OF THE GPL- ESPS 2017

This GPL- ESPS 2017 shall be termed as **"Grandeur Employees Stock Purchase Scheme 2017"** (hereinafter referred to as **"GPL- ESPS 2017"**). The GPL- ESPS 2017 has been approved by the shareholders of Grandeur Products Limited (hereinafter referred to as **"Company"**) by means of a special resolution passed at the Extra Ordinary General Meeting of the Company held on 25th March, 2017 at the Registered Office of the Company. The GPL- ESPS 2017 shall be effective from the date of approval of the GPL- ESPS 2017 by the Shareholders of the Company i.e. from 25th March, 2017, hereinafter referred to as the **"Effective date"**.

This GPL- ESPS 2017 sets out the terms and conditions under which the Shares (as defined hereinafter) of the Company shall be allotted to Eligible employees through GPL Trust.

This GPL- ESPS 2017 has been drafted in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, (hereinafter referred to as **"SEBI (SBEB) Regulations"**) read with Circular CIR/CFD/POLICY CELL/2/2015 dated 16.07.2015 as amended from time to time and the relevant provisions of Companies Act, 2013 and relevant Rules, Circulars, Notifications made there under.

2. OBJECTIVES OF THE GPL- ESPS 2017

The core objectives of this GPL- ESPS 2017 are:

- (i) To attract and retain the talent of the skilled employees who are required by the Company to be associated for the development of the Company,
- (ii) To increase Employee Motivation and Productivity,
- (iii) To provide incentives to the employees to stay on their jobs, and boost employee's loyalty to the Company, all in a way that benefits both the Company and the Employees.

The objectives as specified above are sought to be achieved by the Company by way of issue/grant/allotment of shares in the Company to the eligible employees through a GPL Trust formed by the Company named Grandeur Products Limited Employees Welfare Trust (hereinafter referred to as **"GPL Trust"**) at a price less than the Market Price of the Shares.

The maximum numbers of shares that can be issued by the Company under this GPL- ESPS 2017 are 7,50,000 (Seven Lakh and Fifty Thousand) equity shares of Rs.10/- (Rupees Ten only) each.

However, the aforesaid shares will not directly be granted to the eligible employees by the Company. The shares will be issued by the Company to the GPL Trust for the benefit of the eligible employees and for this purpose the Company shall lend monies to the GPL Trust from time to time for the purpose of

enabling the GPL Trust to subscribe the Equity Shares of the Company and to hold the same for the benefit of the eligible employees until the shares subscribed by the GPL Trust from the Company pursuant to this GPL- ESPS 2017 are granted to the eligible employees to the extent accepted by each of such employee in accordance with the provisions of this GPL- ESPS 2017, SEBI (SBEB) Regulations and applicable laws.

The GPL Trust shall be authorised and empowered to administer and implement this GPL- ESPS 2017 in accordance with the provisions of this GPL- ESPS 2017, SEBI (SBEB) Regulations and other applicable laws.

It is clarified that, upon subscription of the Shares by the GPL Trust pursuant to this GPL- ESPS 2017 and until the shares are granted by the GPL Trust to the eligible employees, the shares shall be registered in the name of GPL Trust only in the records of the Company for the purpose of determining the shareholding pattern of the Company and in the records of the registrar and share transfer agent of the Company. The Shares held by the GPL Trust pursuant to the provisions of this GPL- ESPS 2017 in the share capital of the Company shall be shown under the "Non-public and Non Promoter shareholding" category in the shareholding pattern of the Company. As and when the shares are granted to the eligible employees by the GPL Trust in accordance with the provisions of this GPL- ESPS 2017, the Non-public and Non Promoter shareholding of the GPL Trust in the Company will be reduced to the extent of shares granted to the eligible employees by the GPL Trust.

It is further clarified that the shares covered under this GPL- ESPS 2017 shall be directly allotted to the GPL Trust by the Company by way of new issue of shares and the GPL Trust is not authorised or empowered to undertake any secondary acquisition of shares for the purpose of acquiring the shares covered under this GPL- ESPS 2017.

3. DEFINITIONS

In this GPL- ESPS 2017, except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against. Further, 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.

The terms defined in this GPL- ESPS 2017 shall for the purposes of this GPL- ESPS 2017 have the meanings specified herein and terms not defined shall have the meanings as defined in the Securities Contracts (Regulation) Act, 1956, Companies Act, 2013, SEBI (SBEB) Regulations, 2014 or in any statute or re-enactments hereof, as the case may be.

For Grandeur Products Limited

Priyanka Kuman
Company Secretary

- 3.1 "Act" or "the Act"** means the Companies Act, 2013, read with the rules made thereunder and every modification or re-enactment thereof and references to sections of the Act shall be deemed to mean and include reference to sections enacted in modification or replacement thereof.
- 3.2 "Applicable Laws"** shall mean laws of India to the extent applicable to the GPL- ESPS 2017 including, but not limited to, the Income-tax Act, 1961, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and the rules/ guidelines/ notifications/ Circulars issued there under, and any modifications or re-enactments thereof. Accordingly, any action taken hereunder shall be governed by and construed in accordance with, the laws of India, without regard to the application of the conflicts of laws' provisions thereof.
- 3.3 "Appropriate Authority"** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department of public or judicial body or authority, including but not limited to Stock Exchange, SEBI, Registrar of Companies etc.,.
- 3.4 "Board of Directors / Board"** means the Board of Directors of the Company.
- 3.5 "Board of Trustees / Trustees"** shall mean the Trustees on the Board of Trustees of GPL Trust.
- 3.6 "BSE Limited / BSE / Stock Exchange"** means a Company incorporated under the provisions of the Companies Act, 1956, on 08.08.2005, bearing CIN: U67120MH2005PLC155188 and having its registered office situated at 25th Floor, PJ Towers, Dalal Street, Mumbai, MH 400001. BSE is a recognised stock exchange having nationwide trading terminal.
- 3.7 "Closing date"** means the last date on which the offer for accepting the shares made by the Board of Trustees of the GPL Trust to an employee can be accepted. In case the last date is a non-working day, then it shall be the next working day.
- 3.8 "Company"** shall mean Grandeur Products Limited, a Company limited by shares, incorporated and registered under the provisions of the Companies Act, 1956, bearing CIN: L15500TG1983PLC110115 and having its registered office situated at H. No. 1-62- 192, 3rd Floor, Dwaraka Avenue, Kavuri Hills, Madhapur, Hyderabad - 500033, Telangana, India
- 3.9 "Company Policies / Terms of Employment"** means the Company's policies for employees and the terms of employment as contained in the employment letter / contract and the Company handbook, which includes provisions for securing confidentiality, non-compete and non-poaching of other Employees and customers.

For Grandeur Products Limited

Priyanka Kumari
Company Secretary

3.10 "Employees" shall mean and include,

- (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 clause (i) or (ii) above of a subsidiary, in India or outside India or of a holding company of the company

But does not include:

- (i) An employee who is a promoter or a person belonging to the promoter group; or
- (ii) A director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

3.11 "Eligible Employee" all the employees are eligible for being granted the shares of the Company by the GPL Trust subject to the compliance of all the following conditions:

- a) The primary condition for and eligibility of an employee to get the shares of the Company from the GPL Trust is as follows:

Top level employees i.e. the employees having high experience in the industry in which the Company operates and / or employees working at a senior designation	Eligible for grant of shares from the effective date or from the date of joining.
Middle level: Employees who are next to the top level executives as determined by the Board of Trustees in consultation with the Nomination and Remuneration Committee of the Company.	Eligible for Grant of Shares only after six months from the effective date or after six months from the date of joining
Junior staff	Eligible for Grant of Shares only after 12 months from the effective date or after 12 months from the date of joining

- b) The employee should not have breached any of the conditions of the Company's employment policies or terms of employment.
- c) The employee shall be ready to pay the purchase price of the Shares as may be determined in this GPL- ESPS 2017.

- d) The employee shall comply with such other terms and conditions as may be determined by the Nomination and Remuneration Committee of the Company in consultation with the Board of Trustees of the GPL Trust from time to time.

Notwithstanding anything contrary contained in clause (a) to (d) above or elsewhere in this GPL- ESPS 2017, the Board of Trustees of the GPL Trust are authorized and empowered to grant the shares of the Company to such employees and in such quantity (subject to maximum number of shares in an year) as the Board of Trustees of GPL Trust in consultation with the Nomination and Remuneration Committee of the Company may deem fit and proper in the interest of the Company and for the purpose of retaining such employee(s) with the Company based on any of the following parameters:

- (i) Period of continuous employment
- (ii) Industry experience of the employee
- (iii) Area of expertise of the employee
- (iv) Performance of the employee in the past years
- (v) Capability, work ethics and commitment of the employee
- (vi) Future retention with the Company
- (vii) Value additions made to the Company in the past
- (viii) Other technical parameters as may be deemed necessary

3.12 "Effective Date" means date of approval of the GPL- ESPS 2017 by the Shareholders of the Company i.e. 25th day of March, 2017.

3.13 "Grant" means issue / transfer of shares of the Company to the eligible employees under this GPL- ESPS 2017 by the Board of Trustees of the GPL Trust.

3.14 "Grant date" means the date on which the shares of the Company are granted to the eligible employees under this GPL- ESPS 2017 by the Board of Trustees of the GPL Trust.

3.15 "Holding" in relation to one or more other companies, means a company of which such companies are subsidiary companies.

3.16 "Independent director" means an Independent Director of the Company as defined in the SEBI (LODR) Regulations, 2015 and an independent director as defined under the Companies Act, 2013.

3.17 "Listing" means listing of Shares of the Company on BSE.

3.18 "Market price" shall mean the latest available closing price on the BSE on which the shares of the Company are listed, immediately prior to the date of the meeting of the Board of GPL Trustee of the GPL Trust, in which the Shares are granted to the eligible employee(s). If the shares of the Company are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered.

3.19 "Promoter" means:

- a) The person or persons, who are in overall control of the Company; or
- b) The person or persons who are instrumental in the formation of the Company or programme pursuant to which the Shares were offered to the public; or
- c) The person or persons named in the offer document as promoter(s).

Provided, that the director or officer of the Company if he is acting as such only in his professional capacity will not be deemed to be a Promoter.

Explanation: Where a promoter of the Company is a body corporate, the promoter of that body corporate shall be deemed to be a promoter of the Company.

3.20 "Promoter group" means:

- a) An immediate relative of the Promoter; or
- b) Persons whose shareholding is aggregated for the purpose of disclosing in the offer document "shareholding of the promoter group".

3.21 "GPL- ESPS 2017" shall mean the "Grandeur Employees Stock Purchase Scheme 2017" and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.

3.22 "SEBI" shall mean the Securities and Exchange Board of India, established on 12.04.1992 (Twelfth day of April One Thousand Nine Hundred and Ninety Two), in accordance with the provisions of the Securities and Exchange Board of India Act, 1992.

3.23 "SEBI (SBEB) Regulations" shall mean the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, commenced from 28.10.2014, and include any modifications, amendments thereto.

3.24 "Shares" means Equity Shares of face value of Rs.10/- (Rupees Ten only) each of the Company covered under this GPL- ESPS 2017.

For Grandeur Products Limited

Prigyan Kumar
Company Secretary

3.25 "Subsidiary / Subsidiary Company" means a company incorporated in India or overseas, as defined under Act.

3.26 "GPL Trust" shall mean Grandeur Products Limited Employees Welfare GPL Trust registered under the Indian GPL Trust Act, 1882 on 22nd February, 2017 and having its administrative office situated at D. No. 6-3-347-22/2, Flat-10, 4th Floor, Iswarya Nilayam, Dwarakapuri Colony, Punjagutta, Hyderabad-500 081, established for the purpose of implementation and administration of the GPL- ESPS 2017s of the Company in accordance with SEBI (SBEB) Regulations and other applicable laws.

Construction: 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, which shall be interpreted solely in light of the contents thereof.

- a) Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- b) Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form.
- c) The term 'including' shall mean 'including' without limitation unless otherwise specified.
- d) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.

4. ROLE, POWERS AND FUNCTIONS OF BOARD OF TRUSTEES OF THE GPL TRUST

- 4.1** This GPL- ESPS 2017 shall be administered by the Board of Trustees of the GPL Trust in accordance with the provisions of contained herein and in accordance with the provisions of SEBI (SBEB) Regulations and other applicable laws.
- 4.2** The Board of Trustees of the GPL Trust is empowered to formulate detailed terms and conditions of the GPL- ESPS 2017, administer and supervise the same. The Board of Trustees of the GPL Trust shall meet as and when required for the purpose of administering the GPL- ESPS 2017.
- 4.3** The Board of Trustees of the GPL Trust shall have powers to review the GPL- ESPS 2017 annually and recommend appropriate changes in the terms and conditions of the GPL- ESPS 2017, if any, to the Board of Directors. Changes would be recommended in cases such as:

- the current GPL- ESPS 2017 does not fulfil the objectives set out for the GPL- ESPS 2017

- there are changes in legislation, which need to be incorporated in the GPL- ESPS 2017
- such changes facilitate effective implementation or improvement of the GPL- ESPS 2017
- such changes are for the welfare and in the best interest of the Employees

- 4.4 No member of the Board of Trustees of the GPL Trust shall be liable for any decision or action carried out in good faith with respect to the GPL- ESPS 2017.
- 4.5 The Board of Trustees of the GPL Trust shall ensure that the GPL- ESPS 2017 is implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time and other applicable laws.
- 4.6 The Board of Trustees of the GPL Trust shall utilise the money lent by the Company to the GPL Trust pursuant to this GPL- ESPS 2017 only for the purpose of acquiring the shares covered under this GPL- ESPS 2017 from the Company by way of subscribing 7,50,000 (Seven Lakh and Fifty Thousand) equity shares of face value of Rs.10/- (Rupees Ten only) each in the share capital of the Company so as to hold such shares in GPL Trust for the eligible employees and for granting such shares to the eligible employees at appropriate times, in such quantity and in such number of tranches as may be deemed appropriate by the Board of Trustees of the GPL Trust in consultation with the Nomination and Remuneration Committee of the Company and in accordance with the provisions of SEBI (SBEB) Regulations and other applicable laws.
- 4.7 The Board of Trustees of the GPL Trust shall act in the interest of employees and subject to provisions of the SEBI (SBEB) Regulations; they shall not act in any manner that would be detrimental to the interests of such employees.
- 4.8 The Board of Trustees of the GPL Trust shall make sure that the employee meets the eligibility criteria (viz., the period of continuous employment, industry experience, area of expertise, performance of the employee, capability of the employee, future retention with the Company, technical parameters, value additions made or to be made as may be applicable) prescribed under this GPL- ESPS 2017 and under the employment policy of the Company / under the respective employment / engagement letter of the employee before extending and granting any Shares to all or any of the employees under this GPL- ESPS 2017.
- 4.9 The Board of Trustees of the GPL Trust shall be authorised to determine the quantum of the Shares to be granted or extended to the eligible employees based on the eligibility criteria, class / category of the employee, designation of the employee, industry experience, area of expertise, performance of the employee, capability of the employee, future retention with the Company, technical parameters, value additions made or to be made as applicable. However, the Trustees shall make sure that the quantum of the Shares to be granted or extended to the eligible employees in any one financial year shall not exceed 4%

(Four per cent) of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant of Shares by the GPL Trust.

- 4.10** The Board of Trustees of the GPL Trust shall be authorised to grant the Shares to the employees at such intervals as the Trustees may deem fit and proper in the interest of the objects of this GPL- ESPS 2017 and the in the interest of the eligible employees and the Company.
- 4.11** The Board of Trustees of the GPL Trust shall keep a full and complete record of eligible employees including their name, employee code, if any, designation, number of Shares granted, date of grant, date of subsequent grants, pursuant to this GPL- ESPS 2017.
- 4.12** The Board of Trustees of the GPL Trust shall make sure that the Shares covered under this GPL- ESPS 2017 shall be granted / extended only to those employees or class / category of employees who are identified as employees under this GPL- ESPS 2017 and who comply with the eligibility criteria prescribed herein.
- 4.13** The Board of Trustees of the GPL Trust shall also make sure that the Shares covered under this GPL- ESPS 2017 are not liable to be granted or extended in lieu of the Shares covered under any other GPL- ESPS 2017 of the Company and the Board of Trustees of the GPL Trust are not empowered or authorised to provide any of the Shares covered under this GPL- ESPS 2017 in lieu of the shares or other benefits covered under any other GPL- ESPS 2017 of the Company being administered and implemented through the GPL Trust.
- 4.14** The Trustees shall keep and maintain proper books of account, records and documents so as to explain the transactions carried out under this GPL- ESPS 2017 and to disclose at any point of time the financial position of the GPL- ESPS 2017 and in particular give a true and fair view of the state of affairs of the GPL- ESPS 2017.
- 4.15** The Board of Trustees of the GPL Trust of the GPL Trust shall open, maintain and operate bank account and demat account for the purpose of carrying out the transactions contemplated under this GPL- ESPS 2017. The Board of Trustees of the GPL Trust from time to time may authorise not less than two Trustees of the GPL Trust to act jointly or severally for managing and operating such bank accounts and demat accounts for and on behalf of the GPL Trust.
- 4.16** The Board of Trustees of the GPL Trust shall be authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable and pay fees and commission and incur expenses in relation to or for implementing this GPL- ESPS 2017.
- 4.17** The Board of Trustees of the GPL Trust shall frame suitable policy, procedure and system to comply with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, Securities and

For Grandeur Products Limited

Priyanka Kumari
Company Secretary

Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, to be followed by the GPL Trust, the employees and the Company.

- 4.18** The Board of Trustees of the GPL Trust shall, as and when the shares are granted or extended to the eligible employees under the provisions of this GPL- ESPS 2017 of the Company, intimate to the Company, the details of such grant and the details of all the eligible employees to whom such shares are granted.
- 4.19** The Board of Trustees of the GPL Trust shall make disclosures and comply with the other requirements applicable to insiders or promoters under the SEBI (Prohibition of Insider Trading) Regulations, 2015 or any modification or re-enactment thereto.
- 4.20** The Board of Trustees of the GPL Trust shall be authorised to do the following acts at its duly convened meeting or by approval in writing majority of the Trustees of the GPL Trust:
- a. Determine the employees eligible to participate in the GPL- ESPS 2017.
 - b. Determine the performance parameters and other conditions for grant of shares to an employee, the number of tranches in which the shares are to be granted and the number of shares to be granted in each such tranche.
 - c. Determine the number of Shares to be granted to each employee and in the aggregate, and the times at which such grants shall be made.
 - d. Determine the purchase price of the shares to be granted to the eligible employees from time to time in consultation with board of directors and Nomination and Remuneration committee of the company. The purchase price shall not be less than the face value of the shares covered under this and shall not be more than the market price.
 - e. Determine the additional Lock in Period of the shares to be granted to the eligible employees in consultation with board of directors and Nomination and Remuneration committee of the Company.
 - f. Construe and interpret the terms of the GPL- ESPS 2017, and the shares granted pursuant to the GPL- ESPS 2017.
 - g. Frame suitable policy, procedure and system to comply with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, SEBI Regulations, and other applicable laws to be followed by the eligible employees, as and when required.

For Grandeur Products Limited

Priyanka Kumari
Company Secretary

- h. The quorum of the Board of Trustees of the GPL Trust shall be as may be specified in the GPL Trust deed of the GPL Trust.
- i. Any decision of the Board of Trustees of the GPL Trust in the interpretation and administration of the GPL- ESPS 2017, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned. If the members of the Board of Trustees of the GPL Trust are evenly divided on any issue, then the Chairman of the Board of Trustees of the GPL Trust will have the second or casting vote.

5. GRANT OF LOAN BY THE COMPANY TO THE GPL TRUST AND SUBSCRIPTION OF SHARES IN THE COMPANY BY THE GPL TRUST.

- 5.1 Immediately upon the effective date the board of Directors of the Company are authorised to lend such amount of money to the GPL Trust in one or more tranches as may be required to enable the GPL Trust from time to time to subscribe and acquire up to a maximum of 7,50,000 (Seven Lakh and Fifty Thousand) fully paid up equity shares of face value of Rs.10/- (Rupees Ten only) each in the paid up capital of the Company subject to a limit of 5% of the aggregate of paid up capital and free reserves of the Company .
- 5.2 As and when the loan is granted by the Company to the GPL Trust, the GPL Trust shall arrange to make application to the Company to subscribe, in one or more tranches, up to a maximum of 7,50,000 (Seven Lakh and Fifty Thousand) fully paid up equity shares of face value of Rs.10/-(Rupees Ten only) each in the paid up capital of the Company subject to a limit of 5% of the aggregate of Paid up capital and free reserves of the Company to hold the same in GPL Trust for the benefit of the eligible employees until the shares subscribed by the GPL Trust from the Company pursuant to this GPL- ESPS 2017 are granted to the eligible employees by the GPL Trust in accordance with the provisions of this GPL- ESPS 2017, SEBI (SBEB) Regulations and applicable laws.
- 5.3 The issue price of the shares covered in this GPL- ESPS 2017 to be issued by the Company to the GPL Trust for the benefit of the eligible employees may be mutually decided by the Board of Directors, Nomination and Remuneration Committee of the Company and the Board of Trustees of the GPL Trust and which price may be less than or equal to the market price of the shares at the time of issue of shares but which shall not be less than the face value of the equity shares of the Company.
- 5.4 The Company shall issue and allot the shares covered under this GPL- ESPS 2017 only in the name of the GPL Trust. All the shares covered under this GPL- ESPS 2017 shall be kept in a demat account opened by the GPL Trust in the name of the GPL Trust. Upon the issue and allotment of the Shares by the Company

For Grandeur Products Limited

Priyanka Kumar
Company Secretary

to the GPL Trust, the shares shall be registered in the name of GPL Trust in the records of the Company for the purpose of determining the shareholding pattern of the Company and in the records of the registrar and share transfer agent of the Company until the shares are granted by the GPL Trust to the eligible employees. The Shares held by the GPL Trust pursuant to the provisions of this GPL- ESPS 2017 in the share capital of the Company shall be shown under the "Non-public and Non Promoter shareholding" category in the shareholding pattern of the Company. As and when the shares are granted to the eligible employees by the GPL Trust in accordance with the provisions of this GPL- ESPS 2017, the Non-public and Non Promoter shareholding of the GPL Trust in the Company will be reduced to the extent of shares granted to the eligible employees by the GPL Trust.

- 5.5** The GPL Trust is not authorised or empowered to undertake any secondary acquisition of shares for the purpose of acquiring the shares covered under this GPL- ESPS 2017.
- 5.6** As and when the shares are issued and allotted to the GPL Trust by the Company pursuant to the provisions of this GPL- ESPS 2017 as aforesaid, the same shall be listed immediately on the BSE Limited by the Company by making an application along with a copy of the GPL- ESPS 2017 and such other documents as may be required for getting the in-principal approval of BSE for listing the Shares.
- 5.7** The shares issued and allotted to the GPL Trust by the Company pursuant to the provisions of this GPL- ESPS 2017 as aforesaid shall be locked in for a minimum period a 1 (One) year from the date of allotment of the Shares by the Company to the GPL Trust.
- 5.8** The Loan borrowed by the GPL Trust pursuant to this GPL- ESPS 2017 from the Company shall be repaid by the GPL Trust to the Company either in lump sum or as and when the GPL Trust gets the money from the eligible employees towards purchase price of the shares granted to them.

6. OFFER AND GRANT OF SHARES BY THE GPL TRUST TO THE ELIGIBLE EMPLOYEES

- 6.1** The Board of Trustees of the GPL Trust may offer and grant the shares to an eligible employee in accordance with the terms and conditions of the GPL- ESPS 2017 for the time being in force. The primary condition for an employee to be eligible to get Shares under this GPL- ESPS 2017 is as follows:

Top level employees i.e. the employees having high experience in the industry in which the Company operates and / or employees working at a senior designation	Eligible for grant of Shares from the effective date or from the date of joining.
Middle level: Employees who are next to the top level executives as determined by	Eligible for grant of Shares only after six months from the effective date or after six

the Board of Trustees in consultation with the Nomination and Remuneration Committee of the Company.	months from the date of joining.
Junior staff	Eligible for grant of Shares only after 12 months from the effective date or after 12 months from the date of joining.

Notwithstanding anything contrary contained in above table or elsewhere in this GPL- ESPS 2017, the Board of Trustees of the GPL Trust are authorized and empowered to grant the shares of the Company to such employees and in such quantity (subject to maximum number of shares in an year) as the Board of Trustees of GPL Trust in consultation with the Nomination and Remuneration Committee of the Company may deem fit and proper in the interest of the Company. The offer under this GPL- ESPS 2017 shall be made only to such employees who fulfil the eligibility criteria as specified under this GPL- ESPS 2017 and who fulfils such other criteria as may be deemed necessary and prescribed by the Board of Trustees of the GPL Trust.

- 6.2** The offer under this GPL- ESPS 2017 shall be made only to such employees who fulfil the eligibility criteria as specified under this GPL- ESPS 2017 and who fulfils such other criteria as may be deemed necessary and prescribed by the Board of Trustees of the GPL Trust.
- 6.3** The maximum number of the shares that may be offered and granted to the eligible employees under this GPL- ESPS 2017 in any one year shall not exceed 4% (four per cent) of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant of Shares by the GPL Trust.
- 6.4** The offer of shares by the GPL Trust to an eligible employee shall be made in writing and communicated to the employee. Such an offer shall state the number of shares offered, the purchase price, the additional lock in period if any, and the closing date for accepting the offer.
- 6.5** The eligible employee identified under this GPL- ESPS 2017 shall be furnished with:
- the salient features of the GPL- ESPS 2017,
 - an Information Memorandum, containing a synopsis of the performance of the Company in the recent years, the risk factors with reference to the Company's performance and the Company's perception about the same.
 - the possible risk factors that go with investment in shares of the Company, more specifically under the GPL- ESPS 2017, to facilitate the Employee to take an informed decision with regard to investment in the shares of the Company under the GPL- ESPS 2017 and

For Grandeur Products Limited

Priganka Kumar
Company Secretary

- 6.6** The closing date shall not be more than 30 days (Thirty) from the date of offer made by the Board of Trustees of the GPL Trust to the eligible employee.
- 6.7** The employee shall not assign or transfer his rights or obligations relating to the offer, to any third party and the offer shall be exercised by the eligible employee on or before the closing date. An offer accepted by an eligible employee after the closing date shall be deemed to be null and void.
- 6.8** The Purchase Price shall be payable by the eligible employee at the time of acceptance of the offer.
- 6.9** An eligible employee to whom the shares under this GPL- ESPS 2017 are offered by the Board of Trustees of the GPL Trust may accept all or any number of shares that are specified in the offer by the Board of Trustees of the GPL Trust.
- 6.10** Subject to the provisions of clause 6.15 below, the Shares should be granted by the Board of Trustees of the GPL Trust only upon acceptance of the offer and upon payment of the Purchase Price of the Shares by the employee to the GPL Trust.
- 6.11** Subject to the provisions of clause 6.15 below, the Board of Trustees of the GPL Trust shall grant the shares to the eligible employee within a reasonable time after the acceptance of the offer which shall not be more than 60 (Sixty) days from the date of acceptance of the offer by the employee.
- 6.12** All the Shares to be granted by the Board of Trustees of the GPL Trust under this GPL- ESPS 2017 to the eligible employees pursuant to the provisions of this GPL- ESPS 2017, SEBI (SBEB) Regulations and other applicable laws shall be in dematerialised form only.
- 6.13** The shares accepted by the eligible employee pursuant to the offer should be directly credited to the demat account of the eligible employee being maintained with any of the depository participant.
- 6.14** The Board of Trustees of the GPL Trust shall immediately upon grant of shares to the demat account of the eligible employee, intimate the same to the Company so as to enable the Company to update its records and update the shareholding pattern of the Company in the records of the registrar and share transfer agent of the Company.
- 6.15** The Board of Trustees of the GPL Trust is authorised and empowered to grant the shares under this GPL- ESPS 2017 to the eligible employees only upon completion of the lock in period as specified under clause 5.7 above by following the due procedure laid down in this GPL- ESPS 2017, however, the Board of Trustees of the GPL Trust is authorised and empowered to offer the shares under this GPL- ESPS 2017 to the eligible employees immediately upon the effective date and the number of shares accepted by such employee pursuant to the offer made by the Board of Trustees of the GPL Trust shall be reserved

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against his name until the completion of the lock in period. The Board of Trustees of the GPL Trust may in consultation with the Board of Directors and the Nomination and Remuneration Committee of the Company, specify additional lock in period for the shares to be granted to the eligible employees under this GPL- ESPS 2017. Such additional lock in period shall commence from the date of grant of shares by the GPL Trust in to the demat account of the eligible employee, and the eligible employee shall not be entitled to sell, transfer, pledge or otherwise dispose off in any manner whatsoever, the shares granted to him until the expiry of the additional lock in period.

7. METHOD OF ACCEPTANCE

- 7.1** An eligible employee who wishes to accept an offer made pursuant to clause 6 above must deliver a Letter of Acceptance mentioning the number of shares he intends to take, details of his demat account and such other details as required therein, which shall be duly completed and signed, along with the Purchase Price of the shares to the Board of Trustees of the GPL Trust on or before the closing date stated in the offer letter.
- 7.2** An eligible employee who fails to return the Letter of Acceptance on or before the closing date shall, unless the Board of Trustees of the GPL Trust determines otherwise, be deemed to have rejected the offer and any acceptance received after the closing date shall not be valid.
- 7.3** Upon receipt of a duly completed Letter of Acceptance from an eligible employee in respect of the offer, the Board of Trustees of the GPL Trust shall grant the shares to the employee in accordance with the provisions of clause 6 of this GPL- ESPS 2017.

8. VESTING PERIOD AND MAXIMUM PERIOD FOR VESTING OF GRANT, IF ANY.

The Board of trustees of the GPL Trust in consultation with the Board (including the Nomination and Remuneration Committee or any other Committee of the Board) shall decide the Vesting conditions in respect of the Shares and maximum period of vesting of Shares at the time of grant.

9. PURCHASE PRICE

- 9.1** The Purchase Price of the shares shall not be less than the face value of the shares and which may be such amount as may be determined by the Board of Trustees of the GPL Trust in consultation with the Board of Directors of the Company and the Nomination and Remuneration Committee of the Company.
- 9.2** The Board of Trustees of the GPL Trust may vary the Purchase Price (either upward or downwards) of the Shares to be granted to the eligible employees under this GPL- ESPS 2017 based on the fluctuations in the market price of the Shares of the Company for making the grant under each tranche. However, the

Purchase Price shall be uniform for all the eligible employees under each tranche of grant made. Provided that such variation in the purchase price shall not be prejudicial to the interest of the employees.

9.3 The Purchase Price shall be paid by the employees to the Board of Trustees of the GPL Trust through banking channels at the time of acceptance of the offer made by the Board of Trustees of the GPL Trust.

10 ACCOUNTING POLICIES

The Company shall follow the requirements of the 'Guidance Note on Accounting for employee share-based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein. Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements for the Employee Stock Purchase GPL- ESPS 2017s covered under SEBI (SBEB) Regulations then the Company shall comply with the relevant Accounting Standard as may be prescribed by the ICAI from time to time.

11 CERTIFICATE FROM AUDITORS

The Board of Directors of the Company, until the winding up of this GPL- ESPS 2017, shall at each annual general meeting of the Company, place before the shareholders a certificate from the auditors of the Company that this GPL- ESPS 2017 has been implemented in accordance with the provisions of SEBI (SBEB) Regulations and in accordance with the Special resolution passed by the Company in the general meeting.

12 MODIFICATION OF GPL- ESPS 2017

12.1 The Company shall not vary the terms of this GPL- ESPS 2017 in any manner, which may be detrimental to the interests of the employees. Provided that the Company shall be entitled to vary the terms of this GPL- ESPS 2017 to meet any regulatory requirements.

12.2 Subject to the special resolution passed at a general meeting and obtaining of approvals from the concerned appropriate authorities, if any, the Company may at any time and from time to time:

- a) Revoke, add, alter, amend or vary all or any of the terms and conditions of this GPL- ESPS 2017 or all or any of the rights and obligations of the eligible employees;
- b) Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the eligible employees.

Provided that no variation, alteration, addition or amendment to the GPL- ESPS 2017 can be made if it is detrimental to the interest of the employees.

- 12.3** The notice for passing the special resolution for variation of terms of this GPL- ESPS 2017 shall disclose full details of the variation, the rationale therefore, and the details of the employees who are beneficiaries of such variation.

13 WINDING UP OF THE GPL- ESPS 2017

In case of winding up of this GPL- ESPS 2017, the excess monies or shares remaining with the GPL Trust after meeting all the obligations, if any, shall be utilised by the GPL Trust for repayment of loan taken from the Company pursuant to this GPL- ESPS 2017 or by way of distribution to employees as recommended by the Board of Directors of the Company in consultation with the Nomination and Remuneration Committee of the Company.

14 TERM OF THIS GPL- ESPS 2017

This GPL- ESPS 2017 shall remain in effect until all the shares issued and allotted to the GPL Trust are granted to the eligible employees by the Board of Trustees of the GPL Trust pursuant to the provisions of this GPL- ESPS 2017, SEBI (SBEB) Regulations and other applicable laws.

15 NOTICES AND CORRESPONDENCE

- 15.1** Any notice, required to be given by an eligible employee to the Board of Trustees of the GPL Trust or any correspondence to be made between an eligible employee and the Board of Trustees of the GPL Trust, the same may be given or made to the Board of Trustees of the GPL Trust at the administered office of the GPL Trust.

- 15.2** Any notice, required to be given by the Board of Trustees of the GPL Trust to an eligible employee or any correspondence to be made between the Board of Trustees of the GPL Trust and an eligible employee, shall be given or made by the Board of Trustees of the GPL Trust on behalf of the Company at the registered address provided by the eligible employee in his acceptance form.

16 ARBITRATION

In the event of a dispute arising out of or in relation to the provisions of this GPL- ESPS 2017 (including a dispute relating to the construction or performance thereof), the relevant parties (Board of Trustees of the GPL Trust and the Eligible Employee) shall attempt in the first instance to resolve such dispute through an amicable settlement. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after reasonable attempts, which attempt shall continue for not more than 30 (Thirty) days, gives 10 (Ten) days notice thereof to the other party in writing. In case of such failure, either party may refer the dispute to a single arbitrator appointed by both the parties and

failing such agreement, to three arbitrators, one to be appointed by each party and the third arbitrator to be jointly appointed by the two arbitrators appointed by the parties. The arbitration proceedings shall be held in Hyderabad, India, under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof for the time being in force. The arbitrator(s) shall give a reasoned award in writing. The arbitrator(s) shall also decide on the costs of the arbitration proceedings. The parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law at Hyderabad.

17 GOVERNING LAW

17.1 This GPL- ESPS 2017 and all agreements hereunder shall be governed by and construed in accordance with the applicable laws of India.

17.2 The eligible employees to whom the offer under this GPL- ESPS 2017 has been made by the Board of Trustees of the GPL Trust agrees and acknowledges that he has received and read a copy of the GPL- ESPS 2017. Any term of the GPL- ESPS 2017 that is contrary to the requirement of the SEBI Regulations or any other applicable law or other applicable laws shall not apply to the extent it is contrary.

18 MISCELLANEOUS PROVISIONS

18.1 The Shares granted to the eligible employees by the Board of Trustees of the GPL Trust shall be subject to the restriction for such period in terms of the Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended, enacted, or re-enacted from time to time or for such other period as may be stipulated from time to time in terms of Company's Insider Trading Code of Conduct.

18.2 The Company shall disclose details of grants made under this GPL- ESPS 2017 in the Directors' Report or in an annexure thereof as prescribed under the Companies Act read with Rules made thereunder and SEBI (SBEB) Regulations, 2014, as amended from time to time.

18.3 The rights and obligations of any eligible employee under the terms of his office or employment shall not be affected by his participation in this GPL- ESPS 2017.

18.4 This GPL- ESPS 2017 shall not confer on any person any legal or equitable rights against the Company or the GPL Trust, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or the GPL Trust.

18.5 The Company or GPL Trust shall be entitled to file this GPL- ESPS 2017 with such authorities and persons as it may be required under law to file or where it deems fit.

- 18.6 The Company shall bear the costs of establishing and administering this GPL- ESPS 2017, including any costs of the Company's auditors or any independent financial advisers, GPL Trust, Merchant Bankers, Chartered Accountants, Company Secretaries, in relation to the preparation of any confirmation by them or provision of any other service in relation to this GPL- ESPS 2017.
- 18.7 An eligible employee shall, before accepting an offer under this GPL- ESPS 2017 made by the GPL Trust, obtain all necessary consents that may be required to enable him to accept the offer. By accepting an offer and / or submitting the letter of acceptance, the eligible employee thereof is deemed to have represented to the Company or the GPL Trust that he has obtained all such consents. Compliance with this paragraph shall be a condition precedent to an acceptance of an offer by the eligible employee.
- 18.8 By accepting an offer, the eligible employee expressly acknowledges that the grant of shares does not constitute guarantee or continuity of employment and the Company shall reserve the right to terminate the employment of the eligible employee with the Company in accordance with the terms of employment. The eligible employee shall be deemed irrevocably to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate him for loss of any rights under this GPL- ESPS 2017.
- 18.9 The Acceptance of the offer is entirely voluntary and the Company or the GPL Trust does not guarantee any return on Shares.
- 18.10 The employee shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the GPL- ESPS 2017, the offer, or any connected matter. Any violation may result in cancellation of grant or compulsory retransfer of shares to the Company / GPL Trust as the Board of Trustees of the GPL Trust may deem fit without prejudice to the other action which may be taken in this regard.
- 18.11 Nothing contained in the GPL- ESPS 2017 shall be construed to prevent the Company from implementing any other new Employee Stock Option GPL- ESPS 2017 or other Share Based Employee Benefit GPL- ESPS 2017, directly or through any GPL Trust settled by Company which is deemed by the Company to be appropriate or in its best interest, whether or not such other action would have any adverse impact on this GPL- ESPS 2017 or any grant made under this GPL- ESPS 2017. No employee or other person shall have any claim against the Company and / or GPL Trust as a result of such action.
- 18.12 Nothing contained in the GPL- ESPS 2017 shall be construed to prevent the Company from taking any Corporate Action, whether or not such action would have an adverse effect on this GPL- ESPS 2017 or any grant made under the GPL- ESPS 2017. No employee or other person shall have any claim against the

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Company or the New Company / New Entity that is formed or takes over a part of whole of the business of the Company, as a result of such action.

- 18.13 In the event of a dissolution or liquidation, the Board of Trustees of the GPL Trust shall inform each employee, as soon as practicable / permissible under applicable laws, of any proposed dissolution or liquidation.
- 18.14 This GPL- ESPS 2017 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.
- 18.15 This GPL- ESPS 2017 shall be valid till all the shares covered in this GPL- ESPS 2017 are granted to the eligible employees.
- 18.16 In the event that any term, condition or provision of this GPL- ESPS 2017 being held to be a violation of any applicable laws, statute or regulation, the same shall be severable from the rest of this GPL- ESPS 2017 and shall be of no force and effect and this GPL- ESPS 2017 shall remain in full force and effect as if such term, condition or provision had not originally been contained in this GPL- ESPS 2017.
- 18.17 The eligible employees must keep the details of the this GPL- ESPS 2017 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case of non-adherence to the provisions of this Clause, the Board shall have the authority to deal with such cases as it may deem fit.
- 18.18 On acceptance of the offer by the Board of Trustees of the GPL Trust, it shall be deemed that as if the employee has authorized the Company to disclose information relating to the offer and grant during the process of implementation of the GPL- ESPS 2017 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.

For Grandeur Products Limited

Priyanka Kumar
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