

AFFLE (INDIA) LIMITED EMPLOYEE STOCK OPTION SCHEME – 2021

1. Introduction:

- 1.1** This Scheme shall be called the “Affle (India) Limited Employee Stock Option Scheme – 2021” hereinafter referred as “the Scheme”.
- 1.2** The Scheme was approved by the Board of Directors and the Shareholders of the Company on August 7, 2021 and September 23, 2021 respectively.
- 1.3** The Scheme shall be effective from the date of approval by shareholders.

2. Term of the Scheme:

- 2.1** The Scheme shall continue in effect unless terminated by the Board of Directors or until all Options available to be granted under the Scheme are fully exercised.
- 2.2** Any such termination of the Scheme shall not affect Options already granted and such Options shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Grantee / Nominee / Legal Heirs and the Company.

3. Purpose of the Scheme:

- 3.1** The Purpose of the Scheme includes the followings:
 - 3.1.1** To motivate the Employees to contribute to the growth and profitability of the Company.
 - 3.1.2** To retain the Employees and reduce the attrition rate of the Company.
 - 3.1.3** To achieve sustained growth and the creation of Shareholder value by aligning the interests of the Employees with the long term interests of the Company.
 - 3.1.4** To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come, and
 - 3.1.5** To provide additional deferred rewards to Employees.

4. Definitions:

4.1 In this Scheme, except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against.

4.1.1 “Applicable Law” means every law relating to Employee Benefit Schemes in force, including, without limitation to, Companies Act, 2013, SEBI (SBEB) Regulations as amended, and all relevant revenue, tax, securities or exchange control regulations or corporate laws of India to the extent applicable. The applicable law includes any provision of the applicable law, rule(s), regulation(s), notification(s), circular(s) or any other similar form of directives issued by the competent authority under the relevant applicable law.

4.1.2 “Associate Company” shall have the same meaning as defined in section 2(6) of the Companies Act. 2013, as amended from time to time.

4.1.3 “Board of Directors” means the Board of Directors of the Company.

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

4.1.5 “Cashless Exercise” means making of an application in such manner and on such format as may be prescribed by the Committee, from time to time, by the Grantee to the Company and the Trust, directing the Trust to sell the requisite number of Shares in lieu of Options exercised and crediting the sale proceeds after adjustment of Exercise Price, applicable income tax amounts and other amounts, if any, in accordance with the terms and conditions of the Scheme. However the Company and the Trust shall not be obliged to pay if the shares are not sold for any reason - e.g. in the event of unexpected market suspensions.

4.1.6 “Committee” means Nomination and Remuneration Committee of the Company constituted by the Board of Directors and is designated as Compensation Committee for the purpose of monitoring, administering, superintending, and implementing the Scheme in compliance with SEBI (SBEB) Regulations.

4.1.7 “Company” means Affle (India) Limited.

4.1.8 “Corporate action” means a change in the capital structure of the Company as a result of Bonus Issue, Rights Issue, Split of Shares and Consolidation of Shares.

4.1.9 “Directors” means a Director appointed to the Board of Directors of the Company.

4.1.10 “Employee” means:

- a. an employee as designated by the Company, who is exclusively working in India or outside India;; or
- b. a Director of the Company, whether a Whole Time Director or not, including a non-executive Director who is not a promoter or member of promoter group but excluding an Independent Director; or
- c. an Employee as defined in clause (a) or (b) of a group company including Subsidiary or its associate company, in India or outside India, or of a Holding Company of the Company

But does not include:

- a. an Employee who is a Promoter or a person belonging to the Promoter Group; or
- b. A Director who either himself or through his Relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Shares of the Company.

4.1.11 “Eligibility Criteria” means the criteria, as may be determined from time to time by the Committee, for grant or vesting of Options.

4.1.12 “Exercise” means making of an application, in such manner and on such format as may be prescribed by the Committee, from time to time, by the Grantee, to the Company and the Trust in accordance with terms and conditions of the Scheme.

4.1.13 “Exercise Period” means the time period after vesting within which a Grantee should exercise / cashless exercise his right against the vested Options.

4.1.14 “Exercise Price” means the price payable by the Grantee for exercising the Options vested in him in pursuance to the Scheme.

4.1.15 “Grant” means the issue of Options to the Grantee under the Scheme.

4.1.16 “Grant Date” means the date on which the Options are granted to an Employee.

4.1.17 “Grantee” shall mean Employee to whom Options have been granted under the Scheme.

4.1.18 “Holding Company” shall have the same meaning as defined in regulation 2 of SEBI (LODR) Regulations, 2015 and section 2(46) of the Companies Act. 2013, as amended from time to time.

4.1.19 “Independent Director” shall have the same meaning as defined in regulation 16 of SEBI (LODR) Regulations, 2015 and section 2(47) of the Companies Act.

2013, as amended from time to time.

4.1.20 “Market price” means the latest available closing price on a recognized stock exchange on which the Shares of the Company are listed on the date immediately prior to the relevant date.

Explanation – If the Shares of the Company got listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price.

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

4.1.22 “Permanent Disability” means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps a Grantee from performing any specific job, work or task which the said Grantee was capable of performing immediately before such disablement, as determined by the Board of Directors based on a certificate of a medical expert identified by the Company.

4.1.23 “Promoter” shall have the same meaning as defined in regulation 2 of SEBI (SBEB) Regulations, as amended from time to time.

4.1.24 “Promoter Group” shall have the same meaning as defined in regulation 2 of SEBI (SBEB) Regulations, as amended from time to time.

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

4.1.26 “Relevant date” means the date of the meeting of the Committee on which the grant is made.

4.1.27 “Scheme” shall mean the Affle (India) Limited Employee Stock Option Scheme – 2021 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof from time to time.

4.1.28 “SEBI (SBEB) Regulations” means the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof.

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

4.1.30 “Shares” means Equity Shares of the Company.

4.1.31 “Subsidiary” shall have the same meaning as defined in regulation 2 of SEBI (LODR) Regulations and section 2(87) of the Companies Act, 2013, as amended from time to time.

4.1.32 ¹["**Trust**” shall mean Affle (India) Limited Employees Welfare Trust, an irrevocable Trust created by the Company.]

4.1.33 “Unvested Option” means an Option in respect of which the relevant vesting conditions have not been satisfied and as such, the Grantee is not eligible to Exercise the same

4.1.34 “Vested Option” means an Option, which has vested in pursuance to the Scheme and has thereby become exercisable.

4.1.35 “Vesting” means the process by which the Grantee becomes entitled to receive the benefit of a grant made to him under the Scheme.

4.1.36 “Vesting Date” means the date on and from which the Option vests with the Grantees and there by becomes exercisable.

4.1.37 “Vesting period” means the period during which the vesting takes place.

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

Interpretation:

In this document, unless the contrary intention appears:

- a) The singular includes the plural and vice versa;
- b) The word “person” includes an individual, a firm, a body corporate or unincorporated body or authority; and
- c) Any word or expression importing the masculine, feminine or neuter genders only, shall be taken to include all three genders.

¹ Amended vide Special resolution passed at Annual General Meeting held on September 22, 2023

- d) Any word which is not defined under the Scheme shall be interpreted in line with SEBI (SBEB) Regulations.
- e) Articles headings are for information only and shall not affect the construction of this document.
- f) A reference to an article is respectively a reference to an article of this document.
- g) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.

5. Implementation & Administration:

5.1 ²[The Company proposes to implement the Scheme through Trust Route, except in the case where the Grantees are covered under Clause 5.2 and Clause 5.3, wherein

A) The Trust shall acquire the Shares by:

- i) Direct allotment from the Company and/or
- ii) From secondary acquisition from the market

B) The Shares so acquired by the Trust will either be:

- i) transferred to the Grantees as and when the Options are exercised and/or
- ii) will be sold by the Trust and the sale proceeds after adjustment of Exercise Price, applicable income tax amounts and other amounts, if any will be transferred to the Grantees in accordance with the terms and conditions of the Scheme when Options are exercised under cashless mechanism.]

5.2 ³[The Company further proposes to implement the Scheme, through Trust, by a sub plan (“Israeli Sub-Plan) under this Scheme for the Grantees, who are tax resident of Israel and such Israeli Grantees shall be covered under the Israeli Sub-Plan attached as Appendix A, wherein

A) The Trust shall acquire the Shares by:

- i) Direct allotment from the Company and/or
- ii) From secondary acquisition from the market

B) Subject to the provisions of Israeli Sub-Plan, the Shares so acquired by the Trust will either be:

- i) transferred to the Grantees as and when the Options are exercised and/or

² Amended vide Special resolution passed at Annual General Meeting held on September 22, 2023

³ Inserted vide Special resolution passed at Annual General Meeting held on September 22, 2023

ii) will be sold by the Trust and the sale proceeds after adjustment of Exercise Price, applicable income tax amounts and other amounts, if any, will be transferred to the Israeli Grantees in accordance with the terms and conditions of the Scheme and the Israeli Sub-Plan, when the Options are exercised by cashless mechanism.]

5.3 ⁴The Company also proposes to implement Scheme, through Trust, by any other sub plan as may be approved by the Committee, from time to time, for the Grantees who are tax residents in countries other than India and Israel and such other sub plan shall form an integral part of the Scheme, wherein

A) The Trust shall acquire the Shares by:

- i) Direct allotment from the Company and/or
- ii) From secondary acquisition from the market

B) The Shares so acquired by the Trust will either be:

- i) transferred to the Grantees as and when the Options are exercised and/or
- ii) will be sold by the Trust and the sale proceeds after adjustment of Exercise Price, applicable income tax amounts and other amounts, if any will be transferred to the Grantees in accordance with the terms and conditions of the Scheme when Options are exercised by cashless mechanism.

5.4 Subject to applicable laws and the framework laid down by the Board of Directors, the Scheme shall be administered by the Committee which shall delegate some or all of its power to the Trust or any other Committee or Persons for proper administration of the Scheme.

5.5 The Committee is authorized to interpret the Scheme, to establish, amend and rescind any rule(s) and regulation(s) relating to the Scheme and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Scheme.

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

5.7 The Committee shall subject to applicable laws, inter alia, have powers to do following:

⁴ Amended vide Special resolution passed at Annual General Meeting held on September 22, 2023

- 5.7.1** To delegate its duties and powers in whole or in part as it may decide from time to time to any person or Committee or Trust.
- 5.7.2** To decide upon stopping the Options which were lapsed, forfeited or surrendered under any provisions of the Scheme from re granting.
- 5.7.3** To increase or decrease the pool of Options to be granted under Scheme.
- 5.7.4** ⁵[To approve any sub-plans and/ or reserve a pool of Options for such sub-plans, as may be required from time to time.]
- 5.7.5** To increase or decrease the pool of Shares to be issued under Scheme.
- 5.7.6** To identify the Employees eligible to participate in the Scheme.
- 5.7.7** To finalize the eligibility criteria for grant of Options.
- 5.7.8** To determine the Employees eligible for grant of Options.
- 5.7.9** To determine the number of Options to be granted to each Grantee and in aggregate subject to the pool of Options of the Scheme.
- 5.7.10** To decide upon granting of Options to new Joinees.
- 5.7.11** To determine the grant date.
- 5.7.12** To grant Options to one or more eligible Employees.
- 5.7.13** To calculate the exercise price after giving discount / charging premium on the market price, if deems fit.
- 5.7.14** To extend the period of acceptance of grant.
- 5.7.15** To decide the vesting period subject to minimum and maximum period of vesting as stated in Scheme.
- 5.7.16** To determine the vesting schedule for each Grantee.
- 5.7.17** To finalize the eligibility criteria for vesting of Options.
- 5.7.18** To determine the Employees eligible for vesting of Options.
- 5.7.19** To decide upon the mode and manner of exercise.
- 5.7.20** To allot Shares to Trust.
- 5.7.21** To decide upon treatment of vested and unvested Options in cases of cessation of employment as specified in the Scheme.
- 5.7.22** To decide upon the treatment of vested and unvested Options in the event of Corporate Actions taking into consideration the following:
 - a.** the number and price of Options shall be adjusted in a manner such that the total value to the Grantee of the Options remains the same after the Corporate Action;
 - b.** the vesting period and the life of Options shall be left unaltered as far as possible to protect the rights of the Grantee who has been granted such Options.
- 5.7.23** To cancel all or any granted Options in accordance with the Scheme.
- 5.7.24** To accelerate the vesting of Options on a case to case basis, subject to completion

⁵ Inserted vide Special resolution passed at Annual General Meeting held on September 22, 2023

of minimum 1 year from the date of grant.

- 5.7.25** To decide upon treatment of vested and unvested Options in cases of dispute between the Grantee and Company.
- 5.7.26** To finalize letters and other documents, if any, required to be issued under the Scheme.
- 5.7.27** To re price the Options which are not exercised, whether or not they have been vested, if the Options rendered unattractive due to fall in the price of the Shares in the market.
- 5.7.28** To establish, amend, suspend or waive such rules and regulations as it shall deem appropriate for the proper administration of the Scheme.
- 5.7.29** To terminate the Scheme.
- 5.7.30** To appoint such agents as it shall deem necessary for the proper administration of the Scheme.
- 5.7.31** To determine or impose other conditions to the grant of Options under the Scheme, as it may deem appropriate.
- 5.7.32** To frame suitable policies and procedure to ensure that there is no violation of securities laws, including the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 as amended, by the Company or the Employees.
- 5.7.33** To determine the procedure for cashless exercise of Options, if deems fit.
- 5.7.34** ⁹To grant extension of exercise period in the interest of grantees

5.8 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 case, the said powers shall be exercised accordingly.

5.9 A member of the Committee shall abstain from participating in and deciding on any matter relating to grant of any Options to himself.

6. Pool of the Scheme:

6.1 The maximum number of Options that may be granted pursuant to this Scheme shall not exceed 750,000 which shall be convertible into equal number of Shares.

6.2 If any Option granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such Option shall be available for further grant under the Scheme unless otherwise determined by the Committee.

⁹ Inserted vide resolution passed by the Board of Directors on March 7, 2024

6.3 Further, the maximum number of Options that can be granted and the Shares arise upon exercise of these Options shall stand adjusted in case of corporate action.

6.4 The Company reserves the right to increase or decrease such number of Options and Shares as it deems fit, in accordance with the applicable laws.

7. Affle (India) Limited Employees Welfare Trust:

7.1 Affle (India) Limited Employees Welfare Trust is the Trust established by the Company, which holds the Shares of the Company for the purpose of extending benefits of the Scheme to the Employees.

7.2 The Trust shall acquire Shares by way of fresh allotment from the Company or from secondary Acquisition from the market. The Trust shall utilize such Shares for the purpose of either transferring them to the Grantees or selling them and transferring the requisite amount upon exercise / cashless exercise of the Options under the Scheme.

7.3 The Company may implement several Employee Benefit Scheme through the Trust.

7.4 The Trust will keep and maintain proper books of account, records and documents, for the Scheme so as to explain its transactions and to disclose at any point of time the financial position of the Scheme and in particular give a true and fair view of the state of affairs of Scheme.

7.5 No person shall be appointed as a Trustee, if he

- is a Director, Key Managerial Personnel or Promoter of the Company or its Holding, Subsidiary or Associate Company or any relative of such Director, Key Managerial Personnel or Promoter; or
- beneficially holds ten percent or more of the paid-up share capital of the Company.

7.6 The Trustees of the Trust, shall not vote in respect of the Shares held by such Trust, so as to avoid any misuse arising out of exercising such voting rights.

7.7 The Trustee shall ensure that appropriate approval from the Shareholders has been obtained by the Company in order to enable the Trust to implement the Scheme(s) and undertake secondary acquisition for the purposes of the Scheme(s).

7.8 The Trust shall not deal in derivatives and shall undertake only delivery-based transactions for the purposes of secondary acquisition as permitted by SEBI (SBEB)

Regulations.

- 7.9** For the purposes of disclosures to the stock exchange, the shareholding of the Trust shall be shown as 'non-promoter and non-public' shareholding.
- 7.10** The Trust shall transfer the Shares to Grantees in the manner specified in the trust deed. The Trustee(s) of the Trust shall administer the transfer of Shares to the Grantee as per the directions of the Committee and as stipulated in the Scheme.
- 7.11** For the purpose of acquisition of Shares by the said Trust, the Trust maybe funded by the Company, either through a loan or any other form of financial assistance permissible under Applicable Laws. Further, the Trust may take loan from banks or any other person/source under Applicable Laws.
- 7.12** The amount of loan to be provided for implementation of the Scheme by the Company to the Trust Shall not exceed 5% of the paid up equity capital and free reserves as provided in Companies Act, 2013. The tenure of such loan shall be the point where the objects of the Trust are accomplished or the repayment of loan is made, whichever is earlier. The utilization of such loan shall be for the objects of the Trust as mentioned in trust deed. The Trust shall repay the loan to the Company by utilising the proceeds realised from exercise of Options by the Grantees and the accruals of the Trust at the time of termination of the Scheme.
- 7.13** The Trust shall not become a mechanism for trading in Shares and hence shall not sell the Shares in secondary market except as provided in SEBI (SBEB) Regulations.
- 7.14** The total number of Shares under secondary acquisition held by the Trust shall at no time exceed 5 (Five) percent of paid up equity capital as at the end of the financial year immediately prior to the year in which the Shareholder approval is obtained for such secondary acquisition.
- 7.15** Further, the secondary acquisition in a financial year by the Trust shall not exceed 2 (Two) percent of the paid up equity capital as at the end of the previous financial year.
- 7.16** The above said ceiling limits shall automatically include within their ambit the expanded capital of the Company where such expansion has taken place on account of corporate action.
- 7.17** The un-appropriated inventory of Shares which are not backed by grants, acquired through secondary acquisition by the Trust, shall be appropriated latest by the end of the subsequent financial year.
- 7.18** The Trust shall be required to hold the Shares acquired through secondary acquisition

for a minimum period of six months, except under the circumstances as defined in SEBI (SBEB) Regulations, before the same can be transferred to the Grantees upon exercise of Options under the Scheme.

8. Eligibility Criteria's:

8.1 The Committee may, on the basis of all or any of the following criteria, decide on the Employees / Grantees who are eligible for the grant / vesting of Options under the Scheme and the terms and conditions thereof.

- Loyalty: It will be determined on the basis of tenure of employment of an Employee / Grantee in the Company.
- Performance of Employee / Grantee: Employee's / Grantee's performance during the financial year on the basis of the parameters decided by the Board of Directors.
- Designation: Grantee's designation in the Company or Holding or Subsidiary companies as per HR policy of the Company.
- High market value/difficulty in replacing the Grantee.
- High risk of losing the Grantee to competition.
- Performance of Company: Performance of the Company as per the standards set by the Board of Directors.
- Any other criteria as decided by the Committee in consultation with the Board of Directors from time to time.

8.2 The Employees / Grantees satisfying the eligibility criteria shall be termed as eligible Employee / Grantee.

8.3 New Joinees can also participate in the Scheme and be granted Options based upon the discretion of the Committee.

8.4 Employees on probationary period shall not be eligible for grant in the Scheme.

8.5 Nothing in the Scheme or in any Option granted pursuant to the Scheme shall confer on any Employee, any right to continue in the employment of the Company or interfere in any way with the right of the Company to terminate the Employee's employment at any time.

9. Grant of Options:

9.1 The Committee shall grant Options to one or more eligible Employees, in accordance with the terms and conditions of the Scheme for the time being in force and subject to Employee's employment terms or his continuity in the employment, and other parameters as set out by the Committee, if any.

- 9.2** Subject to availability of Options in the pool under the Scheme, the maximum number of Options that can be granted to any eligible Employee during any one year shall not be equal to or exceed 1% of the issued capital of the Company at the time of grant. The Committee may decide to grant such number of Options equal to or exceeding 1% of the issued capital to any eligible Employee as the case may be, subject to the separate approval of the Shareholders in a general meeting.
- 9.3** The grant of Options shall be communicated to the eligible Employees in writing through grant letter specifying the vesting date, number of Options granted, exercise price, vesting schedule, and the other terms and conditions thereof.
- 9.4** No amount shall be payable by an Employee at the time of grant of Options.
- 9.5** Upon grant, an eligible Employee shall become Grantee under the Scheme.
- 9.6** Unless agreed otherwise between the Company and any Employee and subject to the corporate action(s) taken by the Company, if any, the grant of 1 (One) Option to an Employee under this Scheme shall entitle the holder of the Option to apply for 1 (One) Share in the Company upon payment of exercise price.
- 9.7** The Options granted to the eligible Employees shall not be transferable to any other person.
- 9.8** The Options granted to the eligible Employees shall not be pledged, hypothecated, mortgaged or otherwise encumbered or alienated in any other manner.
- 9.9** As a condition to the receipt of benefits hereunder, each Grantee may be required to execute related agreements, in a form satisfactory to the Committee, which may include but are not limited to, a non-competition, confidentiality, non-solicitation, non-Interference, adherence to code of conduct or non-disclosure agreement with the Company as well as tax indemnification agreements in connection with the grant of the Options.
- 9.10** ⁶[Grants to the tax residents of Israel shall comply with the Israeli Sub-Plan attached as Appendix A.]
- 9.11** ⁷[Grants made under Clause 5.3 shall comply with any sub plan as may be approved by the Committee from time to time.]

⁶ Inserted vide Special resolution passed at Annual General Meeting held on September 22, 2023

⁷ Inserted vide Special resolution passed at Annual General Meeting held on September 22, 2023

10. Method of Acceptance:

- 10.1** Any Grantee who wishes to accept the grant made pursuant to the Scheme, must deliver a signed copy of grant letter to the Committee or any of its authorized representatives within 7 days from the date of receipt of the grant letter. The Committee may extend the said period of 7 days for such duration as it may deem fit for the benefits of the Grantees.
- 10.2** Any Grantee who fails to return the signed copy of grant letter and/or fails to provide his acceptance within the above-mentioned time period shall, unless the Committee determines otherwise, be deemed to have rejected the grant and the Company is not liable to pay any such amount on such rejection.
- 10.3** The Grantee is not required to pay any amount at the time of acceptance of the offer. Any acceptance letter received after the period stated above shall not be valid.
- 10.4** Subject to the terms contained herein, the acceptance in accordance with this article, of a grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each Option shall, on such acceptance, be an unvested Option.

11. Vesting of Options:

- 11.1** Vesting period shall commence after minimum 1 (One) year from the grant date and it may extend upto maximum of 4 years from the grant date, at the discretion of and in the manner prescribed by the Committee.
- 11.2** Vesting of Options will be on yearly basis and can vary from Grantee to Grantee as per the discretion of the Committee whose decision shall be final and binding.
- 11.3** The vesting schedule will be clearly defined in their grant letter of respective Grantees subject to minimum and maximum vesting period as specified in article 11.1 above.

However, the suggestive vesting schedules is as follow:

Schedule I

Time Period	% of Options to be vested
At the end of 1 st year from the grant date	25% of the Options Granted
At the end of 2 nd year from the grant date	25% of the Options Granted
At the end of 3 rd year from the grant date	25% of the Options Granted
At the end of 4 th year from the grant date	25% of the Options Granted

Schedule II

Time Period	% of Options to be vested
At the end of 4 th year from the grant date	100% of the Options Granted

Schedule III

Time Period	% of Options to be vested
At the end of 1 st year from the grant date	17% of the Options Granted
At the end of 2 nd year from the grant date	23% of the Options Granted
At the end of 3 rd year from the grant date	28% of the Options Granted
At the end of 4 th year from the grant date	32% of the Options Granted

- 11.4** The Actual vesting may further be linked with the eligibility criteria, as determined by the Committee and mentioned in the grant letter.
- 11.5** The Committee shall have the power to modify or accelerate the vesting schedule on a case-to-case basis subject to the minimum gap of 1 (One) Year between the grant and first vesting.
- 11.6** The Options which get lapsed due to eligibility Criteria in any of the vesting, if any, will get lapsed from the hands of the Grantee.
- 11.7** Further any fraction entitlement, to which the Grantee would become entitled to upon vesting of Options, then the Options to be actually vested be rounded off to nearest lower integer.

12. Exercise of Options:

- 12.1** After vesting, the Options can be exercised in either of the following routes:
- a. Cash Route: - In this route, the Grantee will receive the Shares equivalent to the number of the Options exercised in accordance with the terms and conditions of the Scheme and as mentioned in grant letter after the Grantee has made the payment of the Exercise Price and applicable income tax.
 - b. Cashless Route: In this case, the Grantee will receive the sale proceeds of the Shares equivalent to the number of the Options in accordance with the terms and conditions of the Scheme after deduction of the Exercise Price, applicable Income Tax and other charges, if any.
- 12.2** The exercise period shall be 1 year from the date of last vesting. Failure to comply within this time period, after accepting the same, shall result in lapsing of vested options in the hands of Grantee.

12.3 The mode and manner of the exercise shall be communicated to the Employees individually.

12.4 Upon valid exercise:

- a.** Cash Route: The Trust will transfer Shares to the Grantees.
- b.** Cashless Route: The Company will inform the Trust the amount of applicable income tax to be withheld from the sale proceeds of the Shares. The Trust will sell the number of Shares and disburse the sale proceeds (after deducting the Exercise Price, applicable taxes and other amount, if any) to the bank account of the Grantee. The Trust will retain the Exercise Price and pay the tax amount so collected upon sale, to the Company.

12.5 Upon such transfer the Grantee shall become member of the Company.

12.6 Notwithstanding anything contained elsewhere in the Scheme, the Trust in consultation with the Company, may not transfer Shares, in the event of the Grantee being found to be involved in fraud, misfeasance, gross negligence, breach of trust or like event(s) and in such an event(s) the rights under the Options (whether vested or not) shall lapse, forthwith, without any claim on, or recourse to the Company.

12.7 If the vesting or exercise of Options is prevented by any law or regulation in force and the Trust is forbidden to transfer Equity Shares pursuant to exercise of Options under such law or regulation, then in such an event the Company or the Trust shall not be liable to compensate the Grantee in any manner whatsoever.

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

13. Exercise Price:

13.1 Under this Scheme, the exercise price of the Shares will be decided by the Committee on the following:

13.1.1 In case the Shares acquired by the Trust is from secondary acquisition then the exercise price will be the average purchase price of the Shares of the Trust.

13.1.2 In case the Shares acquired by the Trust is from direct allotment then the exercise price will be market price of the Shares.

- 13.2** The Committee has a power to provide suitable discount or charge premium on such price as arrived above. However, in any case the exercise price shall not go below the par value of Share of the Company.
- 13.3** Further, Committee has the power to re-price the grants in future if the grant made under the Scheme is rendered unattractive due to the fall in the price of Shares, after complying the conditions as mentioned in the SEBI (SBEB) Regulations.
- 13.4** Under the Cash Route, the aggregate exercise price payable at the time of exercise shall be paid by a cheque or demand draft drawn in the name of the Trust i.e. Affle (India) Limited Employees Welfare Trust.
- 13.5** The tax amount arising at the time of exercise of Options shall be payable at the time of exercise by a cheque or demand draft drawn in the name of the Company i.e. Affle (India) Limited.
- 13.6** Under Cashless Route exercise, the Trust shall deduct the exercise price payable by the Grantee, tax amount and other charges, if any before transferring the Sale proceeds.

14. Cessation of Employment:

Subject to the employment terms of a Grantee, the following terms shall be applicable:

14.1 In the event of cessation of employment due to death

- a) All Options granted as on date of death would vest in the Legal Heirs / Nominee of the Grantee on that day. The Options would be exercisable by the Legal Heirs / Nominee within a period of 3 (Three) months from the date of death failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.
- b) All other terms and conditions of the Scheme shall apply to such Options. Provided that, in order to exercise the Options of the deceased Grantee, the Legal Heirs / Nominee have to submit the following documents to the Company, to the satisfaction of the Committee and the Committee may at its discretion waive off the requirement to submit any of the documents:

A. In case nominee is not appointed

- Copy of the succession certificate / probate of will / letter of administration.
- No objection certificate from the other legal heirs.
- Photo copy of the death certificate duly attested by the proper authority

(English translated version if in the vernacular language)

- Specimen signature of the person(s) in whose name Shares are to be transmitted (duly attested by the bank)
- Copy of PAN card of the applicant (self – attested).
- Copy of address proof (self – attested)

B. In case nominee is appointed

- Photo copy of the death certificate duly attested by the proper authority (English translated version if in the vernacular language)
- Specimen signature of the person(s) in whose name Shares are to be transmitted (duly attested by the bank)
- Copy of PAN card of the applicant (self – attested).
- Copy of address proof (self – attested)

14.2 In the event of cessation of employment due to permanent disability

All Options granted to Grantee as on date of permanent disability would vest in him/her on that day. The Options would be exercisable within a period of 3 (Three) months from the date of permanent disability, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.

14.3 In the event of cessation of employment due to resignation or termination (not due to misconduct or ethical/ compliance violations)

- a) All unvested Options, on the date of cessation, shall expire and stand terminated with effect from that date unless otherwise determined by the Committee whose decision will be final and binding.
- b) All vested Options as on that date shall be exercisable by the Grantee by last day of employment in the Organisation or before expiry of exercise period, whichever is earlier. The vested Options not so exercised shall lapse irrevocably and the rights thereunder shall be extinguished.

14.4 In the event of cessation of employment due to retirement/superannuation

- a) All unvested Options, on the date of cessation, shall expire and stand terminated with effect from that date unless otherwise determined by the Committee whose decision will be final and binding.
- b) All vested Options as on that date shall be exercisable by the Grantee by last day of employment in the Company or before expiry of exercise period, whichever is

earlier. The vested Options not so exercised shall lapse irrevocably and the rights thereunder shall be extinguished.

14.5 In the event of cessation of employment due to termination (due to misconduct or ethical/ compliance violations)

If a Grantee is terminated due to misconduct or ethical/ compliance violations, all Options granted whether vested or not shall stand terminated with immediate effect unless otherwise determined by the Committee, whose determination will be final and binding.

14.6 In the event that a Grantee is transferred or deputed to an Associate Company / Subsidiary / Holding prior to vesting or exercise of Options, the vesting and exercise of Options, as per the terms of grant, shall continue in case of such transferred or deputed Grantee even after the transfer or deputation.

14.7 In the event of a Grantee going on Long Leave, i.e. absence from the office for more than three months, the treatment of Options granted to him/her, whether vested or not, shall be determined by the Committee, whose decision shall be final & binding.

14.8 In the event where a Dispute arises between Grantee and the Company, vesting and/or exercise of Options will be put on hold till the date of settlement, to the satisfaction of the Committee.

14.9 The Committee may modify the terms for cessation of employment as mentioned in foregoing paras 14.1 to 14.8.

15. Lock in requirements:

15.1 The Shares transferred to the Grantees pursuant to exercise of Options will not be subject to any lock-in period and can be freely sold by the Grantee.

16. Terms and conditions of Shares:

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

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

16.3 The Grantee shall abide by the Company's Code of Conduct for prevention of insider trading and Code of practices and procedures for fair disclosure of unpublished price sensitive information adopted by the Company under SEBI (Prohibition of Insider Trading) Regulations, 2015.

17. Notices and correspondence:

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

17.2 Any notice, required to be given by the Company or the Committee to a Grantee or any correspondence to be made between the Company or the Committee and a Grantee shall be given or made by the Company or the Committee on behalf of the Company at the address provided by the Grantee while accepting the Options granted to him/her or at the official email Id of the Grantee.

18. Nomination of Beneficiary:

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

19. Corporate Action:

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

19.2 If there is a 'corporate action' of the Company before the Options granted under this Scheme are exercised, the Grantee shall be entitled on exercise of the Options, to such number of resultant Shares to which he/she would have been entitled as if all of the then outstanding Options exercised by him/her, had been exercised before such 'Change in the Capital Structure' had taken place and the rights under the Options shall stand correspondingly adjusted. In the event of a corporate action, the Committee, subject to the provisions of applicable laws, shall make fair and reasonable adjustments under the

Scheme, as it deems fit, with respect to the number of Options, exercise price and make any other necessary amendments to the Scheme for this purpose. The vesting period and life of the Options shall be left unaltered as far as possible.

19.3 In the event of severance of employment of a Grantee, as a part of reconstitution / amalgamation / sell-off or otherwise, the Options granted and not exercised before such reconstitution / amalgamation / sell-off, shall be exercised as per the terms and conditions determined in the relevant Scheme of such reconstitution / amalgamation / sell-off.

19.4 In the event of a dissolution or liquidation of the Company, any vested Options outstanding under the Scheme shall be cancelled if not exercised prior to such event and no compensation shall be payable in respect of the Options so cancelled.

20. Disclosure and Accounting Policies:

20.1 The Company shall comply with the requirements of IND-AS and shall use the Fair Value method.

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

21. Taxability on the Grantee:

21.1 The exercisable Options are subject to the applicable provisions of the Income tax Act, 1961.

There would be a double point of Taxation on the Employee:

- **Point 1:** At the time of exercise, the difference between the market price of the Shares as on date of exercise and the exercise price will be added as a perquisite under salary in the month of exercise. The Grantee will be liable to pay the taxes at the individual slab rate in which he falls.

The payment of perquisite tax, in respect of exercise of the Options shall be made by the employee to the Company or the Company shall have the right to recover tax from the Grantee.

- **Point 2:** At the time of sale of the Shares of the company by the Grantee. On selling of the Shares, the concerned employee would be liable to income tax as per the applicable provisions of the laws at the time of sale of the Shares.

21.2 ⁸[The exercisable Options are also subject to any applicable provisions, in

⁸ Inserted vide Special resolution passed at Annual General Meeting held on September 22, 2023

the jurisdiction of the residency of the Grantee, for any tax or levy subject to any benefit under the Double Taxation Avoidance Agreements between India and their respective State of residency of the Grantee.]

22. Surrender of Options:

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

23. Arbitration:

23.1 In the event of a dispute arising out of or in relation to the provisions of this Scheme (including a dispute relating to the construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such dispute through an amicable settlement. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after reasonable attempts, which attempt shall continue for not more than 30 days, gives 10 days' notice thereof to the other party in writing.

23.2 In case of such failure, either party may refer the dispute to a single arbitrator to be appointed by the Managing Director of the Company. The arbitration proceedings shall be held in New Delhi, India under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator shall give a reasoned award in writing. The arbitrator shall also decide on the costs of the arbitration proceedings. The parties shall submit to the arbitrator's award and the award shall be enforceable in the competent court of law at New Delhi, India.

24. Governing Law:

24.1 This Scheme and all related documents thereunder shall be governed by and construed in accordance with the SEBI (SBEB) Regulations and other applicable laws of India.

24.2 Any term of the Scheme that is contrary to the requirement of the SEBI (SBEB) Regulations or any other applicable laws shall not apply to the extent it is contrary.

24.3 The Courts at New Delhi shall have exclusive jurisdiction on any matter arising out of this Scheme.

25. Regulatory Approvals:

25.1 The implementation of the Scheme, the Granting of any Options under the Scheme and

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

26. Modification of Scheme:

26.1 Subject to the approval of Shareholders, the Committee may, at any time:

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

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

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

27. Confidentiality:

27.1 Notwithstanding anything contained in this Scheme, the Grantee shall not divulge the details of the Scheme and/or his holdings to any person except with the prior written permission of the Committee unless so required to do under the applicable laws or any statutes or regulations applicable to such Grantee.

AFFLE (INDIA) LIMITED EMPLOYEE STOCK OPTION SCHEME 2021
ISRAELI SUB-PLAN FOR ISRAELI BASED GRANTEEES

1. GENERAL

- 1.1 This sub-plan (the “**Sub-Plan**”) shall apply only to Grantees who are residents of the State of Israel or those who are deemed to be residents of the State of Israel for tax purposes (“**Israeli Grantee**”, and collectively, “**Israeli Grantees**”). The provisions specified hereunder shall form an integral part of the “Affle (India) Limited Employee Stock Option Scheme - 2021” (the “**Plan**”), which applies to the grant of Options.
- 1.2 This Sub-Plan applies with respect to grants of Options or any other type of award under the Plan, provided they are settled only in Shares and shall not be capable of being settled in cash, unless a ruling was obtained from the ITA (as described below) (the “**Options**”).
- 1.3 The purpose of this Sub-Plan is to establish certain rules and limitations applicable to Options and common shares of Affle (India) Limited (the “**Company**”) that may be granted or issued under the Plan from time to time, in compliance with the securities and other Applicable Laws currently in force in the State of Israel. Except as otherwise provided by this Sub-Plan, all grants made pursuant to this Sub-Plan shall be governed by the terms of the Plan. This Sub-Plan is applicable only to Options granted under the Plan. This Sub-Plan shall comply with and is subject to the ITO and Section 102 both as described below.
- 1.4 This Sub-Plan is to be read as a continuation of the Plan and only modifies the terms of Options granted to Israeli Grantees so that they comply with the requirements set by the Israeli law in general, and in particular with the provisions of the ITO, as may be amended or replaced from time to time.
- 1.5 In any case of contradiction with respect to Options granted to Israeli Grantees, whether explicit or implied, between the provisions of this Sub-Plan and the Plan, the provisions set out in this Sub-Plan shall prevail. *provided, however*, that this Sub-Plan shall not be construed to grant any rights not consistent with the terms of the Plan, unless specifically set forth herein. For the avoidance of doubt, this Sub-Plan does not add to or modify the Plan in respect of any other category of Grantees.

2. DEFINITIONS

Capitalized terms not otherwise defined herein shall have the meaning assigned to them in the Plan. The following additional definitions will apply to grants made pursuant to this Sub-Plan:

- 2.1. “**102 Trustee Option**” means a grant of an Option to an Eligible 102 Grantee, other than to a Controlling Shareholder, pursuant to the provisions of Section 102(b) of the ITO, the 102 Rules, and any other regulations, rulings, procedures or clarifications promulgated thereunder, or under any other section of the ITO that will be relevant for such issuance in the future.
- 2.2. “**102 Non-Trustee Options**” means an Option granted to an Eligible 102 Grantee pursuant to Section 102(c) of the ITO.
- 2.3. “**102 Capital Gain Route**” means the capital gains benefited tax route under Section 102(b)(2) or 102(b)(3) of the ITO.
- 2.4. “**102 Ordinary Income Route**” means the ordinary income route under Section 102(b)(1) of the ITO.
- 2.5. “**102 Rules**” means the Israeli Income Tax Rules (Tax Relief in Issuance of Shares to Employees), 2003, or any other rules and/or regulations with respect to the 102 Option, as amended and/or enacted from time to time.

- 2.6. “**3(i) Option**” means a grant of an Option to an Israeli Non-Employee or a Controlling Shareholder of the Company pursuant to the provisions of Section 3(i) of the ITO and the rules and regulations promulgated thereunder, or any other section of the ITO that will be relevant for such issuance in the future.
- 2.7. “**Affiliate**” means, any Israeli resident affiliate of the Company that meets the definitions of “employing company” within the meaning of Section 102 of the ITO.
- 2.8. “**Beneficial Grantee**” means the Israeli Grantee for the benefit of whom the 102 Trustee holds an Option in Trust (or under the control of the 102 Trustee in the event a supervisory trust arrangement is implemented).
- 2.9. “**Controlling Shareholder**” means a person who, directly or indirectly, alone or with a relative¹ holds one of the following: (i) at least 10% of the issued share capital or at least 10% of the voting power of the Company; (ii) the right to hold at least 10% of the issued share capital or at least 10% of the voting power of the Company, or the right to acquire them; (iii) the right to receive at least 10% of the profits of the Company; and (iv) the right to appoint a director of the Company; as such term is defined in Section 32(9)(a) of the ITO or as may be amended.
- 2.10. “**Election**” means the Company’s choice of the type (as between 102 Capital Gains Route or 102 Ordinary Income Route) of 102 Trustee Options it will make under the Plan, as filed with the ITA.
- 2.11. “**Eligible 102 Grantee**” for the purposes of Section 102 to the ITO shall mean an Israeli Grantee who is employed by the Company or its Affiliates, including an officer and a Director but excluding a Controlling Shareholder, as such term may be amended from time to time under Section 102 of the ITO.
- 2.12. “**Israeli Non-Employee**” means a consultant, adviser, service provider, Controlling Shareholder or any other person who is neither an Employee nor a Director.
- 2.13. “**ITA**” means the Israeli Tax Authority.
- 2.14. “**ITO**” means the Israeli Income Tax Ordinance [New Version], 5721-1961, as amended from time to time.
- 2.15. “**Option Agreement**” means the agreement and other documents evidencing the terms and conditions of the Option.
- 2.16. “**Required Minimum Trust Period**” means the requisite period prescribed by the ITO and the 102 Rules, or such other period as may be required by the ITA, with respect to 102 Trustee Options, during which Options or common shares issued thereunder must be held by the 102 Trustee (or under the control of the 102 Trustee in the event a supervisory trust arrangement is implemented) for the benefit of the person to whom it was granted in order for such grant to enjoy the tax benefits afforded to a 102 Trustee Option. Currently, such period for 102 Capital Gains Route Grants is 24 months from the date of grant of the Options and their deposit with the 102 Trustee or its control, while for 102 Ordinary Income Route is 12 months from the date of grant of the Options and their deposit with the 102 Trustee.
- 2.17. “**Rights**” means rights issued in respect of exercised Shares underlying the Options.
- 2.18. “**Section 102**” shall mean the provisions of Section 102 of the ITO, as amended from time to time, including by the Law Amending the Income Tax Ordinance (Number 132), 2002, effective as of January 1, 2003 and by the Law Amending the Income Tax Ordinance (Number 147), 2005.
- 2.19. “**Stock Market**” means a stock exchange or an electronic securities trading system (such as Nasdaq or Tel Aviv Stock Exchange or NSE (National Stock Exchange of India) or BSE (Bombay Stock Exchange of India)).

¹ “Relative” means spouse, brother, sister, parent, parent's parent, descendant, the spouse's descendant and the spouse of any of these;

- 2.20. “**Taxation Route**” means each of the 102 Ordinary Income Route or the 102 Capital Gains Route.
- 2.21. “**Trust**” means the holding of an Option or exercised Share underlying the Options, by the 102 Trustee (or under the control of the 102 Trustee in the event a supervisory trust arrangement is implemented) in Trust for the benefit of the Beneficial Grantee, pursuant to the applicable instructions of Taxation Route.
- 2.22. “**102 Trustee**” means a trustee designated and appointed by the, Nomination and Remuneration Committee (the “**Committee**”) of the Company, in accordance with the provisions of Section 3 below and, with respect to 102 Trustee Options, approved by the Israeli Tax Authorities to serve as the trustee, as required pursuant to Section 102 of the ITO.
- 2.23. “**Trust Agreement**” agreement entered into between the Company and the 102 Trustee with respect to the grant of Options.

3. ADMINISTRATION

- 3.1. Subject to the general terms and conditions of the Plan, the ITO, and any other applicable laws and regulations, the Committee shall have the full authority in its discretion, from time to time and at any time, to determine whether the Company shall elect the 102 Ordinary Income Route or the 102 Capital Gains Route for grants of 102 Trustee Options, and the identity of the 102 Trustee who shall be granted such 102 Trustee Options in accordance with the provisions of the Plan and the then prevailing Taxation Route.
- 3.2. To determine whether the Company shall elect to grant 102 Non-Trustee Options or 3(i) Options; whether or not such Options shall be granted to a trustee in accordance with the terms and conditions of the Plan, and the identity of the trustee who shall be granted such Options in accordance with the provisions of the Plan.

4. GRANT OF OPTIONS AND ISSUANCE OF SHARES

- 4.1. Subject to the provisions of the ITO and Applicable Law:
- (i) All grants of Options to Eligible 102 Grantees other than to a Controlling Shareholder, shall be of 102 Trustee Options or 102 Non-Trustee Options; and
 - (ii) All grants of Options to Israeli Non-Employees or Controlling Shareholders of the Company shall be of 3(i) Options.

5. TYPES OF GRANTS AND SECTION 102 ELECTION

- 5.1. 102 Trustee Options shall be made pursuant to either (i) Section 102(b)(2) or 102(b)(3) of the ITO as 102 Capital Gains Track Options or (ii) Section 102(b)(1) of the ITO as 102 Ordinary Income Track Options.

- 5.2. The Company's Election regarding the type of 102 Trustee Option it chooses to make, shall be filed with the ITA. Once the Company has filed such Election, it may change the type of 102 Trustee Option that it chooses to make only after the lapse of at least 12 months from the end of the calendar year in which the first grant was made in accordance with the previous Election, in accordance with Section 102. For the avoidance of doubt, such Election shall not prevent the Company from granting 102 Non-Trustee Options to Eligible 102 Grantee at any time.
- 5.3. 102 Trustee Options be made in accordance with the Plan and this Sub-Plan shall be conditioned upon the approval of the Plan and this Sub-Plan by the ITA, and no 102 Trustee Options may be made effective, pursuant to this Sub-Plan until, 30 days after the requisite filings required by the ITO and the 102 Rules have been made with the ITA.
- 5.4. The Option Agreement shall indicate whether the grant is a 102 Trustee Option, a 102 Non-Trustee Option or a 3(i) Option; and, if the grant is a 102 Trustee Option, whether it is a 102 Capital Gains Track Option or a 102 Ordinary Income Track Option.

6. TERMS AND CONDITION OF THE 102 TRUSTEE OPTIONS

- 6.1. Notwithstanding anything to the contrary in the Plan, each 102 Trustee Option granted to Eligible 102 Grantee under the Plan (whether pursuant to the 102 Trustee Capital Gains Route or the 102 Ordinary Income Route), shall be held by the 102 Trustee (or under the control of the 102 Trustee in the event a supervisory trust arrangement is implemented) and each certificate for common shares acquired pursuant to the exercise or vesting of an Option or issued directly as common shares, shall be issued to and registered in the name of the 102 Trustee (or shall be controlled by the 102 Trustee in the event a supervisory trust arrangement will be implemented) and shall be held in trust for the benefit of the Grantee for at least the Required Minimum Trust Period. The 102 Trustee shall not release any 102 Trustee Options or common shares issued thereunder prior to the full payment of the Grantee's tax liabilities arising from the grant, exercise or vesting of the Option or the issuance or vesting of the common shares.
- 6.2. Each 102 Trustee Option (whether a 102 Capital Gains Route or a 102 Ordinary Income Route, as applicable) shall be subject to the relevant terms of Section 102 and the ITO, which shall be deemed an integral part of the 102 Trustee Option and shall prevail over any term contained in the Plan, this Sub-Plan or any agreement that is not consistent therewith. Any provision of the ITO and any additional terms required by the ITA not expressly specified in this Sub-Plan or the Option Agreement, as applicable, which are necessary to receive or maintain any tax benefit pursuant to the Section 102 shall be binding on the Grantee. The 102 Trustee and the Grantee granted a 102 Trustee Option shall comply with the ITO, and the terms and conditions of the Trust Agreement. For avoidance of doubt, it is reiterated that compliance with the ITO specifically includes compliance with the 102 Rules. Further, the Grantee agrees to execute any and all documents or rulings which the Company or the 102 Trustee may reasonably determine to be necessary in order to comply with the provision of any Applicable Law, and, particularly, Section 102 of the ITO.

- 6.3. Any Option classified as a 102 Trustee Option is meant to comply in full with the terms and conditions of Section 102 and the requirements of the ITA, therefore it is clarified that, at all times the Plan and this Sub-Plan are to be read such that they comply with the requirements of Section 102 and as a consequence, should any provision in the Plan or Sub-Plan disqualify the Plan and/or the 102 Trustee Options granted thereunder from beneficial tax treatment pursuant to the provisions of Section 102 of the ITO, such provision shall be considered invalid either permanently or until the ITA provides approval of compliance with Section 102.
- 6.4. During the Required Minimum Trust Period, the Eligible 102 Grantee shall not require the 102 Trustee to release or sell the Options or common shares issued thereunder and other common shares received subsequently following any realization of rights derived from Options or common shares (including distributions of profits) to the Eligible 102 Grantee or to a third party, unless permitted to do so by Applicable Law.
- 6.5. Notwithstanding the foregoing, the 102 Trustee may, pursuant to a written request and subject to Applicable Law, release and transfer such common shares to a designated third party, provided that both of the following conditions have been fulfilled prior to such transfer: (i) all taxes required to be paid upon the release and transfer of the common shares have been withheld for transfer to the ITA or any tax authorities and (ii) the 102 Trustee has received written confirmation from the Company that all requirements for such release and transfer have been fulfilled according to the terms of the Company's corporate documents, the Plan, any applicable agreement and any Applicable Law. For the avoidance of doubt, such sale or release during the Required Minimum Trust Period will result in different tax ramifications to the Eligible 102 Grantee under Section 102 of the ITO and the 102 Rules and/or any other regulations or orders or procedures promulgated thereunder, which shall apply to and shall be borne solely by such Eligible 102 Grantee.
- 6.6. In the event a distribution of profit is declared and/or additional rights are granted with respect to common shares which derive from 102 Trustee Options, such distribution and/or rights shall also be subject to the provisions of this Section 6 and the Required Minimum Trust Period for such common shares and/or rights shall be measured from the commencement of the Required Minimum Trust Period for the Options with respect to which the distribution was declared and/or rights granted. In the event of a cash distribution on common shares and subject to Company's approval, the 102 Trustee shall transfer the distribution proceeds to the Eligible 102 Grantee after deduction of taxes and mandatory payments in compliance with applicable withholding requirements.
- 6.7. The common shares issued upon the exercise or vesting of 102 Trustee Options shall be issued in the name of the 102 Trustee (or under the control of the 102 Trustee in the event a supervisory trust arrangement is implemented) for the benefit of the Eligible 102 Grantee.
- 6.8. The Company shall be under no duty to ensure, and no representation or commitment is made, that any Option qualifies or will qualify under any particular tax treatment (such as Section 102), nor shall the Company be required to take any action for the qualification of any Option under such tax treatment. The Company shall have no liability of any kind or nature in the event that, for any reason whatsoever, an Option does not qualify for any particular tax treatment.
- 6.9. The following written undertaking shall be required by the Eligible 102 Grantee and deemed to apply and relate to all Options granted to the Eligible 102 Grantee.
 - (i) The Eligible 102 Grantee shall comply with all terms and conditions set forth in Section 102 with regard to the applicable tax route and the rules and regulations promulgated thereunder, as amended from time to time;
 - (ii) The Eligible 102 Grantee is familiar with, and understand the provisions of Section 102 in general, and the tax arrangement under the applicable tax track in particular, and its tax consequences;

- (iii) The Eligible 102 Grantee agrees that the Options and any shares that may be issued upon exercise of the Options (or otherwise in relation to the Options), will be held by the 102 Trustee (or under the control of the 102 Trustee in the event a supervisory trust arrangement is implemented) for at least the duration of the Required Minimum Trust Period, unless the Eligible 102 Grantee pays all taxes that may arise in connection with such sale and/or release;
 - (iv) The Eligible 102 Grantee understands that any release of such Options or shares from Trust, or any sale of the share prior to the termination of the Required Minimum Trust Period, will result in taxation at marginal tax rate, in addition to deductions of appropriate social security, health tax contributions or other compulsory payments; and
 - (v) The Eligible 102 Grantee agrees to the Trust Agreement.
- 6.10. Notice of Exercise. With respect to a 102 Trustee Option held in the Trust, a copy of any Notice of Exercise shall be provided to the 102 Trustee, in such form and method as may be determined by the 102 Trustee in accordance with the requirements of Section 102 of the ITO.
- 6.11. Without derogating from Section 9 below, the 102 Trustee shall not make any transaction or take any action with respect to a 102 Trustee Option, other than by will of the Eligible Grantee 102 or by operation of law, until after the full payment of the Grantee's tax liabilities arising from the issuance of such 102 Trustee Option or after guarantying the payment of said taxes. If such 102 Trustee Option has been transferred by will of the Eligible Grantee 102 or by operation of law, the provisions of Section 102 will apply with respect to the heirs or the transferees of the Beneficial Grantee, as the case may be.
- 6.12. The Israeli Grantee understands that neither participation in this Plan, nor this Sub-Plan constitutes a contract for employment and no terms or conditions in this Sub-Plan should be construed as a guarantee of employment. The Israeli Grantee further understands that this Sub-Plan is not a guarantee of employment in a particular position, classification or salary rate. The Israeli Grantee understands that continued employment in the Company is contingent on the Israeli Grantee maintaining the standards of performance for his position of employment in the Company or its Affiliates.
- 6.13. Notwithstanding anything to the contrary in the Plan, the Cashless Exercise mechanism as described in the Plan, will apply on the Options granted under Section 102 of the ITO, unless a ruling is required in order to keep any tax benefit in accordance with Section 102 and to be compliant with the provisions of the ITO and the instructions and guidelines of the ITA.

- 6.14. Vesting of Options. Notwithstanding anything to the contrary in the Plan, the Vesting of Options as described in section 11 to the Plan, will not apply on the Options granted to the Israeli Grantees, rather the vesting schedule will be clearly defined on the Option Agreements of the respective Grantee and the board resolution of granting the options as described on section **Error! Reference source not found.** above, all in accordance with the discretion of the Board of Directors or the Committee. The vesting provisions of Grantee Options may vary, and may include, without limitation, vesting based on predetermined measurable targets.
- 6.15. Each Option shall vest following the vesting dates, terms and conditions, and for the number of Shares as shall be determined by the Board of Directors or the Committee and provided in the Option Agreement. However, no Option shall be exercisable after the expiration date (as shall be determined by the Board of Directors or the Committee).
- 6.16. In the event of a death or permanent disability of a 102 Trustee Options Grantee, as described in section 14 to the Plan, all the Options granted, to 102 Trustee Options Grantee, on the date of death or permanent disability, will be exercisable by the legal heirs / nominee within 3 months from the date of death or permanent disability failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.
- 6.17. Notwithstanding anything to the contrary of section 14.7 to the Plan, unless determined otherwise by the Committee, the vesting of the Options shall be postponed during any un-paid leave of absence. Upon return to service, the vesting shall continue and each of the remaining vesting dates shall be postponed by the number of days of such period of unpaid leave (i.e. shifting the entire remaining vesting schedule and extending it by the number of unpaid leave days). Despite the aforementioned, the following shall not postpone the vesting of an Options: paid vacation, paid sick leave, maternity leave, infant care leave, medical emergency leave and military reserve duty.
- 6.18. Notwithstanding anything to the contrary of section 20 to the Plan, the Israeli Affiliate shall comply with the requirements of the Israeli local accounting standards, the provisions of the ITO and Section 102, as well as the requirements and guidelines from the ITA.

7. EXERCISE OF 3(i) OPTIONS

In the event that the Options being granted or exercised is a 3(i) Option then the exercise agreement shall be accompanied (in addition to the Exercise Price) also by payment in full by the Grantee of any such amount as the Company or the Affiliate (as applicable) may be required under all Applicable Laws, rules and regulations, to withhold and pay over as income or other taxes with respect to such 3(i) Option or the Shares covered thereby, or, alternatively, a valid certificate duly issued by the ITA approving an exemption or reduce rate from withholding tax. For the removal of doubt, the Company or the Affiliate (as applicable), in its sole discretion, shall determine the market value of the income at the exercise of any Option or grant of Shares.

8. ASSIGNABILITY

As long as Options or common shares are held by the 102 Trustee (or controlled by the 102 Trustee in the event a supervisory trust arrangement is implemented) on behalf of the Eligible 102 Grantee, all rights of the Eligible 102 Grantee over the Option and common shares are personal, cannot be transferred, assigned, pledged, or mortgaged, other than by will of the Eligible Grantee 102 or laws of descent and distribution. Notwithstanding the above, if any such sale, release or other action occurs during the Required Minimum Trust Period it may result in adverse tax consequences to the Grantee under Section 102 and the 102 Rules, which shall apply to and shall be borne solely by such Grantee. Subject to the foregoing, the 102 Trustee may, pursuant to a written request from the Grantee, but subject to the terms of the Plan and this Sub-Plan, release and transfer Shares to a designated third party, provided that both of the following conditions have

been fulfilled prior to such release or transfer: (i) payment has been made to the ITA of all taxes and compulsory payments required to be paid upon the release and transfer of the Shares, and confirmation of such payment has been received by the 102 Trustee and the Company, and (ii) the 102 Trustee has received written confirmation from the Company that all requirements for such release and transfer have been fulfilled according to the terms of the Company's corporate documents, any agreement governing the shares of common stock, the Plan, this Sub-Plan, the Option Agreement and any Applicable Laws.

9. TAX CONSEQUENCES

- 9.1. Without derogating from the provisions of the Plan, any tax consequences arising from the grant, vesting or exercise of any Options, from the payment for or sale of common shares covered thereby, or from any other event or act (of the Company and/or its Affiliates and/or the 102 Trustee and/or the Israeli Grantees), hereunder, shall be borne solely by the Israeli Grantees. The Company and/or its Affiliates and/or the 102 Trustee shall withhold taxes according to the requirements under the Applicable Laws, rules, and regulations, including withholding taxes at source.
- 9.2. Without derogating from the provisions of the Plan, the provisions of Section 21 of the Plan shall apply also to actions taken by the 102 Trustee in accordance with the provisions of the ITO. Accordingly, the Israeli Grantees shall indemnify the Company, and/or any of its Affiliates, and/or the 102 Trustee and/or the foreign broker (if applicable) and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, monetary liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to any Israeli Grantee under the Plan.
- 9.3. The Company and/or any of its Affiliates and/or the 102 Trustee may make such provisions and take such steps as they may deem necessary or appropriate for the withholding of all taxes required by law to be withheld with respect to Options under the Plan and the exercise, vesting and/or sale or other disposition thereof, including, but not limited, to (i) deducting the amount so required to be withheld from any other amount (or common shares issuable) then or thereafter to be provided to the Israeli Grantees, including by deducting any such amount from the Israeli Grantee's salary or other amounts payable to the Israeli Grantee, to the maximum extent permitted under law and/or (ii) requiring the Israeli Grantee to pay to the Company or any of its Affiliates the amount so required to be withheld as a condition of the issuance, delivery, distribution or release of any common shares. The Company and/or the 102 Trustee shall not be required to release any common shares to the Israeli Grantees until all required withholding taxes have been paid by the Israeli Grantee. In addition, the Israeli Grantee will be required to pay any amount due in excess of the tax withheld and transferred to the ITA, pursuant to applicable tax laws, regulations and rules.
- 9.4. The 102 Trustee shall not be required to release any Share (or Share certificate) to a Beneficial Grantee until all required Tax payments have been fully made or secured.
- 9.5. With regards to Options granted under Section 102, any provision of Section 102 of the ITO, the 102 Rules and the regulations or orders promulgated thereunder, which is necessary in order to receive and/or to preserve any tax treatment pursuant to Section 102 of the ITO, which is not expressly specified in the Plan or in this Sub-Plan, shall be considered binding upon the Company and the Israeli Grantee.
- 9.6. Guarantee. In the event a 102 Non-Trustee Options is granted to an Israeli Grantee, if the Israeli Grantee's employment or service is terminated, for any reason, such Israeli Grantee shall provide the Company or a trustee, to its full satisfaction, with a guarantee or collateral securing the future payment of all taxes required to be paid upon the sale of the exercised Shares received upon exercise of such 102 Non-Trustee Options, all in accordance with the provisions of Section 102 of the ITO, the 102 Rules and the regulations or orders promulgated thereunder.

10. GOVERNING LAW AND JURISDICTION

Notwithstanding any other provision of the Plan (including Section 24 to the Plan), with respect to Options granted under this Sub-Plan, the Plan and all instruments issued thereunder or in connection therewith shall be governed by, and interpreted in accordance with, the courts and laws of the State of Israel applicable to contracts made and to be performed therein.
