

Technopaints and Chemicals Limited

Employee Stock Option Scheme 2026

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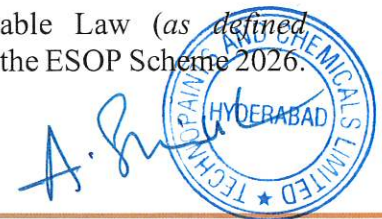
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Technopaints and chemicals Limited Employee Stock Option Scheme 2026

1. Name, Objective and Term

- 1.1. Technopaints and chemicals Limited Employee Stock Option Scheme 2026 shall be called the “**ESOP Scheme 2026**” under which the Company (*as defined hereinafter*) is authorised to grant Options (*as defined hereinafter*) to the Employees (*as defined hereinafter*), which expression shall include any alterations, amendments or modifications hereto from time to time.
- 1.2. The ESOP Scheme 2026 has been formulated by the Nomination and Remuneration Committee of the Board (*as defined hereinafter*) and approved by it at its meeting held on 08.08.2026 and by the Board at its meeting held on 08.08.2026 and by the shareholders of the Company *vide* a special resolution passed at the Extraordinary General Meeting held on 13.08.2026 in accordance with the provisions of the SEBI SBEB Regulations (*as defined hereinafter*).
- 1.3. The main objectives of the ESOP Scheme 2026 are:
 - (i) to achieve sustained growth of the Company and create shareholder value by aligning the interests of the employees with the long-term interests of the Company;
 - (ii) to attract and retain talent and as well as to motivate the employees to contribute to its growth and profitability;
 - (iii) to recognise and reward the efforts of employees and their continued association with the Company and its Subsidiary Companies; and
 - (iv) to promote the culture of employee ownership, to enable the employees to have greater involvement in the existing plans of the Company and provide them an opportunity to share in the future growth and profitability of the Company, which should lead to improved employee engagement, motivation and retention.
- 1.4. The ESOP Scheme 2026 is established with effect from 13.08.2026 and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the Options available for issuance under the ESOP Scheme 2026 have been issued and Exercised (*as defined hereinafter*) or have lapsed or have been cancelled by the Nomination and Remuneration Committee and the Nomination and Remuneration Committee does not intend to re-issue the said lapsed or cancelled Options.
- 1.5. The Board may, subject to compliance with Applicable Law (*as defined hereinafter*), at any time alter, amend, suspend or terminate the ESOP Scheme 2026.



TECHNOPAINTS AND CHEMICALS LIMITED (Formerly Known as Fortune Paints Pvt. Ltd)

Regd. office: Plot No. 1A & 1B, Techno Houz, Hitex Road, Shilpa Hills, Izzat Nagar, Serilingampally, Rangareddy (D), Telangana 500084

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2. Definitions and Interpretation

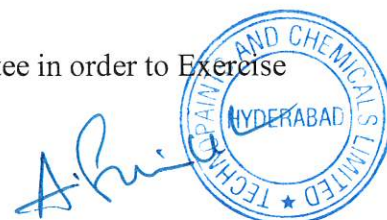
2.1. Definitions

- (i) **“Applicable Law”** includes all applicable laws, rules, regulations or bye-laws relating to employee stock options, including, without limitation, the Companies Act, 2013 (*defined hereinafter*), the SEBI SBEB Regulations (*defined hereinafter*), the SEBI Listing Regulations (*defined hereinafter*) and all the relevant tax, securities, exchange control or corporate laws, rules, regulations or bye-laws of India or any relevant jurisdiction, or of any stock exchange on which the equity shares of the Company are listed or quoted and includes, any amendment, modification, alteration or re-enactment made to such laws, rules, regulations or bye-laws.
- (ii) **“Associate Company”** shall have the same meaning assigned to it under Section 2(6) of the Companies Act.
- (iii) **“Board”** means the board of directors of the Company, which includes any committee authorized by the Board of Directors in this behalf, including the Nomination and Remuneration Committee.
- (iv) **“Cause”** shall mean termination of employment of the Employee due to disciplinary proceedings initiated by the Company or due to breach of terms and conditions of the employment letter or the employment agreement, as the case may be, executed between the Employee and the Company, or the ESOP Scheme or any other actions or circumstances of similar nature as may be determined by the Compensation Committee.
- (v) **“Companies Act”** means the Companies Act, 2013 read with rules and regulations made thereunder and includes any statutory modifications or re-enactments thereof, and includes circulars, notifications and clarifications issued thereunder and as amended from time to time.
- (vi) **“Company”** means Technopaints and Chemicals Limited, incorporated under Companies Act, 1956, having its registered office at Plot 1A & 1B, Techno Houz, Izzat Nagar, Hitex Road, Silpa Hills, Kothaguda, Serilingampally, Hyderabad 500084, Telangana, India, where the context requires, its Subsidiary companies.
- (vii) **“Director”** means a member of the Board of the Company.
- (viii) **“Employee”** shall have the meaning assigned to it under Regulation 2(f) of the SEBI SBEB Regulations, which as on date of the adoption of the ESOP Scheme 2026 shall mean, (a) a permanent employee of the Company working in India or out of India; or (b) a director, whether managing / whole time director of the Company or not; or (c) an employee, as defined in **Sub-Clauses (a) or (b)** in this paragraph, of a Subsidiary company, in India or

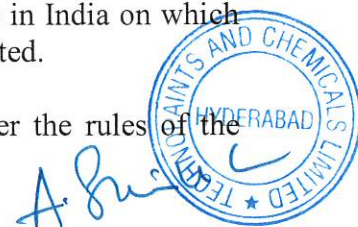


out of India, or of a Holding company, but excludes:

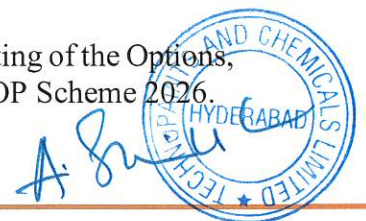
- (a) an employee who is a Promoter or a person belonging to the Promoter Group;
 - (b) an independent director (unless permitted otherwise under law);
 - (c) a director who either by self or through his/her relatives or through anybody corporate, directly or indirectly holds more than 10% (ten percent) of the outstanding equity shares of the Company.
- (ix) **“Employee Stock Option/s” or “Option(s)”** means the stock option granted to a Grantee, which gives such Grantee the right, but not an obligation, to purchase, during the Exercise Period (*as defined hereinafter*), the Equity Shares (*as defined hereinafter*) underlying the Option at the Exercise Price (*as defined hereinafter*) in accordance with the terms of the ESOP Scheme 2026.
- (x) **“ESOP Scheme 2026”** means the Technopaints Employee Stock Option Scheme, 2026 under which the Company is authorised to grant Options to the Employees, as amended from time to time.
- (xi) **“Exercise”** of Options means making of an application by a Grantee to the Company to subscribe to the Equity Shares underlying the Vested Options, in pursuance of the ESOP Scheme 2026, in accordance with the procedure laid down by the Company in this regard.
- (xii) **“Exercise Application”** means the application form or the letter of Exercise as may be prescribed by the Nomination and Remuneration Committee, in which the Grantee has to apply to the Company, as applicable, along with a cheque/demand draft in respect of the Exercise Price or such other documents as may be prescribed pursuant to the provisions of the ESOP Scheme 2026, for exercising the Vested Options. The payment towards Exercise Price may also be made by way of RTGS or NEFT or such mode of transfer to the account of the Company as may be permitted by the Nomination and Remuneration Committee.
- (xiii) **“Exercise Period”** means such time period after Vesting within which the Grantee should Exercise the Vested Options in terms of the ESOP Scheme 2026.
- (xiv) **“Exercise Price”** means the price payable by a Grantee in order to Exercise the Vested Options.



- (xv) **“Grant”** means issue of Options to the Employees under the ESOP Scheme 2026. The term **“Granting”** or **“Granted”** shall be construed accordingly.
- (xvi) **“Grant Date”** means the date on which the Options are issued to a Grantee by the Board of Directors or the Nomination and Remuneration Committee under the ESOP Scheme 2026.
- (xvii) **“Grantee”** means an Employee who has been granted an Option in pursuance of the ESOP Scheme 2026.
- (xviii) **“Holding company”** means any present or future holding company of the Company, as defined in the Companies Act.
- (xix) **“Letter of Grant”** means the letter issued by the Company, whether in physical or electronic mode, intimating the Employee, *inter alia*, of the Options Granted to him for acquiring a specified number of Shares at the Exercise Price.
- (xx) **“Lock-in Period”** means the period during which the Employee shall not sell, pledge or otherwise transfer, directly or indirectly, any of his Shares or dispose of any interest in or over the right attached to any of his Shares.
- (xxi) **“Nomination and Remuneration Committee”** means the Nomination and Remuneration Committee constituted by the Board of Directors, in accordance with Applicable Law, to administer employee stock option schemes of the Company.
- (xxii) **“Permanent Incapacity”** means any incapacity of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Nomination and Remuneration Committee based on a certificate of a medical expert identified by the Board.
- (xxiii) **“Promoter”** shall have the meaning as assigned to the term under the SEBI ICDR Regulations (*as defined hereinafter*).
- (xxiv) **“Promoter Group”** shall have the meaning as assigned to the term under the SEBI ICDR Regulations.
- (xxv) **“Recognised Stock Exchange”** means the BSE Limited, National Stock Exchange of India Limited or any other stock exchange in India on which the Company’s shares are listed or are proposed to be listed.
- (xxvi) **“Retirement”** means retirement of an Employee as per the rules of the Company.



- (xxvii) **"SEBI"** means the Securities and Exchange Board of India.
- (xxviii) **"SEBI Act"** means the Securities and Exchange Board of India Act, 1992, and includes all amendments, regulations, circulars, notifications and clarifications issued there under and as amended from time to time.
- (xxix) **"SEBI ICDR Regulations"** means SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, and includes all amendments, circulars, notifications and clarifications issued there under and as amended from time to time.
- (xxx) **"SEBI Listing Regulations"** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and includes all amendments, circulars, notifications and clarifications issued there under and as amended from time to time.
- (xxxi) **"SEBI SBEB Regulations"** means the SEBI (Share Based Employee Benefits) Regulations, 2014 and includes all amendments, circulars, notifications and clarifications issued there under and as amended from time to time.
- (xxxii) **"Shares" / "Equity Shares"** means equity shares of the Company of face value of INR 10 (Indian Rupees Ten only) each arising out of the exercise of Options Vested under the ESOP Scheme 2026.
- (xxxiii) **"Subsidiary company"** means any present or future subsidiary company of the Company, as defined in the Companies Act.
- (xxxiv) **"Unvested Option"** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Grantee has not become eligible to Exercise the Option.
- (xxxv) **"Vested Option"** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Grantee has become eligible to Exercise the Option.
- (xxxvi) **"Vesting"** means the process through which a Grantee becomes entitled to Exercise the Options Granted to him in pursuance of the ESOP Scheme 2026. The term **"Vest"** or **"Vested"** shall be construed accordingly.
- (xxxvii) **"Vesting Condition"** means any condition that may be stipulated by the Nomination and Remuneration Committee for Vesting of Options.
- (xxxviii) **"Vesting Period"** means the period during which the Vesting of the Options, Granted to the Employee takes place, in terms of the ESOP Scheme 2026.



All other expressions unless defined herein shall have the same meaning as have been assigned to them under the SEBI Act, the Securities Contract (Regulation) Act, 1956, the Companies Act, the SEBI ICDR Regulations, or the SEBI SBEB Regulations.

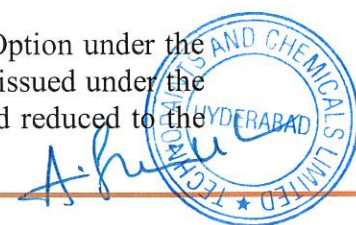
2.2. Interpretation

In the ESOP Scheme 2026, unless the contrary intention appears:

- (i) the clause headings and bold typeface are for ease of reference only and shall not be relevant for the purposes of interpretation;
- (ii) a reference to a clause number is a reference also to its sub- clauses;
- (iii) words in singular number include the plural and vice versa;
- (iv) words importing a gender include any other genders;
- (v) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference;
- (vi) the word ‘person’ includes an individual, a firm, a body corporate or any other authority;
- (vii) references to this Scheme shall be construed as a reference to the ESOP Scheme 2026;
- (viii) any reference to any legislation, statute, statutory provision shall be construed as a reference to such provisions as from time to time amended, consolidated, modified, extended, re-enacted or replaced;
- (ix) any reference to a clause, paragraph or annexure is, unless indicated to the contrary, a reference to a clause, paragraph or annexure of the ESOP Scheme 2026; and
- (x) the schedules and annexures hereto shall constitute an integral part of the ESOP Scheme, 2026.

3. Authority and Ceiling

- 3.1. The aggregate number of Options that shall be Granted under the ESOP Scheme 2026, shall not be exercisable into more than Equity Shares (which number may be adjusted only in terms of **Clause 3.3** herein below), being 10% (Ten percent) of the fully diluted paid-up equity share capital of the Company as on the date of the adoption of the ESOP Scheme 2026, approved by the shareholders of the Company. However, the aggregate number of Options that may be granted to a single Employee under the ESOP Scheme 2026 shall not exceed 10% percent of the paid-up equity share capital of the Company at the time of Grant (which shall be adjusted in lieu of adjustments/re-organisation of capital structure of the Company from time to time).
- 3.2. Where Equity Shares are issued, pursuant to the Exercise of an Option under the ESOP Scheme 2026, the maximum number of Shares that can be issued under the ESOP Scheme 2026 as referred to in **Clause 3.1** above will stand reduced to the extent of such Equity Shares issued.

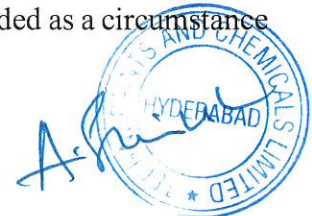


3.3. Change in Capital Structure and other Corporate Actions

- (i) In case of corporate actions such as issue of bonus shares, rights issue, stock splits, consolidation or other re-organisation of capital structure of the Company, whilst any Option remains exercisable (subject to **Clause 3.4**), the Company shall make a corresponding fair and reasonable adjustment in accordance with the Applicable Law, if any, to:
- (a) the number or nominal amount of Options to which the ESOP Scheme 2026 applies (insofar as they are unexercised); and/or
 - (b) the Exercise Price; and/or
 - (c) the number of Shares underlying an Option; and/or
 - (d) the method of Exercise of any Option; and/or
 - (e) the maximum number of Shares referred to in **Clause 3.1** above,

Provided that:

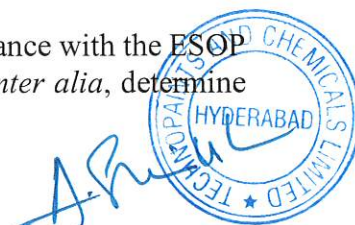
- (f) any such adjustment shall give the Grantee the same proportion of the issued share capital of the Company which such Grantee would have been entitled to subscribe or purchase, as applicable, had he exercised all the Options held by him immediately prior to such adjustment;
- (g) any such adjustment shall be made on the basis that the aggregate Exercise Price, payable by a Grantee on the full Exercise of the Options shall remain as nearly as possible the same (but shall not be greater than) as it was before the time when such corporate action takes effect;
- (h) any such adjustment shall be made in accordance with Applicable Law;
- (i) no such adjustment shall be made, the effect of which would be to enable Equity Shares to be issued at less than their face value; and
- (j) the issue or transfer of shares or other securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment.



- (ii) In the event of any corporate action as required under Applicable Law, including (without limitation) rights on a general offer, rights on compromise, arrangement, reconstruction or amalgamation, rights where a person becomes bound or entitled to acquire Equity Shares and rights where there is a change in control of the Company, which is not contemplated by **Sub-Clause 3.3(i)** above, the Nomination and Remuneration Committee may, subject to the provisions of the ESOP Scheme 2026 and Applicable Law, adjust the number of Options (Vested as well as Unvested) or the Exercise Price, or the Vesting Period or the Exercise Period or take one or more of the foregoing actions and/or other actions, as it deems appropriate in accordance with Applicable Law while ensuring that the interests of the Grantees are protected.
- 3.4. Options not Vested due to non-fulfillment of the Vesting Conditions, Vested Options which the Grantees have expressly refused to Exercise, Options (Vested and not Exercised and Unvested) which have been surrendered and any Options Granted but not Vested or Exercised within the stipulated time due to any reasons, shall lapse and these Options or the underlying Equity Shares will be available for Grant by the Nomination and Remuneration Committee to any Employee(s) as it may deem fit in its absolute discretion, whether under the ESOP Scheme 2026 or any amendment thereto or under a new scheme, as a fresh grant, subject to compliance with the provisions of the Applicable Law.
- 3.5. The Company may re-price the Unvested Options as well as Vested Options which are yet to be exercised, in accordance with Applicable Law, in the event they are rendered unattractive due to the fall in the price of the Shares on the Recognised Stock Exchanges.

4. Administration

- 4.1. The ESOP Scheme 2026 shall be operated and administered by the Nomination and Remuneration Committee. All questions of interpretation, dispute, discrepancy or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with the ESOP Scheme 2026 or any Option shall be referred to the Nomination and Remuneration Committee and shall be determined by the Nomination and Remuneration Committee and such determination or interpretation shall be final and binding upon all persons (including, but not limited to, Employees and their nominee(s) or legal heir(s)) having an interest in or affected by the ESOP Scheme 2026 or such Option.
- 4.2. The Nomination and Remuneration Committee shall, in accordance with the ESOP Scheme 2026 and Applicable Law, in its absolute discretion, *inter alia*, determine the following:



- (i) the eligibility criteria;
- (ii) the number of tranches in which the Options are to be Granted and the number of Options to be granted in each such tranche;
- (iii) the time when the Options are to be Granted;
- (iv) the quantum of Options to be Granted to each Employee under the ESOP Scheme 2026, subject to the ceiling as specified in **Clause 3.1**;
- (v) the number of Options, if any, reserved for Granting to new Employees who would join the services of the Company;
- (vi) the amount of up-front fee, if any, payable by the Employee at the time of Grant of Options;
- (vii) the terms and conditions subject to which the Options Granted would Vest in the Employee;
- (viii) the Exercise Period within which the Employee should exercise the Options and that the Options would lapse on failure to exercise within the relevant Exercise Period;
- (ix) the right of an Employee to Exercise all the Vested Options at one time or at various points of time within the Exercise Period;
- (x) the specified time period within which the Employee shall Exercise the Vested Options in the event of termination or resignation of an Employee;
- (xi) the conditions under which the Vested Options may lapse, in case of termination of employment for fraud or misconduct;
- (xii) the treatment of Unvested Options upon events including but not limited to, termination of employment or upon a director ceasing to hold office;
- (xiii) the Vesting and exercise of Options in case of Grantee who has been transferred, deputed or Seconded to an Associate Company or a Subsidiary company at the instance of the Company;
- (xiv) the procedure and terms for the Grant, Vesting and Exercise of Option in the case of Employees who are on long leave;
- (xv) the procedure for cashless Exercise of Options, if required;
- (xvi) the procedure for surrender and cancellation of Options, if required;
- (xvii) framing appropriate procedures and rules for Granting, Vesting and Exercise of Options and amending, altering, modifying or rescinding such procedures



and rules from time to time;

- (xviii) the procedure for making a fair and reasonable adjustment in the case of corporate actions such as merger, sale of division, stock split / consolidation, rights issues, bonus issues, change in capital structure and/or others, in accordance with Applicable Law;
- (xix) arranging to get the Shares, issued under the ESOP Scheme 2026, listed on the Recognized Stock Exchange(s) on which the shares of the Company are already listed;
- (xx) ensuring submission of information, reports, etc., in connection with the ESOP Scheme 2026 to the Recognised Stock Exchange(s) at stipulated periodical intervals or otherwise, as the case may be;
- (xxi) obtaining permissions from and making periodic reports to regulatory authorities, as may be required and ensuring compliance with Applicable Law;
- (xxii) laying down a method for satisfaction of any tax obligation arising in connection with the Options and the Shares in compliance with Applicable Law;
- (xxiii) subject to Applicable Law, re-price the Options, which are not yet exercised, whether or not the same are Vested, in the event the ESOP Scheme 2026 or any tranche of Grant under the same has been rendered unattractive due to the fall in price of the Equity Shares on the Recognised Stock Exchanges;
- (xxiv) provide for any statutory, contractual, regulatory or such other matters as may be necessary for the administration and implementation of the ESOP Scheme 2026 in accordance with Applicable Law; and
- (xxv) finalize, approve and authorise executives of the Company to execute various agreements, deeds, writings, confirmations, undertakings, indemnities or other documents, as may be necessary, under the Common Seal of the Company or otherwise, with any party including legal advisors, accountants, share transfer agents, depositaries, custodians, trustees, bankers and/or others for the purposes of the ESOP Scheme 2026 and accept modifications, changes and amendments to any such documents/agreements.



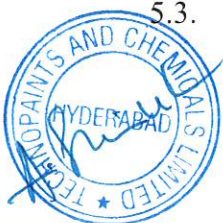
The Nomination and Remuneration Committee shall frame suitable policies and systems to ensure that there is no violation of Applicable Law, including the SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI Regulations and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 and such other applicable Regulation (s) as

may be introduced from time to time.

- 4.4. The number of members of the Nomination and Remuneration Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board of Directors of the Company, subject to Applicable Law.
- 4.5. No member of the Nomination and Remuneration Committee shall be personally liable for any decision or action taken in good faith with respect to the ESOP Scheme 2026.
- 4.6. The Nomination and Remuneration Committee may formulate various sets of special terms and conditions under the ESOP Scheme 2026 to apply to an Employee (or his nominee/legal heir, as the case may be). Each of such sets of special terms and conditions under the ESOP Scheme 2026 shall be restricted in their application to such Employee (or his respective nominees/ legal heirs). The Nomination and Remuneration Committee may also formulate separate sets of special terms and conditions to apply to each class or category of Employees (or their respective nominees/legal heirs) and each of such sets of special terms and conditions shall be restricted in its application to such class or category of Employees (or their respective nominees/legal heirs).
- 4.7. The Nomination and Remuneration Committee may appoint a third party/agency to administer the ESOP Scheme 2026 and support employee communication, on its behalf.
- 4.8. It is clarified that in terms of the ESOP Scheme 2026, upon exercise of the Options, the Grantees will subscribe to the Equity Shares to be issued by the Company, upon payment of the Exercise Price.

5. Eligibility, Applicability and Grant

- 5.1. Only Employees are eligible for being Granted Options under the ESOP Scheme 2026. The specific Employees to whom the Options would be Granted and the eligibility criteria (including but not limited to performance, merit, grade, conduct and length of service of the Employee) would be determined by the Nomination and Remuneration Committee, in its absolute discretion, subject to Applicable Law.
- 5.2. The ESOP Scheme 2026 shall be applicable to the Company, its Holding Company (if any) and its Subsidiary Companies in India and abroad, and Options may be Granted to the Employees, as determined by the Nomination and Remuneration Committee at its sole discretion.
- 5.3. The Nomination and Remuneration Committee may, on such dates as it shall determine, Grant to such Employees as it may in its absolute discretion select, Options on the terms and conditions and for the consideration as it may decide, subject to compliance with Applicable Law. The Employee identified for Grant of Options shall be furnished with: (i) the Letter of Grant; (ii) the disclosures prescribed under Applicable Law including the salient features of the ESOP Scheme



2026; (iv) Nomination Form and such other documents as may be prescribed by the Nomination and Remuneration Committee and Applicable Law.

- 5.4. An Employee who wishes to accept the Grant made, must signify his or her acceptance in the manner specified by the Nomination and Remuneration Committee within 30 (thirty) days from the Grant Date. Any Employee, who fails to communicate his / her acceptance within the stipulated time, will be deemed to have rejected the Grant unless otherwise determined by the Nomination and Remuneration Committee.
- 5.5. The appraisal process for determining the eligibility of the Employees will be specified by the Nomination and Remuneration Committee, and will be based on criteria such as role/level of the Employee, past performance record, future potential of the Employee, balance number of years of service until normal retirement age and/or such other criteria that may be determined by the Nomination and Remuneration Committee at its sole discretion.

6. Vesting Period and Conditions

- 6.1. The Options Granted under the ESOP Scheme 2026 would Vest post completion of 1 (one) year and not later than 4 (years) from the Grant Date as may be determined by the Nomination and Remuneration Committee from time to time, in accordance with Applicable Law.
- 6.2. Vesting of Options shall be subject to, amongst other things, the conditions that:
- (i) a minimum of 1 (one) year has completed from Grant Date;
 - (ii) the Grantee is (a) in continuous employment with the Company (or its Subsidiary company); (b) is not serving any notice of resignation/ termination on the date of such Vesting (see **Clause 7.9**) (except in the case of death (see **Clause 7.5**); Permanent Incapacity suffered by the Grantee (see **Clause 7.6**); or Retirement (see **Clause 7.7**)); and
 - (iii) the Grantee is not subject to any pending disciplinary proceeding.
- 6.3. The specific Vesting schedule and conditions, if any, subject to which Vesting would take place would be outlined either in the Letter of Grant given to the Grantee at the time of the Grant of Options, in the respective vesting letters to be issued by the Company to the Grantees from time to time.

7. Exercise

Exercise Price

The Exercise Price would be INR 10 (Indian Rupees Ten only), or any other amount as may be determined by the Nomination and Remuneration Committee, provided



that the Exercise Price per Option shall not be less than the face value of the Shares as on the date of Grant of Options.

7.2. Exercise Period

The Options Granted to a Grantee shall be capable of being Exercised within a period of 1 (one) year from the date of Vesting of the respective Options or such other period as may be determined (and communicated to the Grantee) by the Nomination and Remuneration Committee from time to time.

7.3. Exercise Application

- (i) The Grantee may, at any time during the Exercise Period, and subject to fulfillment of conditions of the Grant and Vesting, as applicable, Exercise the Options by submitting the Exercise Application to the Company, for issuance or allotment of Equity Shares pursuant to the Vested Options, accompanied with the:
 - (a) payment of an amount equivalent to the Exercise Price, in respect of such Equity Shares; and
 - (b) such other documentation as the Nomination and Remuneration Committee may specify to confirm extinguishment of the rights comprising in the Options then Exercised, subject to Applicable Law.
- (ii) The Exercise Application shall be in such form as may be prescribed in this regard by the Nomination and Remuneration Committee and the Nomination and Remuneration Committee may determine the procedure for such Exercise from time to time.
- (iii) The Equity Shares will be allotted in dematerialized form only, unless otherwise determined by the Board/ Nomination and Remuneration Committee.

- 7.4. Each Option would entitle the Grantee, on Exercise, to acquire 1 (one) Equity Share (or such other number as adjusted for any change in capital structure of the Company and other corporate action, as the case may be, in terms of **Clause 3.3** of the ESOP Scheme 2026 or otherwise as adjusted from time to time, as may be determined by the Nomination and Remuneration Committee pursuant to the provisions of the ESOP Scheme 2026). Provided that, in the event of Exercise of Options resulting in fractional Equity Shares, the Nomination and Remuneration Committee shall be entitled to round off the number of Equity Shares to be issued to the nearest whole number, and the Exercise Price shall be accordingly adjusted. All Equity Shares issued and allotted consequent to Exercise of Options shall rank *pari passu* with the then existing Equity Shares.



- 7.5. **In case of death:** In the event of the death of a Grantee while in employment with the Company, all the Unvested Options Granted to him shall Vest in his nominee(s)/legal heir(s)/successor(s) immediately on the date of death. All the Options (including those which Vest upon the death of the Grantee) shall be Exercised by the nominee(s)/legal heir(s)/successor(s) of the Grantee as soon as possible, but in no event later than 6(six) months from the date of death or such longer period as may be determined by the Nomination and Remuneration Committee. The mode of nominating any person as a nominee would be prescribed by the Nomination and Remuneration Committee.
- 7.6. **In case of Permanent Incapacity:** Subject to compliance with Applicable Law, in the event of separation of a Grantee due to reasons of Permanent Incapacity while in employment, all the Unvested Options Granted to him shall Vest in him immediately on the date of such Permanent Incapacity, subject to the completion of 1 (one) year from the date of the Grant. All the Options (including those which Vest upon the Permanent Incapacity of the Grantee) shall be Exercised by him as soon as possible, but in no event later than 6 (six) months from the date of separation on account of such Permanent Incapacity or if the Permanent Incapacity occurred within 1 (one) year from the date of Grant, then in no event later than 6 (six) months from the 1st anniversary of the Grant, or such longer period as maybe prescribed by the Nomination and Remuneration Committee.
- 7.7. **In case of Retirement:** Subject to compliance with the Applicable Law and completion of 1 (one) year from the date of Grant, in the event of separation from employment for reasons of normal retirement or a Retirement specifically approved by the Company, all the Unvested Options shall accelerate in full on the date of retirement and all the Vested as well as Unvested Options shall be Exercised by the Grantee as soon as possible, but in no event later than 6 (six) months from the date of Retirement or such longer period as maybe permitted by the Nomination and Remuneration Committee.
- 7.8. **In case of termination of employment for Cause:** In the event of termination of the employment of a Grantee for Cause, all Options Granted to such Grantee, including the Vested Options which were not Exercised prior to such breach, shall stand terminated with immediate effect. The date of such breach shall be determined by the Nomination and Remuneration Committee, and its decision on this issue shall be final and binding on all concerned.
- 7.9. **In case of resignation or termination for reasons other than Cause (including termination for convenience):** In the event of resignation by the Grantee or termination of employment of a Grantee for reasons other than Cause (including termination for convenience) or for reasons not covered within the scope of **Clauses 7.5, 7.6, 7.7 and 7.8** above, all Unvested Options shall expire, and stand cancelled with effect from the date of submission of the termination/ resignation notice. However, all Vested Options as on such date shall be exercised by the by the Grantee as soon as possible, but in no event later than the last date of employment of the Grantee, or such longer period as may be determined by the Nomination and Remuneration Committee.

8. Other Terms and Conditions

- 8.1. Nothing herein is intended to or shall give the Grantee any right or status of any kind as a shareholder of the Company in respect of any Equity Shares covered by the Grant unless the Grantee Exercises the Options and becomes a registered holder of the Equity Shares.
- 8.2. The Options shall not be transferred, pledged, hypothecated, mortgaged or otherwise alienated or encumbered in any manner whatsoever. The Company shall not recognise any transfer, pledge, hypothecation, mortgage or other alienation or encumbrance undertaken in violation of this condition.
- 8.3. If the Company issues bonus or rights shares or any other securities to the then existing shareholders of the Company, the Grantee will not be eligible for the same in the capacity of a Grantee. However, an adjustment to the number of Options or the relevant exercise price or both would be made in accordance with **Clause 3.3** of the ESOP Scheme 2026 and Applicable Law.
- 8.4. In the event of any change in the constitution of the Company namely change of control of the Company, re-structuring of the Company, including but not limited to, merger, de-merger, spin-off, reverse merger, subsidiarisation etc. or amalgamation of any other entity with the Company, the Nomination and Remuneration Committee would have the authority to alter all or any of the terms relating to the Grant or the ESOP Scheme 2026 in general and would also have the authority to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion in the best interests of the Employees and as permitted under Applicable Law, so as to ensure that “fair” and equitable benefits under the Grant are passed on to the Grantees. The Nomination and Remuneration Committee shall take appropriate actions, in accordance with Applicable Law, to endeavour that the total value of the Options remains the same after the aforesaid corporate actions and in this regard shall if necessary, arrange issuance of fresh Options/ shares of the Subsidiary companies of the Company and/or resultant entities emerging due to such corporate actions.
- 8.5. Options shall not be transferable or assignable to any person except in the event of death or Permanent Incapacity of the Grantee, in accordance with **Clause 7.5** and **Clause 7.6** of the ESOP Scheme 2026.
- 8.6. No person other than the Grantee to whom the Option are granted shall be entitled to Exercise the Option except in the event of the death or Permanent Incapacity of the Grantee.
- 8.7. Notwithstanding anything contained elsewhere in the ESOP Scheme 2026, the Company or the Board or the Nomination and Remuneration Committee will not be obliged to issue any Equity Shares upon Exercise of the Options or otherwise unless the issuance, transfer and delivery of such Equity Shares complies, in the judgment of the Company, with all the relevant provisions of Applicable Law

including but not limited to, any applicable securities laws and the requirements of any Recognised Stock Exchange(s). In such event, the Company shall not be liable to pay any compensation or similar payment to any Employee for any loss suffered due to such refusal/ deferral to permit Exercise.

- 8.8. An Employee may surrender his Options (Vested and un-Exercised and Unvested) at any time during his employment with the Company till the ESOP Scheme 2026 remains in effect. Any Employee willing to surrender his Options shall communicate the same, in writing, to the Nomination and Remuneration Committee. Thereafter the surrendered Options shall lapse or expire with effect from the date of surrender and the underlying Shares shall become available for future Grant in the form of Options as provided under **Clause 3.4** of the ESOP Scheme, 2026.

9. Transferability of Equity Shares

Options Granted under the ESOP Scheme 2026 to an Employee shall not be transferable to any person. However, there will be no restriction on transferability of the Equity Shares, which may be issued to the Employee upon Exercise of the Options Granted pursuant to the ESOP Scheme 2026, unless otherwise specified. However, Employees are required to always adhere to Applicable Law, Company Policies/Term of Employment while dealing in the Equity Shares or exercising any rights there under. In particular, each Employee shall ensure that there is no violation of the provisions of (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, (b) the Company's share dealing policies and codes, if any or (c) other applicable restrictions for prevention of fraudulent and/or unfair trade practices relating to the securities market.

10. Lock-in Period

There will be no Lock-in Period in respect of the Equity Shares, which may be issued upon Exercise of the Options Granted pursuant to the ESOP Scheme 2026.

11. Tax Liability

The liability of paying tax, if any, on the Options granted and exercised pursuant to the ESOP Scheme 2026 and the Equity Shares issued pursuant to Exercise of Options shall be entirely on the Grantee (his nominee(s)/ legal heir(s)/ successor(s) as the case may be) and shall be in accordance with the provisions of Income Tax Act, 1961 (or any re-enactment thereof) and/or the rules framed there under and if such Grantee (his nominee(s)/ legal heir(s)/ successor(s) as the case may be) is resident in a territory outside India, it shall also be in accordance with tax laws applicable to such territory. In the event of any amendments or modifications to the provisions of the Income Tax Act, 1961 (or any re-enactment thereof) and/or the rules framed there under, as existing on the date of the ESOP Scheme 2026, the Nomination and Remuneration Committee shall have the power to amend or modify the ESOP Scheme 2026, without the consent of the Employees or the shareholders,

as the case may be, in order to ensure that the Company is in the same position as it would have been had the amendments or modifications in the Income Tax Act, 1961 (or any re-enactment thereof) and/or the rules framed there under not been made.

12. Tax Deduction at Source

The Company shall have the right to deduct from the salary of the Grantee or receive from the Grantee (his nominee(s)/ legal heir(s)/ successor(s) as the case may be) any of the tax obligations, as stated in **Clause 11** above, arising in connection with the Option or the Equity Shares acquired upon the Exercise thereof. The Company shall have no obligation to deliver the Equity Shares upon Exercise of the Options, until the Company's tax deduction obligations, if any, have been satisfied by the Grantee.

13. Authority to vary terms

13.1. Subject to Applicable Law, the Nomination and Remuneration Committee will at its absolute discretion have the right to modify/amend the ESOP Scheme 2026 in such manner and at such time or times as it may deem fit, subject however that any such modification/amendment shall not be detrimental to the interest of the Grantees and approval wherever required for any modification/amendment is obtained from the shareholders of the Company in terms of Applicable Law.

13.2. The Nomination and Remuneration Committee may re-price the Options, which are not exercised, if such Options are rendered unattractive due to fall in the share price of the Company in the stock market. Provided that the Nomination and Remuneration Committee shall ensure that such re-pricing shall not be detrimental to the interest of the Grantees and such re-pricing is in terms of and in compliance with Applicable Law.

14. Miscellaneous

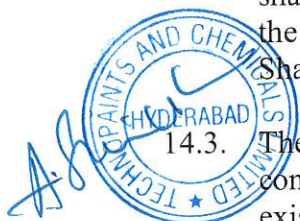
14.1. Regulations

The ESOP Scheme 2026 shall be subject to Applicable Law and any approvals from the governmental authorities, as applicable.

14.2. Inability to obtain approval

The inability of the Company to obtain approval from any regulatory body having jurisdiction over the Company, or under Applicable Law, for the lawful issuance, transfer and sale (to the extent permitted by law) of any Equity Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue, transfer or sell (to the extent permitted by law) such Equity Shares.

14.3. The Grant of an Option does not form part of the Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person and the Company give



such person any right or entitlement to have an Option Granted to him in respect of any number of Equity Shares or any expectation that an Option might be Granted to him whether subject to any condition or at all.

- 14.4. Neither the existence of the ESOP Scheme 2026 nor the fact that an individual has on any occasion been Granted an Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in the ESOP Scheme 2026 by being Granted an Option on any other occasion.
- 14.5. The rights granted to a Grantee upon the Grant of an Option shall not afford the Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 14.6. 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.
- 14.7. Nothing contained in the ESOP Scheme 2026 or in any Grant made hereunder shall:
- (i) confer upon any Employee any right with respect to continuation of employment or engagement with the Company; or
 - (ii) interfere in any way with the right of the Company to terminate employment or services of any Employee at any time.
- 14.8. Neither the adoption of the ESOP Scheme 2026 nor any action of the Nomination and Remuneration Committee shall be deemed to give an Employee any right to be Granted any Option to acquire Shares or to any other rights except as may be evidenced by a Letter of Grant.
- 14.9. Participation in the ESOP Scheme 2026 shall not be construed as any guarantee of return on any investment. Any loss due to fluctuations in the market price of the Shares and the risks associated with the investments is that of the Employee alone. The Company shall not in any way be responsible for the loss, if any, that may arise as a result of any fluctuation in the market price of the Equity Shares of the Company.

15. Confidentiality

Employees shall keep the details of the Options Granted to them strictly confidential and shall not share with, or disclose the said details to, any other person. In case of non-adherence of the provisions of this Clause, the Nomination and Remuneration Committee will have the authority to deal with such cases as it may deem fit in its absolute discretion. Any decision as may be taken by the Nomination and Remuneration Committee in this regard will be final and binding on all concerned.

16. Method used for Valuation of Options

The Company shall value the Options as per Applicable Law and will make the necessary disclosures as may be required in this regard under Applicable Law.

17. Conformance to the Accounting Policies

The Company and its subsidiaries shall conform to the with the requirements of the 'Guidance Note on Accounting for employee share-based Payments' or accounting standards as may be prescribed by the Institute of Chartered Accountants of India ("ICAI") or such other accounting standard as may be applicable from time to time, including the disclosure requirements prescribed therein. Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements for employee stock option schemes then the Company shall comply with the relevant Accounting Standard as may be prescribed by the ICAI from time to time.

18. No Restriction on Corporate Action

The existence of the ESOP Scheme 2026 and any Grant made hereunder shall not in any way affect the right or the power of the Board or the shareholders of the Company to make or authorise any change in capital structure, including any issue of shares, debt or other securities having any priority or preference with respect to the shares of the Company or the rights thereof or from making any corporate action which is deemed to be appropriate or in its best interest, whether or not such action would have an adverse effect on the ESOP Scheme 2026 or any Grant made under the ESOP Scheme 2026. No Employee or other person shall have any claim against the Company as a result of such action.

19. New Schemes

Nothing contained in the ESOP Scheme 2026 shall be construed to prevent the Company from implementing any other new scheme, in accordance with Applicable Laws, for granting stock options (by way of 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 Scheme 2026 or any Grant made under the ESOP Scheme 2026. No Employee or other person shall have any claim against the Company as a result of such action.

20. Notices

All notices or communication required to be given by the Company to a Grantee by virtue of the ESOP Scheme 2026 shall be in writing and shall be sent to the address of the Grantee available in the records of the Company and any communication to be given by a Grantee to the Company in respect of the ESOP Scheme 2026 shall be sent, in writing, at the address mentioned below:

The Company Secretary
Technopaints and Chemicals Limited
Address: Techno Houz, Shilpa Hills, Hitex Road, Hyderabad-500084, Telangana, India

21. Severability

In the event that any term, condition or provision of the ESOP Scheme 2026 is held to be a violation of or contrary to Applicable Law, the same shall be severable from the rest of the ESOP Scheme 2026 and shall have no force and effect and the ESOP Scheme 2026 shall remain in full force and effect as if such term, condition or provision had not originally been contained in the ESOP Scheme 2026. In the event of any inconsistency between any of the provisions of the ESOP Scheme 2026 and the Applicable Law, the provisions as under the Applicable Law shall prevail.

22. Arbitration

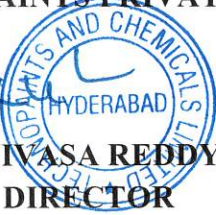
All disputes arising out of or in connection with the ESOP Scheme 2026 or the Grant, Vesting or Exercise shall be referred for arbitration to a sole arbitrator (not being an employee) to be appointed by the Nomination and Remuneration Committee with the consent of the Grantee. The arbitration proceedings shall be in accordance with the provisions of the Arbitration and Conciliation Act, 1996. The place of Arbitration shall be Mumbai, India and the proceedings shall be conducted in English.



23. Governing Law

The terms and conditions of the ESOP Scheme 2026 shall be governed by and construed in accordance with the laws of India.

**FOR TECHNOPAINTS AND CHEMICALS LIMITED (FORMERLY KNOWN AS
FORTUNE PAINTS PRIVATE LIMITED)**



AKURI SRINIVASA REDDY
MANAGING DIRECTOR
DIN: 01746988