

VCRL EMPLOYEE STOCK OPTION PLAN 2026

This stock option plan has been formulated by Vishal Colour Roofs Limited (“**Company**”) pursuant to the approval received from the shareholders of the Company by way of a special resolution dated February 26, 2026.

1. **Title and Purpose**

- 1.1. This stock option plan is called VCRL ESOP 2026 (“**ESOP 2026**”) which expression shall include any alterations, amendments or modifications hereto from time to time.
- 1.2. This ESOP 2026 has been designed to provide incentives to attract, retain and motivate the Company’s employees whose present and potential contributions are important to the success of the Company, by offering them an opportunity to participate in the Company’s future and also acquire a proprietary interest in the Company by award of Options.

2. **Applicability, Term and Conditionality**

- 2.1. It applies only to the Eligible Employees, and as selected by the Board from time to time.
- 2.2. This ESOP 2026 shall become effective from February 26, 2026 (“**Effective Date**”) and shall terminate upon the earlier of (i) the close of business on the day preceding the 5th anniversary of the Effective Date; or (ii) the date on which all the Options available for issuance under the ESOP 2026 are exercised. In the event that the Options/Shares available for issuance under the ESOP 2026 have not been issued or exercised prior to the close of business on the day preceding the 5th anniversary of the Effective Date, the Board shall be entitled to (i) extend the applicability of this ESOP 2026 till such time as all the Options available for issuance have been issued and / or exercised; or (ii) formulate a separate stock option plan with regard to such unissued and / or unexercised Options, if any; or (iii) deal with such Options in such manner as it may deem fit. Notwithstanding anything contained above but subject to Applicable Laws, this ESOP 2026 may be amended at the discretion of the Board and can be terminated at any time at the sole discretion of the Board.
- 2.3. Subject to the provisions of the Articles, the Board may, subject to compliance with Applicable Laws, at any time alter, amend, suspend, or terminate this ESOP 2026.

3. **Definitions**

In this ESOP 2026, the following terms when capitalized shall have the meaning set out as follows:

“**Affiliate**” in relation to a Person,

- (i) being a corporation, partnership, association, trust, or any other entity, shall mean any entity or Person, which Controls, is Controlled by, or is under the common Control of such Person;
- (ii) being an individual, shall mean any entity or Person, which is Controlled by such

individual or a Relative (the term “**Relative**” would have the meaning as ascribed to it under the Applicable Law, as amended, modified, re-enacted from time to time) of such individual.

“**Applicable Laws**” means every law relating to Employee Stock Options, to the extent applicable, including and without limitation to the Companies Act, 2013, Securities and Exchange Board of India Act, 1992, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and all relevant tax, securities, exchange control or corporate laws of India, or amendments thereof or of any relevant jurisdiction or of any Stock Exchange on which the Shares of the Company are listed or quoted.

“**Articles**” means the articles of association of the Company, as amended from time to time.

“**Board**” means the board of directors of the Company and as may be constituted/re-constituted in accordance with the Applicable Laws from time to time.

“**Compensation Committee**” means the Nomination and Remuneration Committee designated by the Board of Directors for administration and superintendence of the ESOP 2026.

“**Companies Act**” means the Companies Act, 2013 and rules made thereunder and include any statutory modifications or re-enactments thereof.

“**Control**” (including, with its correlative meanings, the terms “**Controlled by**” or “**under common Control**”) means (a) the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of a Person whether through the ownership of voting securities, by agreement or otherwise or the power to elect more than half of the directors, partners or other individuals exercising similar authority with respect to a Person; or (b) the possession, directly or indirectly, of a voting interest in excess of 50% (fifty per cent) in a Person.

“**Date of Grant**” means the date on which the Board approves the Grant to an Eligible Employee.

“**Director**” means a member of the Board.

“**Eligible Employee**” means an ‘employee’ as defined under Rule 12(1) of the Companies (Share Capital and Debenture) Rules, 2014 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

“**Exercise**” means making of a written application by the Option Holder to the Company for the issuance of Shares against the Vested Options in pursuance of and in accordance with this ESOP 2026 and payment of the Exercise Price pursuant to the same.

“**Exercise Application**” means the application form for the purpose of enabling the

Option Holder to apply to the Company to Exercise his / her Vested Options along with a cheque/demand draft in full in respect of the Exercise Price and the Taxes, if any, as provided for in this ESOP 2026, as per the format provided in **Appendix 3**.

“Exercise Period” has the meaning ascribed to the term in the Clause 7.3.3.

“Exercise Price” means the price per Share payable by the Option Holder for Exercise of each Option, which shall be the face value of the Share or such other price as determined by the Board and provided in the Letter of Grant pursuant to this ESOP 2026.

“Fair Market Value” means the fair market value of the relevant Shares as determined by an independent valuer, appointed by the Board.

“Grant” means the process by which the Company issues Options to Eligible Employees under this ESOP 2026.

“Letter of Acceptance” means the letter required to be submitted by the Eligible Employees, substantially in the form provided in **Appendix 2** of this ESOP 2026, to accept the Options granted pursuant to a Letter of Grant and to acknowledge acceptance of the terms and conditions of this ESOP 2026.

“Letter of Grant” means the letter issued by the Company substantially in the form provided in **Appendix 1** hereto intimating an Eligible Employee of the Options granted to such Eligible Employee for acquiring a specified number of Shares at the Exercise Price and as per the Vesting Period described therein.

“Liquidation Event” has the meaning ascribed to the term in the Articles, from time to time.

“Option” means a right, but not an obligation, granted to an Eligible Employee, in the form of a stock option under this ESOP 2026, which may be exercised by the Eligible Employee at a future date, subject to terms of this ESOP 2026 and Letter of Grant, to subscribe to the Shares during the Exercise Period.

“Option Holder” means the holder of an outstanding Option granted pursuant to this ESOP 2026.

“Permanent Disablement” means, any disablement of whatsoever nature, be it physical or mental or otherwise which incapacitates, restricts, prevents or handicaps the person for a period of more than 90 (ninety) consecutive days during any 12 (twelve) month period from being able to continue performing the duties he had performed before such disablement/impairment, based on a certificate of a duly qualified physician identified by the Board.

“Person” means an individual, company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or any association, trust or other entity, whether incorporated or not, including a government or political subdivision or an agency or instrumentality thereof.

“Plan” means VCRL Employee Stock Option Plan 2026 within the meaning of this Plan and include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof from time to time.

“Relevant Date” means any of the following dates as the context requires:

- (i) in the case of Grant, the date of the meeting of the Committee on which the Grant is made; or
- (ii) in the case of Exercise, the date on which the notice of Exercise is given to the Company by the Option Grantee

“Shares” means the common equity shares of the Company, each having a face value of INR 10. In the event of subdivision or consolidation of Shares into Shares of smaller or larger denomination, the face value of such Shares shall stand changed accordingly and any reference to the face value in this ESOP 2026 shall be the reference to the changed face value of such Shares consequent to the subdivision or consolidation.

“Subsidiaries” means the subsidiary companies of the Company as may be incorporated or acquired from time to time, within the meaning assigned under the Companies Act 2013.

“Tax” or **“Taxes”** means any income tax, perquisite tax, fringe benefits tax or any other taxes imposed on the Company or on an Eligible Employee, with respect to the Grant, Vesting and/or Exercise of the Options under this ESOP 2026.

“Unvested Option” means an Option not being a Vested Option.

“Vesting” means the process by which the Option Holder is given the right to apply for Shares against the Options granted to him/her in pursuance of this ESOP 2026.

“Vesting Conditions” means each of the following:

- a. The Eligible Employee continues to discharge his / her duties with utmost integrity and dedication towards delivery of role/ tasks entrusted upon the Eligible Employee.
- b. The Eligible Employee not having engaged in activities that have had or may have an adverse impact on the reputation of the Company or that conflict with the interests of the Company in any manner.
- c. The Eligible Employee not having breached his / her employment agreement while during employment with the Company.

“Vesting Period” means the period during which Vesting of the Options Granted to the Eligible Employee is permitted in pursuance to this ESOP 2026 and such period may even be contingent to the happening of such event as specified in the relevant Letters of Grant, this ESOP or as determined by the Board.

“Vested Options” means Options in respect of which (i) the Vesting Period has been completed; (ii) the Vesting Conditions have been satisfied to the sole satisfaction of the Board; and (iii) the Option Holder has become eligible to Exercise such Options.

4. Interpretation

In this ESOP 2026, unless the context thereof otherwise requires:

- 4.1. words importing a particular gender include any other gender;
- 4.2. words using the singular or plural number also include the plural or singular number, respectively;
- 4.3. the terms “hereof,” “herein,” “hereby” and derivative or similar words refer to this entire ESOP 2026 and not to any particular Clause, sub-Clauses or section of this ESOP 2026;
- 4.4. whenever this ESOP 2026 refers to a number of days, such number shall refer to calendar days unless otherwise specified;
- 4.5. any reference to any statute or statutory provision shall include:
 - (i) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated); and
 - (ii) such statute or provision as may be amended, modified, re-enacted or consolidated;
- 4.6. headings and captions are used for convenience only and shall not affect the interpretation of this ESOP 2026;
- 4.7. references to Recitals, Clauses, sub-Clauses and Appendices shall be deemed to be a reference to the recitals, clauses, sub-clauses and schedules/appendices of this ESOP 2026;
- 4.8. reference to a Clause number shall also include reference to all its sub-Clauses; and
- 4.9. reference to any Appendix hereto includes a reference to any part of that Appendix which is incorporated by reference.

5. Administration of the ESOP 2026

- 5.1. The ESOP 2026 shall be administered by the Compensation Committee in accordance with Applicable Laws and subject to the provisions of the Articles.
- 5.2. The Compensation Committee shall have the full authority and discretion to take any actions that it deems necessary or advisable for the administration of this ESOP 2026.
- 5.3. The Compensation Committee shall in its absolute discretion determine all the terms and conditions including but not limited to the conditions set out in **Appendix 5** governing this ESOP 2026 and any variation thereof (in general or on a case to case basis).

- 5.4. The Compensation Committee shall have the discretion to determine the Exercise Price.
- 5.5. Notwithstanding anything to the contrary but subject to Applicable Laws, the terms prescribed by the Compensation Committee shall be final and binding on all Option Holders.
- 5.6. The Board reserves the right to administer/implement the ESOP 2026 either directly through Compensation Committee or through a trust (such as an employee stock option plan trust or an employee welfare trust) at any stage. In the event the Board decides to administer/implement the ESOP 2026 through a trust, the Board shall also reserve the right to change the necessary terminologies/references in this ESOP 2026 and related structure and documentation (including withdrawal and reissuance of Letters of Grant and replacement / conversion of Options to units of the trust), in order to facilitate the trust.
- 5.7. All questions of interpretation, dispute, discrepancy or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with this ESOP 2026 shall be referred to the Compensation Committee and shall be determined by the Compensation Committee. Such determination/decision/interpretation shall be final and binding upon all persons having an interest in or affected by this ESOP 2026.
- 5.8. The Compensation Committee may frame suitable policies and procedures to ensure that there is no violation of Applicable Laws.
- 5.9. No member of the Compensation Committee shall be personally liable for any decision or action taken in good faith with respect to this ESOP 2026.
- 5.10. The Company may vary the terms of the Options which are not Exercised, subject to such variation not being detrimental to the interests of the Eligible Employees. The Company may vary any term of this ESOP 2026 to meet any regulatory requirements, provided that such variation shall be approved by the shareholders of the Company by passing a special resolution in a general meeting.
- 5.11. 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.
- 5.12. Notwithstanding anything contained in this Clause 5 or elsewhere, the Board or any of its delegates (including the Founder) shall exercise all rights, duties and obligation in relation to this ESOP 2026 only in accordance with the Applicable Laws.

6. Eligibility and Shares subject to the ESOP 2026

- 6.1. The number of Options available for Grant by the Company under ESOP 2026 shall not exceed 3,43,524 (Three Lakh Forty Three Thousand Five Hundred Twenty Four) Equity Shares of the Company of Rs. 10/- each.

- 6.2. Each Option issued to an Option Holder would, subject to the conditions in the ESOP 2026 and upon payment of the Exercise Price, be eligible for allotment of 1 (One) Equity Share of the Company in accordance with the procedure set out in this ESOP 2026.
- 6.3. In the event of a split, reverse split, recapitalization, subdivision, combination, reclassification of the Shares of the Company, the Grants, Exercise Price and the Shares issued/to be issued pursuant to the Exercise may, at the sole discretion of the Board, be proportionately adjusted from time to time, as provided in greater detail in Clause 8. Subject to compliance with the Applicable Laws pertaining to the Shares, decision of the Board in this matter including but not restricted to dealing with fractions, rounding off etc., will be final.

7. Options

7.1. Grant of Options under the ESOP 2026

- 7.1.1. The Options shall be granted to the Eligible Employees as decided by the Compensation Committee from time to time. Such Options shall be subject to all applicable terms and conditions of the ESOP 2026.
- 7.1.2. The Letter of Grant shall specify the number of Options, the Vesting Period, schedule of Vesting, the Exercise Price, Exercise Period and any other terms and conditions that the Compensation Committee may deem necessary.
- 7.1.3. The Eligible Employees will be required to submit a signed copy of the Letter of Acceptance to acknowledge acceptance of the terms and conditions of the ESOP 2026 within a period of 45 (Forty Five) days from the date of receipt of the Letter of Grant, or such extended time as the Board may determine in its sole discretion. Any failure to submit the Letter of Acceptance may, at the discretion of the Board, lead to a lapse of the Options granted under the relevant Letter of Grant.
- 7.1.4. Approval of shareholders of the Company, by way of separate resolution in the general meeting shall be obtained by the Company in case of: (i) Grant of Options to employees of its Subsidiaries (if any); or (ii) Grant of Options to identified employees, during any calendar year, being equal to or exceeding 5 (Five) percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Option.

7.2. Vesting

- 7.2.1. Vesting of the Options under this ESOP 2026 would be subject to continued employment or directorship (as the case may be) with the Company or Subsidiary in the following manner:
 - (i) 10 percent of the total Options shall vest upon the first annual anniversary from the Date of Grant;

- (ii) 15 percent of the total Options shall vest upon the second annual anniversary from the Date of Grant;
- (iii) 20 percent of the total Options shall vest upon the third annual anniversary from the Date of Grant;
- (iv) 25 percent of the total Options shall vest upon the fourth annual anniversary from the Date of Grant; and
- (v) 30 percent of the total Options shall vest upon the fifth annual anniversary from the Date of Grant.

7.2.2. The Options shall vest in the manner specified in this Clause 7.2 and in the relevant Letter of Grant subject to the Eligible Employee continuing in the employment or directorship (as the case may be) of the Company or Subsidiary and upon compliance with the terms of this ESOP 2026.

7.2.3. The Vesting schedule may additionally be linked *inter alia* to other conditions including performance related factors (such as key performance indicators) or such other factors as may be determined by the Compensation Committee from time to time and indicated in the Letter of Grant.

7.2.4. Subject to Applicable Laws, the Board shall have the right to prescribe varying Vesting schedules for different Eligible Employees, and/or for different Options.

7.3. Exercise

7.3.1. Subject to Applicable Laws, an Eligible Employee can Exercise its Options (per the schedule of Vesting contained in the Letter of Grant) by applying to the Company during the Exercise Period, by way of an Exercise Application and upon payment of the Exercise Price.

7.3.2. Each Option entitles the Option Holder thereof to apply for and be allotted 1 (One) Share of the Company on the payment of the Exercise Price during the Exercise Period, subject to the terms and conditions specified in the Letter of Grant and in compliance with Clause 7.4.

7.3.3. Subject to the provisions of the ESOP 2026, there shall be a period of 2 (Two) months every calendar year during which Vested Options can be exercised ("**Exercise Period**"). The Exercise Period for each calendar year shall be as indicated by the Company in each such calendar year, at least 30 (Thirty) days prior to its commencement.

7.3.4. Unless otherwise determined by the Board, termination of the ESOP 2026 shall not affect the Exercise of Options already issued under the ESOP 2026.

7.3.5. The Exercise Price for the Options shall be as specified in the Letter of Grant.

7.3.6. The Eligible Employees/Option Holders shall enter into such agreements, as the Board may direct from time to time to more fully and effectively implement this ESOP 2026.

- 7.3.7. Payment of the Exercise Price for Options vested may be made by cheque or demand draft drawn in the favour of the Company, or through any other mechanism that the Company may intimate the Option Holder, at the time of Exercise.
- 7.3.8. In case the Vested Options are not exercised by the Option Holder within the Exercise Period, the Vested Options will automatically lapse without any obligations whatsoever on the Company or the Board and no rights in that regard will accrue to the Option Holder after such date.
- 7.3.9. All such unexercised Options that so lapse shall revert to the ESOP 2026 pool and may be granted at the discretion of the Board to any other Eligible Employee.
- 7.3.10. Subject to the Exercise Period, the Vested Options may be Exercised during the lifetime of the Option Holder, only by the Option Holder and after his / her demise, by his / her nominee, as may be applicable.

7.4. **Issue of Shares upon Exercise**

- 7.4.1. All stamp duty or other taxes imposed by Applicable Laws payable on Exercise and or transfer of Shares shall be borne by the Option Holder.
- 7.4.2. No Option Holder shall have any right or status of any kind as a shareholder of the Company, including the right to receive any dividend or to vote or in any manner enjoy benefits of a shareholder in respect of any Options covered by the Grant unless the Option Holder exercises the Vested Options and becomes a registered holder of the Shares. Upon becoming a registered holder of the Shares by the Exercise, the Option Holder shall be entitled to all rights and obligations as a shareholder of the Company from the date of issue and allotment of Shares pursuant to the Exercise under this ESOP 2026 and in accordance with the Articles.

7.5. **Non-transferability of Options**

Except as provided herein under the ESOP 2026, the Options held by an Option Holder are not transferable to any Person except the Option Holder's legal heir/s or nominee/s as the case may be, and as specified in the Nomination Form (as provided in **Appendix 4**) in the event of death of the Option Holder. Such legal heir(s) or nominee shall be required to complete all requirements under Applicable Laws and produce requisite documents to prove his/her/their right(s) within a reasonable period and in any event within 3 (three) months from the death of the Option Holder. The Options cannot be pledged, hypothecated, charged, mortgaged, assigned, alienated or disposed off in any other manner.

8. **Corporate Actions or Liquidation Event**

- 8.1. In case of a corporate action including but not limited to a stock split, reverse stock

split, dividend, bonus, combination or reclassification of the relevant Shares, any other increase or decrease in the number of issued relevant Shares effected without receipt of consideration by the Company, or in the event of a merger/demerger, the Board, may make proportionate adjustments to the number of Options (Unvested Options or Vested Options) and the Exercise Price at its sole discretion.

- 8.2. Notwithstanding anything to the contrary, in the event of occurrence of a Liquidation Event involving the Company, the Board reserves the right (i) for prescribing accelerated Vesting; and / or (ii) for prescribing mandatory Exercise of the relevant Options (irrespective of the applicable Exercise Period), failing which all such outstanding Options (Unvested Options or Vested Options) shall automatically lapse and be forfeited; and / or (iii) for prescribing a mandatory cash settlement for all outstanding Options or Shares ("**Cash Settlement**").

9. Termination of Employment or Cessation of Directorship with the Company

9.1. Termination by Company or Resignation

9.1.1. If the Option Holder's employment with the Company is terminated for any reason whatsoever (including resignation by the Employee / Director), then:

- (i) All unvested Options held by such Option Holder shall immediately and automatically lapse on the date of issuance of the notice of termination of employment (by the Company or the Employee, as the case may be), without any obligations whatsoever on the Company;
- (ii) All unvested Options that lapse shall revert to the ESOP 2026 pool and may be granted at the discretion of the Board to any other Eligible Employee;
- (iii) All Vested Options, if any, which have not been exercised by such Option Holders prior to the date of issuance of the notice of termination of employment (by the Company or the Employee, as the case may be) shall have to be Exercised during the next Exercised Period or any other extended period as may be allowed by the Board at its sole discretion in writing;
- (iv) All such Vested Options, if any, that remain unexercised at the expiry of the time period prescribed in Clause 9.1.1 (iii) of this ESOP 2026 or any other extended period as may be allowed by the Board, shall automatically lapse, without any obligations whatsoever on the Company or the Board; and
- (v) All such Vested Options that lapse shall revert to the ESOP 2026 pool and may be granted at the discretion of the Board to any Eligible Employee.

9.1.2. In the event the Option Holder's employment with the Company is terminated on account of fraud, financial misappropriation, willful misconduct, any

misappropriation of the Company's property, or theft, or embezzlement of the Company's funds, or unjust enrichment gained, received or retained by the Option Holder at the expense of the Company, all Vested Options and Unvested Options held by such Option Holder shall immediately and automatically lapse on the date of termination of employment, without any obligations whatsoever on the Company.

- 9.1.3. In the event an Option Holder holds any Shares in the Company after the issuance of the notice of termination of employment (by the Company or the Employee, as the case may be) (including by way exercise of Vested Options post such issuance of the notice of termination of employment), the Company shall have a call option right, exercisable at its sole discretion, at any time, to purchase any and all such Shares from such Option Holders at the Fair Market Value of the Shares.

9.2. **Termination on account of Death:**

The Option Holder may appoint any Person(s) as nominee(s) for the purpose of Exercise of Options on his death, subject to the terms and conditions of this ESOP 2026. The Option Holder shall appoint such nominee(s) by submitting the Nomination Form (as provided in **Appendix 4**). The Option Holder has the right to revoke/ change such nomination. The nominee(s) shall alone be entitled to exercise the rights of the Option Holder concerned in the event of the death of the Option Holder. In case of death of an Option Holder while in employment of the Company / Subsidiary or while serving as a Director of the Company / Subsidiary, all Unvested Options granted to the Option Holder shall immediately vest in the legal heirs or nominees of the deceased Option Holder as indicated in the Nomination Form. All the Vested Options, including the Options vested in accordance with the preceding sentence, may be exercised by the Option Holder's nominee or legal heirs, during the next Exercised Period. Vested Options that are not Exercised within the aforementioned period shall lapse and shall revert to the ESOP 2026 pool and may be granted at the discretion of the Board to any other Eligible Employee. There shall be no further obligation of the Company or the Board towards the legal heir or nominee with regard to such lapsed Options.

9.3. **Termination on account of Permanent Disablement:**

In case of Permanent Disablement of an Option Holder, whilst he/she is still employed as an employee with the Company / Subsidiary or serving as a Director of the Company/ Subsidiary, resulting in the cessation of employment or directorship (as the case maybe) of such Option Holder, (i) all Unvested Options shall vest in such Option Holder immediately on the day of confirmation of suffering the Permanent Disablement as per this ESOP 2026, the Exercise of which shall continue as per the terms of this ESOP 2026; and (ii) the Option Holder may Exercise his or her Vested Options during the next Exercised Period commencing immediately after the confirmation of suffering the Permanent Disablement. Vested Options that are not exercised within the aforementioned period shall lapse upon the expiry of the period specified herein and shall revert to the ESOP 2026 pool and may be granted at the discretion of the Board to any other Eligible Employee. There shall be no further

obligation of the Company or the Board towards the Option Holder (suffering from Permanent Disablement), with regard to such lapsed Options.

10. Rights of Shareholders

- 10.1. The Shares issued on the Exercise of Vested Options shall be subject to such exceptions and restrictions as may be specified in the Articles of the Company and this ESOP 2026.
- 10.2. At the time of allotment of Shares pursuant to a valid Exercise, the Eligible Employee shall be required to sign such document(s) as may be considered necessary by the Board to lawfully execute/ enforce various provisions of this ESOP 2026.
- 10.3. The Option Holder shall not sell, assign or transfer the Shares or any portion of their interest in any Shares received by them pursuant to the Exercise without the prior consent of the Board, in case the Shares are not listed on any stock exchange. Further, subject to Applicable Laws and where the Shares are not listed on a stock exchange, in the event any Option Holder wishes to sell the Shares allotted pursuant to Exercise, such Shares shall be subject to the transfer restrictions as stipulated under the Articles and the Option Holders shall be categorized as 'Other Shareholders' for the purposes of such transfer. Further, the Option Holders shall be subject to a drag along, in the event of a right of drag along is made effective at any time under in accordance with the provisions of a shareholders' agreement of the Company (as may be adopted from time to time). Further, the Board shall have the right to arrive at a mechanism to purchase the Shares issued under this ESOP 2026, including by way of a right of first refusal, buy back, share transfer or such other mode as may be formulated by the Board. Further, no Option Holder shall sell, assign or transfer all or any portion of their interest in any Shares received by them in connection with the Exercise to any person unless approved by the Board in writing.
- 10.4. Any agreement or arrangement to transfer any of the Shares other than in accordance with this Clause 10 shall be null and void and shall not be liable to be recorded or registered in the relevant registers maintained by the Company (including register of members), nor will such transfer give rise to any equitable or other claim to, or any interest in, such Shares which have been transferred in any manner whatsoever. It is further clarified that any transfer or attempted or purported transfer of Shares in contravention of the provisions of the Articles or ESOP 2026 shall constitute a breach of ESOP 2026.

11. Applicable Laws and Government Regulations

- 11.1. This ESOP 2026 shall be subject to all Applicable Laws and to such approvals as may be required. The Grant of Options and issue of Shares under this ESOP 2026 shall entitle the Company to require the Option Holders to comply with such requirements of Applicable Laws as may be necessary in the opinion of the Board. In case of any conflict between the provisions of this ESOP 2026 and any Applicable Laws, the provisions of the Applicable Laws shall override the provisions of this ESOP 2026 to the extent of such conflict.

- 11.2. In the event that any Applicable Laws render this ESOP 2026 as illegal or void, this ESOP 2026 shall automatically be treated as withdrawn and cancelled and the Company shall have no obligation or liability whatsoever towards any Option Holder including in relation to any Vested Options or Unvested Options. The inability of the Company to obtain approval from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to Grant the Options or issue the Shares.
- 11.3. The Option Holders who will be granted Options or issued Shares in pursuance of this ESOP 2026 shall comply with such requirements of Applicable Laws as may be necessary.

12. Tax Liability

- 12.1. In the event of any Tax liability of any kind arising on the Company or the Option Holders on account of the Grant, Vesting and/or Exercise of the Options, or sale of Shares or any other event related to this ESOP 2026, the liability for such Tax shall be that of the Option Holder alone. Exercise of the Options shall be conditional upon the Option Holder paying the necessary taxes to the Company or the tax authorities, as the case may be.
- 12.2. In the event any Taxes are required to be withheld and/or paid by the Company (or any of its Affiliates) as a result of or with respect to, any Grant, Vesting and/or Exercise of the Options, the Company (or any of its Affiliates) shall be entitled, in its discretion, to withhold the amount of such Taxes from the amounts otherwise payable to such Eligible Employee, including but not limited to salary, fees or otherwise to recover the amount of such Taxes from the Eligible Employee as a condition to the ability and effectiveness of such Exercise by the Eligible Employee.
- 12.3. The Option Holder shall be required to indemnify the Company with respect to any Tax claims arising out of the Grant, Vesting and/or Exercise of Options under this ESOP 2026 or sale of Shares by such Option Holder.
- 12.4. Any other Taxes introduced in future shall also be deducted/ collected from the Option Holder. The Company reserves the right to not allot the Options/ issue Shares in case the Option Holder is unable to discharge in full the obligation(s) in the respect of applicable Taxes.

13. Confidentiality

- 13.1. An Eligible Employee who holds any Options or Shares under this ESOP 2026 shall not divulge the details of this ESOP 2026 nor of his / her holding to any Person (including other employees of the Company), except with the prior written permission of the Board.
- 13.2. In case of non-adherence to the provisions of this Clause, the Board will have the authority to deal with such cases as it may deem fit in its absolute discretion.

- 13.3. The Company may disclose all information in relation to employee benefits, unless specifically restricted under Applicable Laws.

14. Employment and Retention

- 14.1. This ESOP 2026 is purely at the discretion of the Company and it shall not in any manner form a part of any contract of employment or engagement between the Company and the Option Holder nor shall confer upon an Eligible Employee any right to employment or continue in employment or directorship with the Company, for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company or of the Option Holder. Nothing in this ESOP 2026 affects or otherwise limits the Company's right to terminate the employment or directorship of any Eligible Employee.
- 14.2. The Grant of an Option does not form part of the Option Holder's entitlement to compensation or benefits pursuant to his / her contract of employment or terms of directorship nor does the existence of a contract of employment or terms of directorship give such Person any right entitlement or expectation to have an Option granted to him in respect of any number of Shares or any expectation that an Option might be granted to him. This ESOP 2026 and the Options granted hereunder shall be excluded for the purposes of calculating any statutory dues or entitlements, including in relation to salary and wages, bonus, overtime, leave payouts, notice payment, severance / retrenchment compensation, gratuity and the like in relation to any Eligible Employee.
- 14.3. Neither this ESOP 2026 nor the fact that an Option Holder has on any occasion been granted an Option, shall give such Option Holder any right entitlement or expectation that he has or will in future have any right, entitlement or expectation to participate in this ESOP 2026 or any other future stock incentive plan or other incentive plan of the Company. The rights granted to an Option Holder upon the Grant of an Option shall not accord the Option Holder any rights or additional rights to compensation or damages in consequence of the loss or termination of his/her office or employment or directorship with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 14.4. This ESOP 2026 shall not confer on any person any legal or equitable rights against the Company or its Subsidiaries either directly or indirectly or give rise to any cause of action on law or equity against Company or its Subsidiaries.

15. Indemnity

- 15.1. Each Option Holder("Indemnifying Party") shall severally indemnify, defend and hold harmless the Company and their respective Affiliates, and its and their officers, representatives, directors and employees (individually, "Indemnified Party" and collectively, the "Indemnified Parties") promptly upon demand at any time and from time to time, from and against any and all claims, causes of actions, investigations, payments, charges, judgments, assessments, liabilities, losses, demands, damages (whether or not resulting from direct claims or third party claims), penalties, interests, settlements, taxes, fines or costs (including costs of investigation, remediation or

other response actions) and expenses (including any reasonable attorneys' fees, disbursements and other legal costs and expenses) (collectively, "Losses") imposed on, sustained, incurred or suffered by the Indemnified Parties which arise out of:

- 15.1.1. any breach by the Option Holder of any term or provision of this ESOP 2026;
 - 15.1.2. any act of fraud or misrepresentation committed by the Option Holder; and / or
 - 15.1.3. any claim or proceeding by any third party or governmental authority against any Indemnified Party arising out of any of the indemnity events set out in this ESOP 2026.
- 15.2. If any Indemnified Party incurs or suffers any Loss or receives any claim from any third party, such Indemnified Party shall give notice to the Indemnifying Party of the Losses and/or claim with respect to which the Indemnified Party seeks indemnification ("**Indemnity Notice**"); provided, however, that any delay in so notifying the Indemnifying Party shall not relieve the Indemnifying Party from any obligation or liability. The Indemnifying Party shall forthwith and in any event within 15 (Fifteen) days from the date of receipt of the Indemnity Notice, indemnify the Indemnified Party for an amount equal to the Losses set out in the Indemnity Notice.

16. Dispute Resolution

- 16.1. All disputes and differences arising out of or in connection with any of the matters set out in this ESOP 2026, including the breach or invalidity and any question regarding its existence, validity or termination ("**Dispute**"), shall be referred to the Board for determination, decision and/or interpretation and any such determination, decision and/or interpretation by the Board shall be final and binding on all Persons affected thereby.
- 16.2. In the event the Board is unable to come to a conclusion on any such dispute, then the same shall be referred to and finally and conclusively determined and settled by arbitration administered under the Arbitration and Conciliation Act, 1996. The number of arbitrators shall be 3 (three), one of whom shall be nominated by the claimant, one by the respondent(s) and the third of whom, who shall act as a President, shall be nominated by the two party-appointed arbitrators. The seat of the arbitration shall be India and the language of the arbitration shall be English. The venue of arbitration shall be New Delhi, India. The arbitration proceedings shall be conducted in the English language.
- 16.3. The arbitral tribunal shall reach and render a decision in writing with respect to the appropriate award to be rendered or remedy to be granted pursuant to the Dispute which shall be binding on the parties to the Dispute. To the extent practical, decisions of the arbitral tribunal shall be rendered within 90 (ninety) days of the commencement of proceedings with respect thereto.
- 16.4. It is agreed that the arbitration proceedings shall be kept confidential and that the existence of the proceeding and any element of it (including but not limited to any pleadings, briefs or other documents submitted or exchanged, any testimony or other

oral submissions, and any awards) shall not be disclosed beyond the arbitral tribunal, the parties to the Dispute, their counsel, existing and potential investors and any Person necessary to the conduct of the proceeding, except insofar as:

- (a) otherwise required by provisions of the Applicable Laws from which the relevant Person cannot derogate; or
- (b) necessary to protect or pursue a legal right or to enforce or challenge an award in bona fide legal proceedings before a governmental authority.

16.5. The arbitral tribunal shall be entitled to award costs of the arbitration. The arbitrator's award shall be substantiated in writing. The arbitral tribunal shall also decide on the costs of the arbitration proceedings. In case the arbitrators have not decided on the costs of the arbitration proceedings, each party to the dispute shall bear its own costs, in relation to the arbitration proceedings. The award shall be binding on the parties to the Dispute, subject to the Applicable Laws in force and the award shall be enforceable in any competent court of law.

16.6. The provisions of this Clause 16 (Dispute Resolution) shall survive the termination of this ESOP 2026.

17. Statement of Risks

Participation in this ESOP 2026 shall not be construed as any guarantee of return on the investment. Any loss due to change in the price of the Shares and the risks associated with the investments is that of the Option Holder alone. The Option Holder is encouraged to make considered judgment and seek adequate information/clarifications essential for appropriate decision. The Option Holder shall not be entitled to any compensation or damages for any loss or potential loss which he/she may suffer by reason of being unable to Exercise an Option or sell the Shares. The fact that the Options or Shares are not freely transferable, Eligible Employees cannot mitigate their risks by transferring a whole or part of Options or Shares. The Options may lapse under various circumstances prescribed under or in accordance with this ESOP 2026.

18. Governing Law and Severability

This ESOP 2026 will be construed, administered, and governed in all respects in accordance with the laws of India and subject to the exclusive jurisdiction of the courts at New Delhi. If any provision of this ESOP 2026 is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of this ESOP 2026 shall continue to be fully effective.

19. Miscellaneous

19.1. The obligations under this ESOP 2026 shall be in addition to the contract of employment agreement or terms of directorship between the Company and/or the Subsidiary (as the case may be) and the Option Holder. The rights and obligations of any individual under the terms of his / her office or employment or directorship with the Company and/or the Subsidiary (as the case may be) shall not in any way be affected by such individual's participation in this ESOP 2026.

- 19.2. This ESOP 2026 shall not confer on any Person any legal or equitable rights against the Company and/or the Subsidiary (as the case may be) either directly or indirectly or give rise to any cause of action in law or equity against the Company and/or the Subsidiary (as the case may be) and/or the Board.
- 19.3. This ESOP 2026 is purely at the discretion of the Board and subject to approval of the shareholders in accordance with Applicable Laws, may be amended, withdrawn or terminated at any stage by the Board, without any obligations whatsoever on the Company and/or the Subsidiary (as the case may be) or the Board.
- 19.4. All notices or communications required to be given by the Company to an Option Holder by virtue of this ESOP 2026 shall be in writing and shall be sent by email or by delivery to the last email id / address of the Option Holder available in the records of the Company and any communication to be given by an Option Holder to the Company in respect of ESOP 2026 shall be sent to the addresses mentioned below:

Address: G-021 Site-5, Kasna Industrial Area, Greater Noida, Uttar Pradesh, India, 201306

Email: compliance@vishalcolourroofs.com

20. No Restriction of Corporate Action

- 20.1. The existence of this ESOP 2026 and allotment of Shares made hereafter shall not in any way affect the right or the power of the Board or the shareholders or the Company and/or the Subsidiaries to make or authorise any change in capital structure; including any issue of Shares, debt or other securities having any priority or preference with respect to the Shares or the rights thereof.
- 20.2. Nothing contained in this ESOP 2026 shall be construed to prevent the Company from taking any corporate action, such as stock split, reverse stock split, dividend, bonus, combination or reclassification of the Shares, any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company or in the event of a merger/demerger, or sale of all or substantially all the assets of the Company which is deemed by the Company, as the case may be, to be appropriate or in its best interest. No Eligible Employee or other person shall have any claim against the Company or any of its Subsidiaries, as the case may be, as a result of such action.

21. New Schemes

Nothing contained in the ESOP 2026 shall be construed to prevent the Company from implementing any other new scheme for granting stock options and/or share purchase rights, which is deemed by the Company to be appropriate or in its best interest whether or not such action would have any adverse impact on the ESOP 2026. No employee or other person shall have any claim against the Company as a result of such action.

Approved By Shareholders in EGM held on 26.02.2026

ADOPTED BY THE BOARD OF DIRECTORS AS OF 06.02.2026
APPROVED BY THE SHAREHOLDERS AS OF 26.02.2026

For Vishal Colour Roofs Limited

Mr. Rohit Goyal
Director
DIN: 07206375