“KANPUR PLASTIPACK LIMITED
EMPLOYEE STOCK OPTION SCHEME – 2025”

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1. Introduction:

1.1 This Scheme shall be termed as the"KanpurPlastipack Limited Employee Stock Option Scheme – 2025" ***("Scheme")*** and shall include any alterations, amendments, additions, deletions, modifications, addendums or variations made thereof in accordance with the applicable laws, from time to time.

1.2 The Scheme was formulated and approved and by the Nomination and Remuneration Committee ***("Committee")*** at its meeting held on November 10, 2025, and by the Board of Directors at its meeting held on November 10, 2025.

1.3 The Scheme shall be effective from [●], being the date of Shareholders'approval**.** ***("Effective Date" or "Date of Institution")***

2. Term of the Scheme:

2.1 The Scheme shall continue in effect unless:

- **i.** terminated by the Board of Directors; or
- **ii.** the date on which all of the Stock Options available for Grant under the Scheme have been granted and exercised, whichever is earlier.

2.2 Such termination of the Scheme on any of the following grounds, including but not limited to:

- **i.** Strategic or business reasons,
- **ii.** Low participation or effectiveness,
- **iii.** Financial and compliance considerations, or
- **iv.** Any other reason the Committee may recommend to the Board may deem fit, including regulatory non-compliance or changes in applicable laws.

shall not affect Options already Granted which are Vested and/or Unvested in nature, and the powers of the Committee in relation to such Options, and the same shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Grantee / Nominee / legal heirs and the Company.

3. Purpose of the Scheme:

3.1 The Company has structured this Scheme for the Employees. The purpose of the Scheme includes the followings:

3.1.1 To **motivate and retain** the Employees to contribute to the growth and profitability of the Company.

3.1.2 To **achieve sustained growth and the creation of shareholder value** by aligning the interests of the Employees with the long-term interests of the Company.

3.1.3 To foster a **sense of ownership and participation** amongst the Employees, allowing them to share in the value they create for the Company in the years to come, and

3.1.4 To provide **deferred rewards** to Employees.

4. Definitions and Interpretations:

4.1 In this Scheme the following expressions including their grammatical variations and cognate expression shall, unless repugnant to the context or meaning thereof, have the meaning assigned to them respectively hereunder:

4.1.1 **"Abandonment"** means absence of an Employee from work for a period of 30days or more without having communicated to the Company or its authorised representative in writing any reason of absence.

4.1.2 **"Acceptance form"** shall mean the written or electronic form as the case may be, to be submitted bythe Grantee indicating his acceptance of the Grant/ the Grant Letter, in accordance with this Scheme,on or before the Closing Date.

4.1.3 **"Applicable Law"**means every law relating to Equity-Based Compensation Scheme in force, including, without limitation to, Companies Act, 2013, SEBI (SBEB & SE) Regulations 2021, SEBI(LODR) Regulations, 2015, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, and all relevant revenue, tax, securities or exchange control regulations or corporate laws of India to the extent applicable and the applicable law includes any provision of the applicable rule(s), regulation(s), notification(s), circular(s) or any other similar form of directives issued by the competent authority under the relevant Applicable law.

4.1.4 **"Bad Leaver"** means an employee who is a Leaver as a result of:

a) termination due toCause.
b) being designated as a Bad Leaver as set out under the proviso of the definition of **"*Good Leaver*"**.

4.1.5 **"Board of Directors" or "Board"**means the collective body of the Directors of the Company.

Provided that the Board includes any Committee constituted by Board of Directors for the purpose of proper implementation and administration of the Scheme.

4.1.6 **"Body Corporate"** shall have the same meaning as defined in section 2(11) of the Companies Act, 2013, as amended from time to time.

4.1.7 **"Cash Mechanism"** means a route under which the Grantee will receive the Shares equivalent to the number of the Options exercised after the Grantee has made the payment of the Exercise Price, applicable tax and other charges, if any, in accordance with the terms and conditions of the Scheme and as mentioned in Grant Letter.

4.1.8 "Cause" means:

a) Breach by the relevant Employee any of the terms in the Grant Letter, his/her service contract/ Term of Employment, other contract or employment related handbook, code of conduct, applicable policies, any confidentiality or any non-competition agreement with the Company;

b) illegal or unlawful acts of a Grantee, including, theft and fraud or dishonesty in relation to the Company;

c) the Grantee committing an offence involving moral turpitude or unethical business conduct;

d) the Grantee committing any breach of his obligations under the employment agreement, Company Policies or any other agreement with the Company or any of the applicable policies of the Company (including the sexual harassment policy in force from time to time) which, if remediable, is not remedied within 10 (ten) days of a written notice by the Company identifying such breach, or refusing or neglecting to comply with any reasonable and lawful directions of the Board;

e) any willful misfeasance or willful misconduct or gross negligence by the Grantee, or other act or omission which is detrimental to the business or reputation of the Company;

f) breach of applicable securities laws including but not limited to laws on insider trading, fraudulent and unfair trade practices, etc. or

g) any other act which would permit summary dismissal under Applicable Laws or employment terms;

4.1.9 "Cessation Date"shall mean the date on which the Grantee's employment with the Company comes to an end, determined as follows:

- **In the case of resignation by Grantee:** the date on which the Grantee submits their resignation letter to the Company; or
- **In the case of termination by the Company**: the date on which the Grantee receives the termination letter from the Company, as may be determined by the Board; or
- **In case of Retirement or superannuation**: the last working day of employment of the Grantee, as per the Company policy.

4.1.10 "Closing Date"means 30 (Thirty) days from the date of receipt of the Grant Letterby the Grantee.

4.1.11 "Compensation Committee" or "Committee" or "NRC" means Nomination and Remuneration Committee of the Company, designated as Compensation Committee for the purpose of monitoring, administering, superintending, and

implementing the Scheme in compliance with SEBI (SBEB & SE) Regulations *(as defined hereinafter)*.

4.1.12 **"Company"** means Kanpur Plastipack Ltd, a company incorporated and registered under the provisions of Companies Act, 1956as amended from time to time, having registered office at D 19-20 Panki Industrial Area Kanpur, Uttar Pradesh-208022, India.

4.1.13 "**Company Policies/ Terms of Employment**" means the Company's policies for Employees and the terms of employment as contained in the employment letter and the Company handbook, which includes provisions requiring a desired level of performance, securing confidentiality,non-compete and non-poaching of other employees and customers. This also includes additional terms, obligations, or restrictions that may be specifically imposed on an Employee by the Board or any or any committee(s) or authorized person by the Board, even if such terms are not expressly covered under the existing Company's Policies.

4.1.14 **"Corporate Action"**shall have the same meaning as ascribed under the SEBI(SBEB & SE) Regulations, and includes the following:

(a) A change in the capital structure of the Company as a result of bonus issue, right issue, stock split/sub-division of Shares or consolidation of Shares.

(b) merger, de-merger, reconstitution, spin-off, consolidation, amalgamation, reclassification of capital.

4.1.15 **"Directors"** shall have the same meaning as defined under section 2(34) of the Companies Act, 2013.

4.1.16 **"Eligibility Criteria"** means the criteria, as may be determined from time to time by the Committee, for Grant of Options.

4.1.17 **"Employee"** means:

(i) An Employee as designated by the Company, who is exclusively working in India or outside India; or

(ii) A Director of the Company, whether a Whole Time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director; or

but does not include

(a) An Employee who is a Promoter or a person belonging to the Promoter Group; or

(b) A Director who either himself or through his Relative or through any Body Corporate directly or indirectly, holds more than ten percent of the

outstanding equity shares of the Company.

4.1.18 **"Exercise"** means submission of an Exercise Application in such manner and on such formatas prescribed by the Committee, from time to time, by the Grantee to the Committee for issue/ allotment of Shares of the Company, to such Grantee against hisVested Options in accordance with the Scheme, on payment of Exercise Price, applicable taxes or other charges, if any. The term **"Exercised"** and **"Exercisable**" shall be construed accordingly.

4.1.19 **"Exercise Application"** means a written or electronic letter submitted by the Grantee to the Company for exercising the number of Vested options, in the mode and manner as prescribed by the Committee and in accordance with the provisions of the Scheme.

4.1.20 **"Exercise Period"** means the time period after Vesting within which a Grantee can Exercise his right to apply for Shares against his Vested Options in accordance with procedure set out in the Scheme.

4.1.21 **"Exercise Price"** means the price payable by the Grantee for exercising the Options vested in him in accordance with the Scheme.

4.1.22 **"Exercise Window"** means a period within which vested Options can be exercised, within the overall Exercise Period, shall be as decided and communicated by the Committee from time to time.

4.1.23 **"Fresh Allotment"** means issuance of new Shares by the Company to the Grantee upon the Exercise of Options granted under the Scheme.

4.1.24 **"Good Leaver"** means Grantee who is a Leaver as a result of:

a) Superannuation/retirement at the retirement age under terms of employment;

b) ill-health preventing continued employment, as determined by the Committee based on a certificate of one or more medical practitioners identified by the Committee;

c) voluntary resignation/termination (not due to cause) from the employment with the Company by the Employee(provided that if there is an ongoing investigation or proceeding against such employee as on the Cessation date in connection with or relating to an event of cause, then such employee shall not be a good leaver unless Committee specifically designates such employee as a good leaver);

d) for any other reason, if the Committee so decides, as per the Company Policy.

Provided that a Grantee who is a Good Leaver at the Cessation Date may be characterized as a Bad Leaver if after the Cessation Date the Grantee breaches the terms of any confidentiality or non-compete, non-solicit, non-disparagement

provisions of his employment contract or any other agreement between the Grantee and the Company from time to time.

4.1.25 **"Grant"** means the process by which the Company issues Options to the Grantee under the Scheme and the term **"Granted"** shall be construed accordingly.

4.1.26 **"Grant Date"** means the date on which the Committee approves the Grant.

Explanation: *For accounting purposes, the Grant Date will be determined in accordance with applicable accounting standards.*

4.1.27 **"Grant Letter" or "Letter of Grant"** means the letter issued to the Grantee either in written or electronic form, the Company, setting forth the terms and conditions of Grant of Options to a Granteeunder the Scheme.

4.1.28 **"Grantee"** shall mean an Eligible Employee to whom Options have been granted under the Scheme and a Grant letter has been issued as per the terms and conditions of this Scheme.

4.1.29 **"Independent Director"**shall have the same meaning assigned to it under the SEBI (LODR) Regulations**.**

4.1.30 **"Long Leave"** means anapproved leave taken by the Grantee for a period of more than 3 (three) months out of 12 (twelve) months starting from the date of Grant / Vesting, as the case may be.

Provided that the period of Long Leave shall not include the period in which the Grantee is on a statutory leaves like maternity leave as per the Applicable Laws/Company Policies. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Long Leave unless otherwise determined by the Committee.

4.1.31 **"Listing"** means the listing of the Company's Shares on any recognized Stock Exchange as per Applicable Laws.

4.1.32 **"Market Price"** means the latest available closing price on a recognized 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.*

4.1.33 **"Nominee" or "Beneficiary"** means the person or persons, designated by the Grantee or in the absence of any designation by the grantee, a person or persons who is/ are entitled by the will or probate of the Grantee to receive the benefits specified in this Scheme, the legal heirs of the Grantee, if the Grantee dies intestate and includes the Grantee's executors or administrator, if no other beneficiary is designated and able to act under the circumstances and such other persons as may be added from time to time to the class of beneficiaries by notice

in writing and by the nomination form in the exercise of any powers conferred under the Scheme or any other agreements forming part thereof.

4.1.34 **"Options / Employee Stock Options"** means a right but not an obligation granted to a Grantee to purchase or subscribe at a future date, the Shares offered by the Company, directly or indirectly, at a pre- determined price, in accordance with this Scheme.

4.1.35 **"Permanent Incapacity"** means any incapacity of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps a Grantee from performing any specific job, work or task which the said Grantee was capable of performing immediately before such incapacitation, as determined by theCommittee based on a certificate of a medical expert identified by the Company.

4.1.36 **"Permanent Incapacity Leaver"** means a Grantee who is a Leaver as a result of Permanent Incapacity.

4.1.37 **"Promoter"** shall have the same meaning as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.

4.1.38 **"Promoter Group"** shall have the same meaning as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.

4.1.39 **"Recognised Stock Exchange"** means a stock exchange which has been Granted recognition under section 4 of the Securities Contracts (Regulation) Act, 1956.

4.1.40 **"Relative"** shall have the same meaning as defined in section 2(77) of the Companies Act, 2013, as amended from time to time.

4.1.41 **"Relevant Date"** means the date of the meeting of the Committee on which the Grant is madeor in the case of exercise, the date on which the Exercise Application is given to the Company by the Grantee.

4.1.42 **"Scheme"** shall mean Kanpur Plastipack Limited Employee Stock Option Scheme – 2025and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof from time to time.

4.1.43 **"SEBI (SBEB & SE) Regulations"** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof.

4.1.44 **"SEBI (LODR) Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof.

4.1.45 **"Shares"** means Equity Shares of the Company.

4.1.46 **"Unvested Option"** means an Option, which is not vested.

4.1.47 **"Vested Option"** means an Option, which has vested in pursuance to the Scheme and has thereby become exercisable.

4.1.48 **"Vesting"** means the process by which the Grantee becomes entitled to receive the benefit of a Grant made under the Scheme.

4.1.49 **"Vesting Date"** means the date on and from which the Optiongrantedvests with the Grantees and thereby becomes exercisable.

4.1.50 **"Vesting Period"** means the period during which the vesting takes place.

4.1.51 **Voluntary Resignation**"/ "**Voluntarily Resigns**" means a Grantee who voluntarily separates/resigns from the Company for any reason, in circumstances other than by reason of Death and Permanent Disability and is not categorized as a ***"Bad Leaver"***.

4.1.52 **"Whole Time Director"** shall have the same meaning as defined in section 2(94) of the Companies Act, 2013, as amended from time to time.

Interpretation:

In this document, unless the contrary intention appears:

a) *The singular includes the plural and vice versa;*
b) *The word "person" includes an individual, a firm, a Body Corporate or unincorporated body or authority;*
c) *Any word or expression importing the masculine, feminine or neutral genders only, shall be taken to include all genders;*
d) *Any word which is not defined under the Scheme and is not otherwise elaborated or addressed in the Grant Letter or in the Company's policies shall be interpreted in line with SEBI (SBEB & SE) Regulations, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 or the Companies Act, 2013 and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation, as the context requires.;*
e) *Articles, headings are for information only and shall not affect the construction of this document;*
f) *A reference to an article is respectively a reference to an Article of this document; and*
g) *Reference to any act, rules, statute or notification shall include any statutory modification, substitution or re-enactment thereof.*

5. Implementation & Administration:

5.1 The Scheme shall be implemented through direct route for extending the benefits to the Eligible Employees by the way ofFresh Allotment from the Company.

Provided that if prevailing circumstances so warrant, the Company may change the mode of implementation of the Scheme subject to the condition that a fresh approval of the shareholders by a special resolution is obtained prior to implementing such a change and that such a change is not prejudicial to the interests of the Grantees.

5.2 The Company will allot new Shares to the Grantees upon validExercise of Options in accordance with terms and conditions of the Scheme.

5.3 Subject to Applicable Law and the framework laid down by the Board of Directors, the Scheme shall be administered by theCommittee which may delegate its operational administration to any other sub – committee or persons authorized by the Company for proper administration of the Scheme.

5.4 TheCommittee is authorized to interpret the Scheme, to establish, amend and rescind any rule(s) and regulation(s) relating to the Scheme and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Scheme.The Committee may correct any defect, omission or reconcile any inconsistency in the Scheme in the manner and to the extent the Committee deems necessary or desirable and to resolve any difficulty in relation to implementation of this Scheme and to take any action which the Committee is entitled to take.

5.5 Any decision of the Committee in the interpretation and administration of the Scheme, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all the parties concerned (including but not limited to, Grantee and/or Employee and their Nominees / Legal heirs).

5.6 The Committee shall subject to Applicable Law, inter alia, have powers to do following:

(i) To adopt rules and regulations for implementing the Scheme from time to time.
(ii) To delegate its duties and administrative powers in whole or in part as it may decide from time to time to any person(s) or sub-committee;
(iii) To decide upon re-granting of the Options which were lapsed, forfeited or surrendered under any provisions of the Scheme;
(iv) To identify the Persons eligible to participate in the Scheme;
(v) To finalize the Eligibility Criteria for Grant of Options;
(vi) To determine the Employees eligible for Grant of Options;
(vii) To determine the quantum of Options to be granted to each Grantee and in aggregate subject to the pool of Options of the Scheme;
(viii) To Grant Options to one or more Eligible Employees;
(ix) To extend the period of acceptance of Grant;
(x) To decide the Vesting Period subject to minimum and maximum period of Vesting as stated in Scheme;
(xi) To determine the Vesting schedule for each Grantee;
(xii) To determine the conditions under which Options may vest in Employees and may lapse in case of termination of employment for misconduct;
(xiii) To determine the procedure and terms for the Grant, Vesting and Exercise of Options in case of employees who are on Long Leave;
(xiv) To decide upon the mode and manner of Exercise;

(xv) To determine the specified time period within which the Grantee shall Exercise the Vested Options in the event of termination or resignation;

(xvi) To decide upon treatment of Vested and Unvested Options in cases of cessation of employment as specified in the Scheme;

(xvii) the procedure for funding the Exercise of Options;

(xviii) To determine the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number ofOptions and totheExercisePricein case of Corporate Actions such as rights issues, bonus issues, merger, sale of division and others.

In this regard, the following, shall inter alia, be taken into consideration by the Committee:

i. the number and price of Options shall be adjusted in a manner such that totalvaluetotheemployeeoftheOptionsremainsthesameafterthe corporate action;

ii. the vesting period and the life of the Options shall be left unaltered as far aspossibletoprotecttherightsoftheEmployee(s)whoisgrantedsuch Options.

(xix) To cancel all or any Granted Options in accordance with the Scheme;

(xx) To decide upon treatment of Vested and Unvested Options in cases of dispute between the Grantee and Company;

(xxi) To finalize letters and other documents, if any, required to be issued under the Scheme;

(xxii) To establish, amend, suspend or waive such rules and regulations as it shall deem appropriate for the proper administration of the Scheme;

(xxiii) To appoint such agents as it shall deem necessary for the proper administration of the Scheme;

(xxiv) To frame suitable policies and procedure to ensure that there is no violation of securities laws, including the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 as amended by the Company or the Employees;

(xxv) To determine the procedure for buy-back of Options granted under the Scheme, if decided to be undertaken at any time by the Company, and the applicable terms and conditions, in accordance with the Applicable Laws.

(xxvi) To determine or impose other conditions to the Grant of Options under the Scheme, as it may deem appropriate.

5.7 The powers and functions of the Committee can be specified, varied, altered or modified from time to time by the Board of Directors, subject to the rules and regulations as may be in force. The Board of Directors may further provide that the Committee shall exercise certain powers only after consultation with the Board of Directors and in such a case, the said powers shall be exercised accordingly.

5.8 A member of theBoard of Directors /Committee shall abstain from participating in and deciding on any matter relating to the Grant of any Options to himself.

6. Pool of the Scheme:

6.1 The maximum number of Options that may be granted in one or more tranches, pursuant to this Schemeshall not exceed 5,00,000 (Five Lacs) Options which shall be convertible into equal number of Shares not exceeding 5,00,000 (Five Lacs) Equity Shares having face value of Rs. 10/- each.

6.2 Notwithstanding anything contained in 6.1, if any Option Granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such Option shall be added back to the pool and shall be available for further Grant under the Scheme unless otherwise determined by the Committee.

6.3 Further, the maximum number of Options that can be Granted and the Shares arise upon Exercise of these Options shall stand adjusted in case of Corporate Action.

6.4 The Company reserves the right to increase such number of Options and Shares as it deems fit, in accordance with the Applicable Law.

6.5 Where Shares are allotted consequent upon Exercise of an Option under the Scheme, the maximum number of Shares that can be allotted under Scheme as referred to in Clause 6.1 above shall stand reduced to the extent of such Shares allotted.

7. Appraisal and Eligibility Criteria:

7.1 The Committee may on the basis of all or any of the following criteria, decide on the Employees who are eligible for the Grant of Options under the Scheme, the number of Options to be Granted and the terms and conditions thereof.

- **Role**: Employees holding the position of Supervisor and above,based upon the importance and criticality of their role.
- **Longevity of Service:** Employees who have completed a **minimum of one (1) years of continuous service** with the Company.
- **Other Criteria:** Any additional parameters as may be determined by the Committee, in consultation with the Board of Directors, from time to time.

7.2 The Employees satisfying the Eligibility Criteria shall be termed as **"Eligible Employee"**.

7.3 Provided that the Employees falling under the following categories shall not be eligible to participate in the Scheme:

a) Employees who are currently under suspension;
b) The Employees who have submitted their resignation or are serving their notice period;
c) Employees who have received disciplinary notices regarding the termination of their employment due to unauthorized absence.

7.4 Nothing in the Scheme or in any Option Granted pursuant to the Scheme shall confer on any Employee, any right to continue in the employment of the Company or interfere in

any way with the right of the Company to terminate the Employee's employment at any time.

8. Grant of Options:

8.1 The Committee shall Grant Optionsto one or more Eligible Employees, in accordance with the terms and conditions of the Scheme for the time being in force and subject to Employee's employment terms and his continuity in the employment.

8.2 Subject to availability of Options in the pool under the Scheme, the maximum number of Options that can be granted to any Eligible Employee during any one year shall not be equal to or exceed 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Company at the time of Grant. The Committee may decide to Grant such number of Options equal to or exceeding 1% of the issued equity share capital (excluding outstanding warrants and conversions) to any Eligible Employee as the case may be, subject to the separate approval of the Shareholders in a general meeting.

8.3 The Grant of Options shall be communicated to the Eligible Employees in writing through Grant Letter specifying the number of Options Granted, Exercise Price, Vesting Schedule, Vesting Date, and other terms and conditions thereof.

8.4 No amount shall be payable by an Employee at the time of Grant of Options.

8.5 TheGrant of Options shall be made on an annual basis, ordinarily during the month of April each year, or at such other time as may be determined by the Committee from time to time, to the Eligible Employees in accordance with the terms of the Scheme.

8.6 Upon acceptance of the Grant, an eligible Employee shall become Grantee under the Scheme.

8.7 Subject to the Corporate Action(s) taken by the Company, if any, the Grant of 1 (One) Option to an Employee under this Scheme shall entitle the Grantee to apply for 1 (One) Share in the Company upon payment of Exercise Price, applicable taxes and other charges, if any.

8.8 The Options Granted to the Eligible Employees shall not be transferable to any other person.

8.9 The Options Granted to the Eligible Employees shall not be pledged, hypothecated, mortgaged or otherwise encumbered or alienated in any other manner.

9. Acceptance of Grant:

9.1 Any Grantee who wishes to accept the Grant made pursuant to the Scheme, must deliver a signed copy of Grant Letter along with Acceptance form to the Committee or any of its authorized representatives on or before the Closing Date.

9.2 Any Grantee who fails to return the signed copy of Grant Letter and/or fails to provide his acceptance on or before the Closing Date,unless the Committee determines otherwise,

shall be deemed to have rejected the Grant.

9.3 The Grantee is not required to pay any amount at the time of acceptance of the Grant.

9.4 Subject to the terms contained herein, the acceptance in accordance with this article, of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option.

10. Vesting of Options:

10.1 Vesting Period shall commence from a period of 1 (One) year from the Grant Date and shall extend upto amaximum period of4 (Four) years from the Grant Date, at the discretion of and in the manner prescribed by the Committee and set out in the Grant Letter.

Provided further that in the event of death or Permanent Incapacityof a Grantee, while in employment, the minimumvesting period of one year shall not be applicable and in such instances, the Options shall vest intermsof SEBI (SBEB & SE) Regulations,onthedateofthedeathorPermanentIncapacity.

10.2 The vesting schedule, % of options to be vested will be clearly defined in the Grant Letter of respective Grantees subject to minimum and maximum Vesting Period as specified in clause 10.1 above and can vary from Grantee to Grantee as per the discretion of the Committee whose decision shall be final and binding,

However, the suggestive vesting schedule is as follows:

Time Period	% Of Options to be vested
At the end of 1st year from the grant date	30% of the Options Granted
At the end of 2nd year from the grant date	30% of the Options Granted
At the end of 3rd year from the grant date	40% of the Options Granted

10.3 Vesting of Options will be subject to following:

a. **continued / uninterrupted employment with the Company**- The Grantee must remain continuously employed with the Company. The Grantee must not have submitted a resignation, received notice of termination, or be in a notice period at the time of vesting.

b. Any other criteria as decided by the Committee and mentioned in the Grant Letter.

The Committee shall have the power to modify or accelerate the vesting schedule on a case–to–case basis subject to the minimum gap of 1(One)Year between the Grant and Vesting.

10.4 Options which remain unvested due to non-fulfilment of Vesting Conditions shall

lapse from the hands of the Grantee, unless otherwise decided by the Committee to rollover till the last tranche of Vesting, and if in the last tranche of Vesting the Options are not vested due to non – fulfilment of Vesting Conditions then such Options shall lapse from the hands of the Grantee and the said lapsed options shall then be treated as per clause 6.2 of the Scheme.

10.5 The Committee shall have the power to modify the vesting conditionsnot prejudicial to the interest of the and/or accelerate the vesting schedule on a case–to–case basis subject to the minimum gap of 1 (One) Year between the Grant and first Vesting.

10.6 Further any fraction entitlement, to which the Grantee would become entitled to upon Vesting of Options, then the Options to be actually vested be rounded off to the nearest lower integer. Accordingly, in the last vesting, the number of the Options to be vested shall include the Options which was not earlier vested due to fraction adjustment.

10.7 In the event there is any ongoing investigation or proceeding against the Grantee in connection with or relating to a Cause *(as defined above)*, then no Options Granted to such Grantee shall either Vest or be eligible to be Exercised until such investigation or proceeding has concluded and a final determination in such matter has been made, unless otherwise determined by the Committee in its sole discretion.

10.8 The Vesting of Options shall be communicated to the eligible Grantee in writing through vesting letter which will be sent via email or any other mode of communication.

10.9 The Grantee is not required to pay any amount at the time of Vesting of Options.

11. Exercise of Options:

11.1 After Vesting, Options can be exercisedwholly or partly,within a maximum exercise period of 1(One) yearfrom the date of respective Vesting, after submitting the Exercise application along with payment of the Exercise Price, applicable taxes and other charges, if any, during the Exercise Window as intimated from time to time to the Grantee.

11.2 The Committee shall open the Exercise Window atleasttwice in a year, during the overall Exercise Period or such intervals as it may deem necessary, and the same shall be communicated to the eligible Grantees to enable them to submit their Exercise Applications in accordance with the provisions of the Scheme.

11.3 Failure to Exercise Optionswithin this time period, shall result in lapse of Vested Options in the hands of Grantee and shall be added back to the pool. The said lapsed Options shall then be treated as per clause 6.2 of the Scheme.

11.4 The mode and manner of the Exercise shall be communicated to the Grantees individually.

11.5 Upon valid Exercise the Company will allot requisite number of Shares to the Grantee. Shares so allotted shall rank pari-passu to the existing Shares of the Company.

11.6 Upon such allotment, the Grantee shall become a member of the Company.

11.7 The Grantee may avail the financing facility if provided by the Company either on its own or from any third party, from time to time. In such case, allotment of Shares shall be made only after the receipt of Exercise Form, Exercise Price, applicable taxes and other charges, if any.

11.8 Notwithstanding anything contained elsewhere in the Scheme, the Company, may not allot Shares, in the event of the Grantee being found guilty of an offence involving fraud, misfeasance, moral turpitude, misconduct, gross negligence, breach of trust and in such an event(s) the rights under the Options (whether vested or not) shall lapse, forthwith, without any claim on, or recourse to the Company.

11.9 If the Vesting or Exercise of Options is prevented by any law or regulation in force and/or the Company is forbidden to allot the Shares pursuant to Exercise of Options under such law or regulation, then in such an event the Company shall not be liable to compensate the Grantee.

11.10 The Committee shall have the power to cancel all or any of the Options Granted under the Scheme, if so required, under any law for the time being in force or by the order of any jurisdictional court. In the event of any such cancellation, the Company shall not be liable to compensate the Grantee.

11.11 The amount paid by the Grantee, if any, at the time of Grant, Vesting or Exercise of Options maybe:

a. forfeited by the Company if the Option is not Exercised by the Grantee within the Exercise Period; or
b. refunded to the Grantee if the Options are not Vested due to non-fulfilment of conditions relating to Vesting of Option given under the Scheme.

12. Exercise Price:

12.1 Under this Scheme, the Exercise Price will be decided by the Committee at the time of Grant and shall be linked with the Market Price as defined in Clause4.1.32of the Scheme.

12.2 The Committee has the power to provide a suitable discount on such price as arrived above as per Clause 12.1. However, in any casethe Exercise Price shall not to be more than the Market Price and shall not be less than the face value of the Share of the Company.

12.3 Further, the Committee has the power to re-price the Grants in future if the Grant made under the Scheme is rendered unattractive due to the fall in the price of Shares, after complying the conditions as mentioned in the SEBI (SBEB & SE) Regulations,ensuring that such repricing is not detrimental to the interest of the employees and requisite approvals has been obtained as per applicable laws.

12.4 The aggregate Exercise Price payable at the time of Exercise shall be paid as per the discretion of the Grantee*(not opting for financing Options),* by cheque, demand draft,

deduction from salary (if salary of the month of exercise is not paid and is sufficient for payment of Exercise Price) or NEFT/RTGS/ UPI payments /Online bank transfer to the Company. However, in case the Grantee has availed financing option as stated in clause 11.7, the aggregate Exercise Price shall be paid at any time before allotment of Shares as per the terms and conditions of financing.

12.5 The tax amount arising at the time of Exercise shall be payable as per the discretion of the Grantee at the time of Exercise*(not opting for financing Options),*by cheque, demand draft, or NEFT/RTGS/ UPI payments /Online bank transfer to the Company.However, in case the Grantee has availed financing option as stated in clause 11.7, the aggregate income tax shall be paid at any time in the month of Exercise before transfer of Shares as per the terms and conditions of financing. The Company shall be indemnified to the extent of applicable taxes, if any, levied at any point of time upon the Companyin this regard.

13. Cessation of Employment:

13.1 If, at any time, a Grantee either: (1) has ceased to be an Employee of the Company or (2) is under notice (whether given or received) (such Employee, is categorised as a **"Leaver"**), then:

a) **<u>In case of Death (Categorised as Deceased Leaver):</u>**

All Options Granted (whether Vested or Unvested) as on date of death, shall immediately vest as in the hands of legal heirs / nominee of the deceased leaver on that date. The Options would be exercisable by the legal heirs / nominee within overall Exercise Period as mentioned in clause 11.1 of the Scheme, failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be extinguished and such lapsed options shall be available for further grants as Clause 6.2 of the Scheme.

All other terms and conditions of the Scheme shall apply to such Options. Provided that, in order to Exercise the Options of the deceased leaver, the legal heirs / nominee have to submit the following documents to the Company, to the satisfaction of the Committee and the Committee may at its discretion waive off the requirement to submit any of the documents:

- **In case nominee is not appointed**
  - Copy of the succession certificate /legal heir certificate/ probate of will / letter of administration.
  - No objection certificate from the other legal heirs.
  - Photocopy of the death certificate duly attested by the proper authority (English translated version if in the vernacular language)
  - Specimen signature of the person(s) in whose name Shares are to be transmitted (duly attested by the bank)
  - Demat Account Details
  - Copy of PAN card of the applicant (self – attested).
  - Copy of address proof (self – attested)
  - Any other data / details / document as the Committee may deem fit.

- **In case nominee is appointed**
  - Photocopy of the death certificate duly attested by the proper authority (English translated version if in the vernacular language)
  - Specimen signature of the person(s) in whose name Shares are to be transmitted (duly attested by the bank)
  - Demat Account Details
  - Copy of PAN card of the applicant (self – attested).
  - Copy of address proof (self – attested)
  - Any other data / details / document as the Committee may deem fit.

b) **In case theleaver is categorised as a Permanent Incapacity Leaver,** then all Options Granted (whether Vested or Unvested) as on date of Permanent Incapacitation, whether Vested or Unvested shall immediately vest in him/her on that day.The Options would be Exercisable within an overallExercise Period as mentioned in clause 11.1 of the Scheme,failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be extinguished and such lapsed options shall be available for further grants as Clause 6.2 of the Scheme.

All other terms and conditions of the Scheme shall apply to such Options.

c) **In case the leaver is categorised as a Good Leaver(as defined in Clause 4.1.24)**

i. All Unvested Optionsas on Cessation Date shall standcancelled with immediate effect.

ii. All Vested Options*as on Cessation Date shall be Exercisableby the Granteewho is a Good Leaver, on or before the last working with the Company or before the expiry of overall Exercise Period, whichever is earlier.

Provided that in case of the cessation of employment **due to retirement or superannuation,**

i. All Vested Options*as on Cessation Date shall be Exercisable by the Granteewithin such period as intimated by the Committee or before the expiry of overall Exercise Period.

ii. All Unvested Optionsas on Cessation Date would continue to vest in accordance with the respective vesting schedules even after retirement or superannuation in accordance with the Company's policies and the Applicable Law.

***Note:**Subject to the treatment of Vested Options as given above, the Committee shall ensure that an Exercise Window is made available wherein the Good Leaver has a chance to Exercise his / her Vested Options. Note that where no Exercise Window is available within such period, the Good Leaver shall be eligible to Exercise his / her Vested Options in the next available Exercise*

Window, as intimated by the Committee.

d) **In case a Leaver is categorised as a Bad Leaver,** all Options, whether Vested or Unvested, as on date of cessation shall stand cancelled with immediate effect.

13.2 In the event of **Abandonment of service by the Grantee**, all Options (Vested Options or Unvested Options) at the time of Abandonment of service, shall stand cancelled. The date of Abandonment of service by the Grantee shall be decided by the Committee at its sole discretion, which decision shall be binding on such Grantee.

13.3 In the event that a Grantee is **transferred or deputed to aSubsidiary Company or Associate Company** prior to Vesting or Exercise of Options, the Vesting and Exercise of Options, as per the terms of Grant, shall continue even after such transfer or deputation.

13.4 In the event of a Grantee going on **Long Leave**, the treatment of Options Granted to him/her, whether vested or not, shall be determined by the Committee, whose decision shall be final & binding.

13.5 In the event that a Grantee is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing Company, prior to the Vesting or Exercise, the treatment of Options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Grantee.

13.6 In the event where a **Dispute arises between Grantee and the Company,** Vesting and/or Exercise of Options will be put on hold till the date of settlement of the dispute, to the satisfaction of the Committee.

13.7 The Committee may modify the terms for cessation of employment/ discontinuance of service as mentioned in foregoing paras 13.1 to 13.6.

14 Lock in requirements:

14.1 The Shares allotted to the Grantees pursuant to Exercise of Options shall be subject tono lock-in period from the date of allotment. The Grantee is free to sell the shares.

15 Other Terms and conditions:

15.1 Nothing herein is intended to or shall give the Grantee, any right to status of any kind as a Shareholder of the Company in respect of any Share covered by the Grant unless the Grantee Exercises the Options and becomes the registered Shareholder of the Company.

15.2 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.

15.3 The maximum quantum of benefits that will be provided to every Eligible Employee under the Scheme will be the difference between the market value of Company's Share on the recognized Stock Exchanges as on the Date of Exercise of Options and the Exercise Price paid by the Employee.

15.4 The Scheme shall not confer on any person any legal or equitable rights (other than those to which he would be entitled as an ordinary member of the Company) upon allotment of Shares pursuant to Exercise of Options against the Company, either directly or indirectly or give rise to any cause of action in law or in equity against the Company.

15.5 The Grantee shall abide by the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 as may be amended from time to time, Company's Code of Conduct for prevention of insider trading and Code of practices and procedures for fair disclosure of unpublished price sensitive information adopted by the Company under SEBI (Prohibition of Insider Trading) Regulations, 2015. Further, the Grantee shall indemnify and keep indemnified the Company in respect of any direct or indirect liability arising as a result or consequence of the violation of above, if applicable.

16 Notices and correspondence:

16.1 Any notice required to be given by a Grantee to the Company or the Committee or any correspondence to be made between a Grantee and the Company or the Committee may be given or made to the Company / Committee at the registered office of the Company or at the place as may be notified by the Company / Committee in writing or at the specific designated email id of the Companyatsecretary@kanplas.com.

16.2 Any notice, required to be given by the Company or the Committee to a Grantee or any correspondence to be made between the Company or the Committee and a Grantee shall be given or made by the Company or the Committee on behalf of the Company at the address as stated in the official records of the Company or at the official email Id of the Grantee.

17 Foreign Exchange Laws

17.1 In case any Options are granted to any Employee, being person resident outside India, the provisions of the Foreign Exchange Management Act, 1999 and the rules or regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vesting and Exercise of Options thereof.

18 Listing:

18.1 Shares so issued/allotted to the Grantee pursuant to the Exercise of Options by the Grantee under this Scheme shall be listed immediately on all the recognized Stock Exchange(s) where the existing Shares of the Company are listed.

19 Nomination of Beneficiary:

19.1 Each Grantee under the Scheme may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit under the Scheme is to be delivered in case of his or her death before he receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Grantee, shall be in a form prescribed by the Company and will be effective only when filed by the Grantee in writing with the Company during the Grantee's lifetime.

19.2 If the Grantee fails to make a nomination, the Shares shall Vest on his/her legal heirs in the event of his/her death, by the Committee as per the procedure mentioned in clause 13.1(a) of the Scheme.

20 Corporate Action:

20.1 Except as hereinafter provided, any Grant made shall be subject to adjustment, by the Committee, at its discretion, as to the number and price of Options or Shares, as the case may be, in the event of 'Corporate Action' as defined herein.

20.2 If there is a 'Corporate Action'which includes right issue, bonus issue, split/sub-division/consolidation of shares ofshare capital the Company before the Options Granted under this Scheme are Exercised, the Grantee shall be entitled on Exercise of the Options, to such number of resultant Shares to which he/she would have been entitled as if all of the then outstanding Options Exercised by him/her, had been Exercised before such 'Change in the Capital Structure' had taken place and the rights under the Options shall stand correspondingly adjusted. In the event of a Corporate Action, the Committee, subject to the provisions of Applicable Laws, shall make fair and reasonable adjustments under the Scheme, as it deems fit, with respect to the number of Options, Exercise Price and make any other necessary amendments to the Scheme for this purpose. The Vesting Period and life of the Options shall be left unaltered as far as possible.

20.3 In case of merger/ de-merger/amalgamation/spin off/ consolidation, the suitable adjustments shall be madeas per determined in the relevant scheme of such reconstitution merger/de-merger/ amalgamation / spin–offwhich is not prejudicial to the interest of the Grantee.

20.4 In the event of severance of employment of a Grantee, as a part of reconstitution / /amalgamation / sell–off or otherwise, the Options Granted and not Exercised before such reconstitution / amalgamation / sell-off, shall be Exercised as per the terms and conditions determined in the relevant scheme of such reconstitution / amalgamation / sell–off not prejudicial to the interest of the Grantee.

21 Disclosure and Accounting Policies:

21.1 The Company shall comply with the requirements of IND – AS 102 and shall use Fair value method and the fair value of Options would be calculated as per the prescribed method under the applicable regulations.

21.2 Compensation cost will be booked in the books of account of the Company over the vesting period.

21.3 The Company shall comply with the disclosure requirements and accounting policies specified in the SEBI (SBEB & SE) Regulations 2021.

22 Taxability on the Grantee:

22.1 The exercisable Options are subject to the applicable provisions of the Income tax Act, 1961.There would be following two points of Taxation on the Grantee:

- **Point 1:** At the time of exercise of the Options the difference between the Fair market price of the Shares as on date of exercise of the Options and the exercise price will be added as a perquisite under salary in the month of exercise, as per **Section 17(2)(vi)** of the Income Tax Act, 1961. The Grantee will be liable to pay the taxes at the individual slab rate in which he falls.

  The applicable taxes will be based on the individual's income tax slab, and the tax will be deducted at source (TDS) by the employer under Section 192 of the Income Tax Act.

  Additionally, **Rule 3(8)** of the Income Tax Rules, 1962 provides the method for determining the value of the perquisite in the case of ESOPs.

- **Point 2:** At the time of sale of the Shares of the Company by the Grantee. On selling of the Shares, the concerned Grantee would be liable to Capital Gain Tax under the Income Tax Act, 1961, at the time of sale of the Shares.

  Gains from equity shares held for 12 months or less, are classified as Short-Term Capital Gains and taxed at normal slab rates applicable to the taxpayer.

  Gains from equity shares held for more than 12 months are treated as Long-Term Capital Gains and fall under the provisions of Section 112A of the Income Tax Act, 1961.

  Note: The income tax provisions shall be applicable as per the relevant financial yearregulations and norms as may be applicable.

23 Surrender of Options:

23.1 Any Grantee to whom the Options are Granted under this Scheme may at any time, surrender his Options to the Company. In such case the Company would not be liable to pay any compensation to the Grantee on account of his surrender of Options. The Options so surrendered will be added back to the pool of the Scheme and pursuant to this the Grantee shall cease to have all rights and obligations over such Options.

24 Dispute/ Arbitration:

24.1 In the event of a dispute arising out of or in relation to the provisions of this Scheme (including a dispute relating to the construction or performance thereof), the relevant parties 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 days, gives 10 days' notice thereof to the other party in writing.

24.2 In case of such failure, either party may refer the Dispute to and finally resolved by arbitration under the Arbitration and Conciliation Act, 1996, as amended or re-enacted from time to time. The arbitration panel shall consist of a sole arbitrator to be appointed by mutual consent of the Parties. In case the Parties are unable or fail to appoint a sole arbitrator such arbitrator shall be appointed in accordance with Arbitration and Conciliation Act, 1996. Arbitration awards thus rendered shall be final and binding upon

the Parties.

24.3 The arbitration proceedings shall be held in Kanpur, Uttar Pradesh, India under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator shall give a reasoned award in writing, whose decision shall be final and binding on the Parties. The arbitrator shall also have the authority to award the costs of the arbitration, including legal fees and other costs. The cost of arbitration shall be borne by the Parties to the Dispute(s). The parties shall submit to the arbitrator's award and the award shall be enforceable in a competent court of law at Uttar Pradesh, India.

24.4 Notwithstanding the provisions of this Dispute clause, the Parties shall have the right to seek interim or injunctive relief from any court of competent jurisdiction, pending the final decision or award of the arbitrator.

25 Governing Law:

25.1 This Scheme and all related documents thereunder shall be governed by and construed in accordance with the SEBI (SBEB & SE) Regulations and other Applicable Laws.

25.2 The provisions of the SEBI Regulations and applicable laws shall prevail in the case of any contrary provisions in the Scheme.

25.3 The terms and conditions of the Scheme shall be governed by and construed in accordance with the laws of India. The courts and tribunals of competent jurisdiction at Uttar Pradesh, India, shall have exclusive jurisdiction with respect to any proceedings relating to the Scheme.

26 Regulatory Approvals:

26.1 The implementation of the Scheme, the Granting of any Options under the Scheme and the issuance of any Shares under this Scheme shall be subject to the procurement by the Company and the Grantee / Nominee / Legal Heirs of all approvals and permits, if any, required by any regulatory authorities having jurisdiction over the Scheme. The Grantee / Nominee / Legal Heirs under this Scheme will, if requested by the Committee / Company, provide such assurances and representations to the Company or the Committee, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.

26.2 The Board shall make all the relevant disclosures in the Board's Report in relation to the Scheme as are required under the Act, SBEB &SE Regulations and other Applicable Laws.

27 Modification of Scheme:

27.1 Subject to the Applicable Laws, the Committee may, at any time:

27.1.1 Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Scheme or all or any of the rights and obligations of the Grantee.

27.1.2 Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the specific Grantee or class or category of Grantees. Each of such sets of special terms and conditions shall be restricted in its application to those specific Grantee or class or category of such Grantees.

27.2 Any amendment, variation or modification under the Scheme shall not be prejudicial to the interest of the Grantees of the Company.

28 Confidentiality:

28.1 An Option Grantee must keep the details of this Scheme and all other documents in connection thereto strictly confidential and must not disclose the details with any of his / her peer, colleagues, co-Employees or with any Employee of the Company or that of its affiliates or any form of social media. In case Option Grantee is found in breach of this clause, the Company shall have undisputed right to terminate any agreement / Grant and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Board regarding breach of this clause on confidentiality shall be final, binding and cannot be questioned by Option Grantee. 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.

28.2 On acceptance of the Grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Scheme 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.

29 Miscellaneous:

29.1 **General Risks:**Participation in the Scheme 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. The Option Grantee is encouraged to make considered judgment and seek adequate information /clarifications essential for appropriate decision.

29.2 The 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 an Option in whole or in part.

Part G- Schedule I

(Regulation 16(2) & 23(3) of SBEB & SE, Regulations, 2021)

APPENDIX A- STATEMENT OF RISKS

All investments in Equity Shares / Options involves a high degree of risk. You should carefully consider all the information in this Scheme, including the risks and uncertainties described below, before making an investment in the Equity Shares / Options.

If our business, profitability and financial condition gets affected, the price of our Equity Shares / Options could decline, and you may lose all or part of your investment in the Equity Shares / Options. Unless specified or quantified in the Scheme, we are not in a position to quantify the financial or other implication of any of the risks.

In addition, Options are subject to the following additional risks:

1. **Concentration:** The risk arising out of any fall in value of shares is aggravated if the Employee's holding is concentrated in the shares of a single Company.

2. **Leverage:** Any change in the value of the share can lead to a significantly larger change in the value of the Option.

3. **Illiquidity:** The Options cannot be transferred to anybody, and therefore Employees cannot mitigate their risks by selling the whole or part of their Options before they are exercised.

4. **Vesting:** The Options will lapse if the employment is terminated prior to vesting. Even after the Options are vested, the unexercised Options may be forfeited if the Employee is terminated for gross misconduct.

APPENDIX B: INFORMATION ABOUT THE COMPANY

1. Business Profile of the Company:

Kanpur Plastipack Limited was incorporated on 26July,1971 vide CIN: L25209UP1971PLC003444 having its Registered Office at D 19-20 Panki Industrial Area Kanpur, Uttar Pradesh-208022, India.

It is one of India's most reputable manufacturers of bulk bags or Flexible Intermediate Bulk Containers (FIBCs) and other industrial packaging products.

With an experience of over five decades in the industry, it has grown to be an institution that supplies and exports millions of bags to over 40 countries across the globe. The Company is built on an exceptional track record of customer satisfaction. Our substantial increase in production capacity and immense success is based on a value driven engagement with our clients and a strong commitment in exceeding your expectations. It offers a diverse portfolio of customized bulk packaging solutions.

Present Business Activity:

The Company is specialized in delivering industrial bulk packaging solutions tailored as per customer's specific demands and requirements. The Company's product range includes:

- Flexible Intermediate Bulk Containers (FIBCs)
- PP Woven Fabrics
- PP Multi-filament Yarn (MFY)
- UV Masterbatches
- Liner Bags

All our units are located in Kanpur Nagar and Kanpur Dehat. Our strategic location enables us to leverage local resources and talent to manufacture and deliver our products efficiently.

Main Object of the Company as stated in the Memorandum of Association of the Company:

a. To manufacture, import, export, buy, sell, exchange, distribute, fabricate, mould, extrude, expand,compress, bond, laminate, reinforce, weld, shape, coat, print, treat, spin, weave, electroplate, vulcanse,melt, metallize, stretch, slit to adopt any of processes for foaming, fibrilation, cocooning, and tomanipulate, prepare for market or otherwise deal in Bakelite, Polyethyline, Polyvinyl chloride, plasticsand plastic products of any kind and nature whatsoever, woven bags, sacks, taurpaulins, sheets,carpet backings, parachutes, fishing nets, mosquito nets, wall coverings, tents, wires, ropes, floortiles, roofing sheets, containers, household & kitchen articles, furniture, writing and packing papers, artpapers, strappings, foot wear and satchels.

b. To manufacture, import, export, buy, sell, exchange, distribute, fabricate, process print, weave orother-wise deal in and with synthetic rubber including silicon rubber, synthetic leather, syntheticfibres, all sorts of plastic raw materials, machinery and parts, plastic resins, pellets and powders inliquid form or any other form, reneverated

cellulose including artificial silk, bakelite, celluloid andother cellulose esters solutions, plastic extrusion and moulding substances, chemicals and cellulosebases of all kinds, synthetic fibres forming polimeric amides, acids, alkalis and adhesives.

c. To carry on the business of manufacturers of and dealers in products, articles and packagings madefrom paper, board pulp of all kinds, cellulose films, polyethylene, plastic films and metal foils and filmsof all kinds and other flexible or treated or laminated materials, including card-board, railway andother tickets, mill board, paper and corrugated cardboard boxes, wall and ceiling papers, toilet rollsand tapes, containers, drinking straws, bags, pouches, envelopes, sheets, rolls and all kinds offlexible packagings, and manufacturing, fabricating, printing, treating, waxing and laminating all kindsof packaging materials.

d. To carry on the business of exporters, importers, distributors, traders, marchants, dealers,respresentatives, selling agents, buying agents, buyers, repackers, sellers, wholeselles, retailers,suppliers and stockists of all kinds and variation of polymers, chemicals and engineering items.

e. 4To carry on in India or abroad the business activities of commissioning, setting up, operating,maintaining electric power transmission systems/ network, manufacturer, generator, purchaser, seller,transmitter, processor, procurer, supplier, distributer, converter, developer, storer, carrier, trader anddealer or otherwise acquire to use, sell, transfer or otherwise dispose of all types of electrical powerby conventional, non-conventional methods including coal, gas lignite, oil, bio-mass, waste, thermal,solar, hydel, tidal, geo-hydel, wind, hydrocarbon fuel, or any other form, kind or description and tobuy, sell, design, plan, manufacture, assemble, supply, erect, commission, test, maintain, troubleshooting, repair, service etc., of electrical and/or electronics goods, items, instruments, parts, spares,D.G. sets, electrical control, switchgear panels, switches, cables, plugs, power projects in industrial,commercial, residential, establishments etc., in part individual and/or composite key basis and toprovide Consultancy, expert services, advises, designs, drawings in relation to supervision and controlof power projects in India and abroad.

2. Abridged financial information: The abridged financial information of the Company for the last 5 (Five) years for which audited financial information is available along with last audited accounts is available on the website of the Company at https://www.kanplas.com/financials.

3. Risk Factors:

Key risks that may impact the Company's business include:

INTERNALRISKFACTORS

a) Our Company operates under several statutory and regulatory permits, licenses, and approvals. Our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business may have an adverse effect on our business & operations.

b) Loss of any of our suppliers or a failure by our suppliers to deliver some of our primary raw materials may have an adverse impact on our ability to continue our manufacturing process

without interruption and our ability to manufacture and deliver the products to our customers without any delay.

c) Restrictions on import of raw materials and an increase in shipment cost may adversely impactour business and results of operations.

d) Our success depends on stable and reliable logistics and transportation infrastructure. Disruption of logistics and transportation services could impair the ability of our suppliers to deliver raw materials or our ability to deliver products to our customers and/ or increase our transportation costs, which may adversely affect our operations.

e) We are subject to binding covenants in our financing arrangements, failure to comply with these covenants may have a material adverse effect on our future results of operations and financial condition.

f) Our success depends heavily on our Promoters and Key Management Personnel for the continued success of our business through their continuing services and strategic guidance and support.

g) Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.

h) Any Penalty or demand raised by statutory authorities in future will affect the financial position of the Company.

EXTERNALRISKFACTORS

a) Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.

b) Evolving regulatory standards and environmental regulations can significantly disrupt individual businesses. These changes can also have a broader impact on the entire industry.

c) Rising geopolitical tensions can interfere with international trade. This turmoil can lead to disruptions in trade relations between countries.

d) Growing competition can intensify market pressures. This heightened rivalry may challenge businesses to adapt and innovate.

e) Sensitivity to Foreign Exchange Rate fluctuationandinstabilityin financial markets could materially and adversely affect our results of operations and financial condition.

f) Natural calamities could harm the Indian economy and cause Our Company's business to suffer.

g) If the rate of Indian price inflation increases, our results of operations and financial condition may be affected.

h) Our business is dependent on the Indian economy as well as the International Geographies where we are delivering our services.

i) Our performance is linked to the stability of policies and the political situation in India as well as the International Geographies where we are delivering our services.

j) Financial instability in Indian financial markets could materially and adversely affect our results of operations and financial condition.

k) The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.

4. **Continuing disclosure requirement:** The option grantee shall be provided copies of all documents that are sent to the members of the company. This shall include the annual accounts of the company as well as notices of meetings and the accompanying explanatory statements**.**

********** End of the Scheme **********