

BLUESTONE JEWELLERY AND LIFESTYLE LIMITED
Employee Stock Option Plan 2014

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1. NAME, OBJECTIVE AND TERM OF THE PLAN

- 1.1 This Plan shall be called the Bluestone Jewellery and Lifestyle – Employee Stock Option Plan 2014 (“**ESOP 2014**”).
- 1.2 The objective of the ESOP 2014 is to reward the Employees (defined below) for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Plan to attract and retain talent in the organization. The Company views Stock Options as an instrument that would create wealth for the employees and enable the Employees to share the value they create for the Company in the years to come.
- 1.3 The ESOP 2014 has been adopted by the Board on 8th May 2014 pursuant to an enabling resolution passed by the shareholders on 9th May 2014. This scheme was amended by the Board on 23rd June, 2016, 4th July, 2016, 29th September, 2016, 11th July 2022, 03rd August 2022, 16th August 2024 and on April 09, 2025, and by the shareholders on 24th June, 2016, 5th July 2016, 30th September, 2016, 20th July, 2022, 09th August 2022, 21st August 2024 and on May 02, 2025. ESOP 2014 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 2014 have been issued and exercised.
- 1.4 The ESOP 2014 has been framed in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“**SEBI SBEB Regulations**”) and the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014, each as amended and other applicable rules, regulations and provisions of law for the time being in force and shall be subject to any modifications or amendments or re-enactments thereof. The Board may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the ESOP 2014.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

- i. “**Agreement**” means the Employee Stock Option Agreement between the Company and the Option Grantee evidencing the terms and conditions of an individual Stock option grant. The Agreement is subject to the conditions of ESOP 2014.
- ii. “**Applicable Law**” means and includes all statutes, enactments, acts of legislature or parliament, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, and orders of any Government, statutory authority, tribunal, board, court or recognized stock exchange applicable to the Plan, including the Companies Act, 2013, the Companies (Share Capital and Debenture) Rules, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, each as amended.
- iii. “**Board**” means the Board of Directors of the Company.

- iv. **“Companies Act”** means The Companies Act, 2013 and includes any statutory modifications or re-enactments thereof including rules and regulations framed there under as amended from time to time.
- v. **“Company”** means “Bluestone Jewellery and Lifestyle Limited” having its registered office at Site No.89/2 Lava Kusha Arcade, Munnekolal Village, Outer Ring Road, Marathahalli, Bengaluru – 560037.
- vi. **“Company Handbook”** means the handbook containing the Company’s policies and terms of the employment which is made available to the employees ~~at the registered office~~ on the ZohoCompany Human Resource Management System Platform HRMS Platform.
- vii. **“Company Policies/Terms of Employment”** means the Company’s policies for the Employees and the terms of employment as contained in the Employment Letter and the Company Handbook, which includes provisions for securing confidentiality, non-compete and non-poaching of other employees and customers.
- viii. **“Compensation Committee”** or **“Nomination & Remuneration Committee”** or **“the Committee”** means the Committee formed of such members of the Board of Directors of the company as provided under regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- ix. **“Director”** shall have the same meaning as defined under section 2(34) of the Companies Act, 2013.
- x. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee for granting the Stock Options to the Employees.
- xi. **“Employee”** means (i) an employee as designated by the Company, who is exclusively working in India or outside India; or (ii) a director of the Company, whether a whole time director or not including a non-executive director who is not a promoter or member of the promoter group (if applicable), but excluding an Independent Director; or (iii) an employee, as defined in sub-clauses (i) or (ii) in this para, of a Group company including subsidiary or its associate company, in India or outside India, or of a holding company of the Company, if any.

but excludes-

- a. an employee who is a promoter or a person belonging to the promoter group (if applicable); or
 - b. a director who either by himself or through his Relative or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company.
- xii. **“Employment Letter”** means the letter issued by the Company to the employees at the time

of joining the Company.

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

xiv. **"Exercise"** means, in relation to the Options, making of an application by an Option Grantee to the Company for issue of Equity Shares, against vested Stock Options in pursuance of the ESOP 2014.

xv. **"Exercise Period"** means such time period after Vesting within which the Option Grantee can Exercise the Options Vested in him in pursuance of the ESOP 2014.

xvi. **"Exercise Price"** means the price, if any, payable by an Option Grantee in order to Exercise the Options Granted to him/her in pursuance of the ESOP 2014.

xvii. **"Fair Market Value / FMV"** means the latest available closing price on a recognized stock exchange on which the Equity Shares of the Company are listed on the date immediately prior to the relevant date.

Explanation,—If such shares are listed on more than one recognized stock exchange, then the closing price on the recognized stock exchange having higher trading volume shall be considered as the Fair Market Value;

Provided that until the Equity Shares of the Company are listed on any of the recognized stock exchanges, FMV shall mean the Fair Value of the Equity Shares as determined by a Valuer.

xviii. **"Grant/ Granted"** means, individually or collectively, the process by which the Company issues Options to Employees, under the ESOP 2014.

xix. **"Grant Date"** means the date on which the Nomination & Remuneration Committee approves the Grant, unless otherwise specified by the Nomination & Remuneration Committee (in writing).

Explanation—For accounting purposes, the Grant date will be determined in accordance with applicable accounting standards;

xx. **"Group"** means two or more companies which, directly or indirectly, are in a position to—
(i) exercise twenty-six per cent. or more of the voting rights in the other company; or
(ii) appoint more than fifty per cent. of the members of the Board of Directors in the other company; or
(iii) control the management or affairs of the other company;

xxi. **"Independent Director"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013.

xxii. **"Initial Public Offer"** or **"IPO"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

xxiii. “**Letter of Grant**” means the letter issued by the Company intimating an Option Grantee about the Options granted to him/her for acquiring a specified number of Shares and such other terms of the Grant.

xxiv. “**Misconduct**” means any of the following:

- committing of any act of misconduct warranting summary termination under law; or
- conduct which in the reasonable opinion of the Board amounts to a serious breach by an Option Grantee of the obligation of trust and confidence to his employer; or
- a finding by the Board that an Employee has committed any material or consistent breach of any of the terms or conditions of Employee service agreement including any wilful neglect of or refusal to carry out any of his duties or to comply with any instruction given to him by the Board; or
- being convicted of any criminal offence (other than an offence under any road traffic legislation for which a penalty of imprisonment cannot be imposed); or
- being disqualified from holding office in the Company or any other company under any legislation or to be disqualified or disbarred from membership of, or be subject to any serious disciplinary sanction by, any regulatory body within the industry, which undermines the confidence of the Board in the individuals continued employment; or
- having acted or attempted to act in any way which in the opinion of the Board has brought or could bring the Company or any other Group member into disrepute or discredit;
- breach of any company policies/ terms of employment;

Any other not included above but defined in the company rules or Employee handbook and / or employment agreement.

xxv. “**Option**” or “**Stock Option**” means the option given to an Employee which gives such an Employee a right but not an obligation to purchase or subscribe at a future date, the Shares offered by the Company, directly or indirectly, at a pre-determined price.

xxvi. “**Option Grantee**” means an Employee having a right but not an obligation to exercise an option in pursuance of the ESOP 2014.

xxvii. “**Permanent Incapacity**” means any incapacity of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Option Grantee from performing any specific job, work or task which the Option Grantee was capable of performing immediately before such disablement, as determined by the Board based on a

certificate of a medical expert identified by the Board.

- xxviii. **“Plan/ ESOP 2014”** means this Bluestone Jewellery and Lifestyle – Employee Stock Option Plan 2014, as may be amended from time to time by the Board with the approval of the Shareholders, under which the Company is authorized to Grant Stock Options to Option Grantees.
- xxix. **“Promoter”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time;
- xxx. **“Promoter Group”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time;
- xxxi. **“Recognized Stock Exchange”** means a stock exchange which has been granted recognition under section 4 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956).
- xxxii. **“Relative”** shall have the same meaning as defined under section 2(77) of the Companies Act, 2013 (18 of 2013);
- xxxiii. **“Retirement”** means retirement as per the rules of the Company.
- xxxiv. **“Shares”** means Equity Shares and securities convertible into Equity Shares and includes American Depository Receipts, Global Depository Receipts or other depository receipts representing underlying Equity Shares or securities convertible into Equity Shares; of the Company arising out of the Exercise of Stock Options Granted under the ESOP 2014.
- xxxv. **“Subsidiary company”** means any present or future subsidiary company of the Company, as defined in the Companies Act, 2013.
- xxxvi. **“Unvested Option”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to exercise the Option and the Options are not lapsed.
- xxxvii. **“Valuer”** means an independent chartered accountant, or a merchant banker appointed to determine the valuation of know-how or intellectual property rights or value addition.
- xxxviii. **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.
- xxxix. **“Vest/ Vesting”** means the process by which the Employee becomes entitled to receive the benefit of a Grant made to him/her under ESOP 2014.

xl. “**Vesting Condition**” means any condition including specific performance-based condition mentioned in the Letter of Grant subject to which the Options Granted would Vest in an Option Grantee.

xli. “**Vesting Period**” means the period during which the Vesting of the Stock Option Granted to the Option Grantee, in pursuance of the ESOP 2014 takes place.

2.2 Interpretation

In this Plan, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender;
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.
- f) any reference to any statute or statutory provision or Applicable Law shall include:
 - all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated); and
 - such statute or provision as may be amended, modified, re-enacted or consolidated

3. AUTHORITY AND CEILING

- 3.1 The shareholders of the Company in their meeting on 9th May 2014 resolved to issue to Option Grantees under ESOP 2014, not more than 2,70,691 (Two lakh Seventy thousand and six hundred and ninety one only) Options, convertible into 2,70,691 Equity Shares of face value of ₹ 1/-each. Each Option is convertible into 1 Equity Share of ₹ 1/- each), in accordance with the terms and conditions of such issue.
- 3.2 The ESOP 2014 was amended on 24th June 2016 by passing a special resolution in an extra-ordinary general meeting of the shareholders to increase the ESOP Pool by 78,820 options.
- 3.3 The ESOP 2014 was further amended by the Shareholders on 30th September 2016 by passing an Ordinary Resolution. This was further amended on 20th July, 2022 by the shareholders in their extra-ordinary general meeting by passing a special resolution to increase the number of stock options by additional 398,922 Options convertible into 398,922 Equity Shares of the Company.

Subsequently, pursuant to the Board Resolution and the Shareholders resolution dated July 11, 2022 and July 20, 2022 respectively, the face value of the Equity shares of the company was consolidated from ₹ 1/- each to ₹10/- each and accordingly ESOP Pool was reduced to 74,843.30 Options.

Further pursuant to the Board resolution dated July 11, 2022 and the Shareholders' resolution dated July 20, 2022, the Company came up with Corporate Action by way of Bonus issue of the equity shares in the ratio 1:9 (i.e., nine additional shares for every one share held) and accordingly ESOP Pool is increased to 7,48,433 Options.

Further the Company came up with Split of Equity shares, pursuant to Board and Shareholder's Resolution dated August 03, 2022 and August 09, 2022 respectively, whereby the face value of Equity shares of the Company was Split from ₹10/- each to ₹1/- each and accordingly pool was increased to 74,84,330 Options. With these Corporate Actions, the total stock options under the ESOP Plan stood at 74,84,330 Stock Options convertible into not more than 74,84,330 Equity Shares.

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- 3.4 The ESOP 2014 was further amended on May 02, 2025 by the shareholders in their extra-ordinary general meeting by passing a special resolution to increase the number of Options permitted to be granted under the ESOP 2014 by an additional 42,43,312 (Forty Two Lakh Forty Three Thousand Three Hundred and Twelve) Options, pursuant to which the maximum number of Options permitted to be granted under the ESOP 2014 stood increased from 74,84,330 (Seventy Four Lakh Eighty Four Thousand Three Hundred and Thirty) Options to 1,17,27,642 (One Crore Seventeen Lakh Twenty Seven Thousand Six Hundred and Forty Two) Options, with each Option convertible into 1 (One) Equity Share.
- 3.5 Any grant of Options to an Employee, during any one year, which is equal to or more than one per cent of the issued capital (excluding outstanding warrants and conversions) of the Company (at the time of grant of such Option) shall be subject to the approval of the shareholders by way of a separate resolution.
- 3.6 For every 1 Option granted, would confer a right upon the Option Grantee to apply for one Equity Share of the Company, in accordance with the terms and conditions of such issue.
- 3.7 If an Option expires or becomes un-exercisable due to any ~~other~~ reason, including surrender of options it shall become available for future Grants, subject to compliance with all Applicable Laws. The Nomination and Remuneration Committee~~Board~~ will have powers to re-grant such Options.
- 3.8 Where Shares are issued consequent upon exercise of an Option under the ESOP 2014, the maximum number of Shares that can be issued under ESOP 2014 will stand reduced to the extent of such Shares issued.
- 3.9 In case of a share-split where the face value of the Equity Shares is reduced, the maximum number of Equity Shares available for being granted under ESOP 2014 shall stand modified accordingly,

so as to ensure that the underlying cumulative face value for each Option (No. of shares X Face value per share) prior to such split remains unchanged after the share split.

- 3.10 In case of any further bonus issue where additional shares are issued to the existing shareholders, the maximum number of shares available for being granted under ESOP 2014 shall stand modified accordingly, so as to ensure that the Stock Options to Equity Shares ratio is maintained at the same level.
- 3.11 In case of a consolidation where the face value of the Equity Shares is increased, the maximum number of shares available for being granted under ESOP 2014 shall stand modified accordingly, so as to ensure that the underlying cumulative face value for each Option (No. of shares X Face value per share) prior to such consolidation remains unchanged after the share consolidation.
- 3.12 In case of exercise of Options resulting into fraction of share, it shall be on the discretion of the Committee to round off to the higher number of Equity Share or settle fraction in cash.

4. ADMINISTRATION

- 4.1 The ESOP 2014 shall be administered by the Nomination and Remuneration Committee. This Committee for all purposes under the Applicable Laws will be considered as Nomination and Remuneration Committee. All questions of interpretation of the ESOP 2014 or any Stock Option shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the ESOP 2014 or such Stock Option.

- 4.2 The Committee shall in accordance with this Plan and Applicable Laws determine the following:

- (a) Selection of Class of Employees to whom Options from time to time be Granted under Employee Stock Option Plan;
- (b) The quantum of Options to be Granted under the ESOP 2014 per Option Grantee and in aggregate, subject to the ceiling as specified in Para 3.4;
- (c) The Eligibility Criteria;

- (d) Vesting Conditions and Vesting Period (including any amendments thereto) subject to which Options shall vest in the hands of the Option Grantee subject to minimum and maximum vesting period specified in Para 6;

- (e) To decide upon treatment of vested, unvested Options and shares so arising in the hands of Option Grantee pursuant to exercise of vested options, in cases of dispute arising between the Option Grantee and the Company.

- (f) Exercise Price subject to minimum Exercise Price of Face Value of the Equity Shares on the date of the Grant;

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~~(f)~~(g) The procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of Options and to Exercise Price in case of corporate actions such as merger, acquisition, sale of division, rights issues, bonus issues and others. In this regard, the following shall, inter alia, be taken into consideration by the Committee:

- (i) the number and price of Options shall be adjusted in a manner such that total value to the employee of the Options remains the same after the corporate action;
- (ii) the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Employee(s) who is granted such Options;

~~(g)~~(h) The Exercise Period within which the Option Grantee should exercise the Option and that Option would lapse on failure to Exercise the option within the Exercise Period;

~~(h)~~(i) The procedure and terms for the Grant, Vest and Exercise of Shares, Stock Options in case of Option Grantees who are on long leave;

~~(i)~~(j) The procedure for cashless exercise of Stock Options, if required;

~~(j)~~(k) Approve forms, writings and/or agreements for use in pursuance of the ESOP 2014;

~~(k)~~(l) To decide upon the events on which the Options will get Vested in Employees;

~~(l)~~(m) Modification of the time period within which the Employee shall exercise the Vested Options in the event of resignation of an employee or discontinuation of services with the Company for any other reason;

~~(m)~~(n) The right of an Employee to Exercise all the options Vested by him at one time or at various points of time within the Exercise Period;

~~(n)~~(o) Establish, amend, suspend or waive such rules and regulations as it shall deem appropriate for the proper administration of ESOP 2014;

~~(o)~~(p) Appoint such agents as it shall deem necessary for the proper administration of ESOP 2014;

~~(p)~~(q) Obtaining permissions from, making periodic reports to regulatory authorities, as may be required and ensuring compliance with all guidelines applicable in this regard;

~~(q)~~(r) The conditions under which Options may Vest in Employees and may lapse in case of termination of employment for Misconduct;

(+)(s) Specify the time period within which the Employees shall exercise the Options Vested in him in the event of his termination or resignation;

(s)(t) The procedure for funding the Exercise of the Options;

(+)(u) The procedure for buy-back of specified securities issued under these regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:

- permissible sources of financing for buy-back;
- any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
- limits upon quantum of specified securities that the Company may buy-back in a financial year.

(+)(v) Make any other determination and take any other action that the Nomination and Remuneration Committee deems necessary or desirable for the administration of the ESOP 2014.

The Nomination and Remuneration Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended from time to time, by the Company and its Employees, as may be applicable.

Until, such Committee is formed by the Board, the Board shall administer the ESOP 2014 and discharge the abovementioned functions of the Committee.

Once listed, the Company shall appoint a registered merchant banker for the implementation of this scheme covered by the SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 until the stage of obtaining in-principle approval from the stock exchanges in accordance with the SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 Regulations.

5. ELIGIBILITY AND APPLICABILITY

- 5.1 Only Employees (including future Employees of the Company) are eligible for being granted Options under ESOP 2014. The specific Employees to whom the Options would be granted and their Eligibility Criteria would be determined by the Committee.
- 5.2 The Plan shall be applicable to the Company, its Subsidiary companies in India and abroad, its holding Company and any successor company thereof and may be granted to the Employees, future employees and Directors of the Company, its subsidiaries and its holding company, as determined

by the Committee on its own discretion in accordance with this Plan and Regulation 4 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as may be amended from time to time.

6. VESTING SCHEDULE AND CONDITIONS

- 6.1 Subject to Clause 7(b) of this Plan, Options granted under ESOP 2014 would vest not less than one year and not more than seven years from the date of grant of such Options. Vesting of Options would be subject to continued employment with the Company and thus the Options would vest on passage of time. In the event of death or permanent incapacity of an employee, the minimum vesting period of one year shall not be applicable.

In addition to this, the Committee may also specify certain performance parameters based on time and on individual performance or company performance subject to which the Options would vest. The specific vesting percentage, schedule and conditions subject to which vesting would take place would be outlined in the Letter of Grant given to the Option Grantee at the time of grant of Options.

- 6.2 Notwithstanding anything contained in this Plan, the Committee may, at its sole discretion, accelerate Vesting of any Options, subject to compliance with the minimum vesting period prescribed under Applicable Law.

7. EXERCISE

- a) The Exercise Price shall be determined by the Committee as per the applicable laws, at the time of the Grant and shall be mentioned in the Letter of Grant.

Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company or through any banking channel or in such other manner as the Committee may decide.

- b) The Stock Options granted shall be capable of being exercised within a period of ten years from the date of Vesting of the respective Stock Options subject to the scenarios outlined below.

~~Until the shares of the Company are listed on any recognized stock exchange, the Options can be exercised/ settled as per the provisions outlined in the table below:~~

		Vested Options	Unvested Options
1	Resignation / Termination (other than due to misconduct or breach of company policies/terms of employment)	All the Vested Options as on the date of submission of resignation shall be exercisable by the Option Grantee within the balance exercise period or at the time of occurrence of a Liquidity Event, whichever is earlier.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect after the last working date.

2	Termination due to misconduct or due to breach of policies or the terms of employment	All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination	All Unvested Options on the date of such termination shall stand cancelled with effect from that date.
3	Retirement	All the Vested Options as on the date of submission of resignation shall be exercisable by the Option Grantee within the balance exercise period or at the time of occurrence of a Liquidity Event, whichever is earlier.	All Unvested Options would continue to vest in accordance with the respective vesting schedules even after Retirement or superannuation in accordance with the Company's policies and the applicable law.
4	Death	All Vested Options may be Exercised by the Options Grantee's nominee or legal heirs immediately after, but in no event later than the remaining exercise period or at the occurrence of a liquidity event whichever is earlier.	All Unvested Options may be Exercised by the Options Grantee's nominee or legal heirs immediately after, but in no event later than the remaining exercise period or at the occurrence of a liquidity event whichever is earlier.
5	Termination due to Permanent Incapacity	All Vested Options may be Exercised by the Option Grantee or, in case of his inability to exercise due to such incapacity, the nominee, immediately after, but in no event later than the remaining exercise period or at the occurrence of a liquidity event whichever is earlier.	All Unvested Options may be Exercised by the Option Grantee or, in case of his inability to exercise due to such incapacity, the nominee, immediately after, but in no event later than the remaining exercise period or at the occurrence of a liquidity event whichever is earlier.
6	Abandonment of Employment without Company's consent*	All the Vested but Unexercised Options shall stand cancelled.	All the Unvested Options shall stand cancelled.
7	Long Leave	All the Vested Options may be exercised by the Option Grantee as per the Exercise Period mentioned in the Letter of Grant	All the Unvested Options shall freeze vesting and continue to vest only after the employee joins back the company / is back from the sabbatical. Approved earned leave and sick leave shall be considered for vesting period.

8	Other Reasons Apart from those mentioned above	The Committee will decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	The Committee will decide whether the Unvested Options on the date of separation shall stand cancelled or not, and such decision shall be final.
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~~Post the listing of the Equity Shares of the Company on any recognized stock exchange,~~ the Options can be exercised/ settled as per the provisions outlined in the table below:

		Vested Options	Unvested Options
1	Resignation / Termination (other than due to misconduct or breach of company policies/terms of employment)	All the Vested Options as on the date of submission of resignation shall be exercisable by the Option Grantee within 60 days (sixty days) of his/ her last working day with the Company	All Unvested Options on the date of submission of resignation shall stand cancelled with immediate effect after the last working date.
2	Termination due to misconduct or due to breach of policies or the terms of employment	All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination	All Unvested Options on the date of such termination shall stand cancelled with effect from that date.
3	Retirement	All Vested Options can be exercised by the Option Grantee within 60 days (sixty days) of his last working day with the Company.	All Unvested Options would continue to vest in accordance with the respective vesting schedules even after Retirement or superannuation in accordance with the Company's policies and the applicable law.
4	Death	All Vested Options may be Exercised by the Options Grantee's nominee or legal heirs immediately after, but in no event later than six months from the date of Death.	All Unvested Options may be Exercised by the Options Grantee's nominee or legal heirs immediately after, but in no event later than six months from the date of Death.

5	Termination due to Permanent Incapacity	All Vested Options may be Exercised by the Option Grantee or, in case of his inability to exercise due to such incapacity, the nominee, immediately after, but in no event later than six months from the date of such incapacity.	All Unvested Options may be Exercised by the Option Grantee or, in case of his inability to exercise due to such incapacity, the nominee, immediately after, but in no event later than six months from the date of such incapacity.
6	Abandonment of Employment without Company's consent *	All the Vested but Unexercised Options shall stand cancelled.	All the Unvested Options shall stand cancelled.
7	Long Leave	All the Vested Options may be exercised by the Option Grantee as per the Exercise Period mentioned in the Letter of Grant	All the Unvested Options shall freeze vesting and continue to vest only after the employee joins back the company / is back from the sabbatical. Approved earned leave and sick leave shall be considered for vesting period.
8	Other Reasons Apart from those mentioned above	The Committee will decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	The Committee will decide whether the Unvested Options on the date of separation shall stand cancelled or not, and such decision shall be final.

* [The Committee, at its sole discretion shall decide the date of cancellation of Options and such decision shall be binding on all concerned.]

- c) In the event of transfer or deputation of an Option Grantee from the company to the holding or subsidiary of the Company, including associate company, the unvested options as on the date of transfer, will continue to vest as per the original schedule and be exercised, subject to the compliance of the applicable laws.

- d) Transfer of Equity Shares arising out of ESOP 2014

Notwithstanding anything contained in the ESOP 2014, ~~post the IPO~~, if the Option Grantee (including his nominee) intends to transfer his shares, he shall do it freely through any Recognized Stock Exchange subject to applicable law, including SEBI regulations on insider trading and closure of trading window. Until the shares are listed, the transfer of shares shall be subject to such restrictions mentioned in the Articles of Association of the Company. No person, other than the employee to whom the option is granted, shall be entitled to the benefit arising out of such option except in case of death of an employee and permanent disability in which case the benefits may be

transferred to the nominee of the employee in accordance with Para 7(b) above.

- e) Lock in period for Shares ~~arising before listing of shares~~

The Shares arising out of Exercise of Vested Options, for Option Grantees other than Employees, including ex-employees ~~prior to listing of shares on any Recognized Stock Exchange or~~ at the time of listing of shares, shall be subject to lock-in as per the provisions of SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2018.

- f) The Equity Shares arising out of options granted under the ESOP 2014, shall be listed immediately upon exercise on all the Recognized Stock Exchanges where the shares of the company are listed subject to compliance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and wherever applicable, sub-regulation (1) of regulation 12 of Securities And Exchange Board Of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021.

- ~~g) Post the IPO, the Company shall not make any fresh grant which involves allotment or transfer of shares to its employees under the scheme formulated prior to its IPO and prior to the listing of its Equity Shares ('pre-IPO scheme') unless such pre-IPO scheme is in conformity with the SEBI SBEB and such pre-IPO scheme is ratified by its shareholders subsequent to the IPO: Provided that the ratification may be done any time prior to grant of new options or shares under such pre-IPO scheme.~~

- ~~h)g)~~ The Company and Employees shall also adhere to the policies and procedures framed by the Nomination & Remuneration Committee to ensure no violation of any securities laws including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended from time to time, by the employees.

8. CHANGE IN CONTROL

8.1 Definitions

- 8.1.1 An "**Ownership Change Event**" shall be deemed to have occurred if any of the following occurs with respect to the Company: (i) the direct or indirect sale or exchange in a single transaction by the shareholders of the Company of more than fifty percent (50%) of the voting shares of the Company; (ii) a merger or consolidation in which the Company is a party where the shareholders of the Company do not control a majority of the shares; (iii) the sale, exchange, or transfer of all or substantially all of the assets of the Company; or (iv) a liquidation or dissolution of the Company.
- 8.1.2 A "**Change in Control**" shall mean an Ownership Change Event or a series of related Ownership Change Events (collectively, a "Transaction") wherein the stockholders of the Company immediately before the Transaction do not retain immediately after the Transaction, direct or

indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding voting stock of the Company or the corporation or corporations to which the assets of the Company were transferred (the "Transferee Corporation(s)"), as the case may be. For purposes of the preceding sentence, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting stock of one or more corporations which, as a result of the Transaction, own the Company or the Transferee Corporation(s), as the case may be, either directly or through one or more subsidiary corporations. The Board shall have the right to determine whether multiple sales or exchanges of the voting shares of the Company or multiple Ownership Change Events are related, and its determination shall be final, binding and conclusive.

8.2 Effect of Change in Control on Options

In the event of a Change in Control, notwithstanding anything contained in this document, the treatment of options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the employee.

9. OTHER TERMS AND CONDITIONS

- 9.1 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc) in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Stock Option and becomes a registered holder of the Shares of the Company.
- 9.2 The Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 9.3 If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of options or the exercise price or both would be made in accordance with Clause 4.2(f) of ESOP 2014.
- 9.4 Employee Stock Options shall not be transferable to any person except in the event of death of the Option Grantee or inability to exercise due to Permanent Incapacity, in which case clause ~~7(b)(4)~~ and ~~7(b)(5)~~ would apply.
- 9.5 No person other than the Option Grantee to whom the Stock Option is granted shall be entitled to Exercise the Option except in the event of the death of the Option Grantee or inability to exercise due to Permanent Incapacity, in which case clause ~~7(b)(4)~~ and ~~7(b)(5)~~ would apply.

10. TAXATION

- 10.1 The liability of paying taxes if any, in the Stock Option granted pursuant to this Plan and the shares issued pursuant to exercise of rights shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 and the rules framed thereunder.

- 10.2 The Company shall have the right to deduct from the Employee's salary, any of the tax obligations arising in connection with the Stock Options or the Shares acquired upon the Exercise thereof. The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any have been satisfied by the Option Grantee.

11. ACCOUNTING POLICIES

~~The Company shall follow the requirements including the disclosure requirements of the Accounting Standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013).~~

The Company shall follow the requirements including the disclosure requirements of the Accounting Standard as may be prescribed by the Institute of Chartered Accountants of India and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 Regulations, from time to time, including the disclosure requirements prescribed thereunder.

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12. AUTHORITY TO VARY TERMS

- 12.1 Subject to Applicable Law, the Committee may, if it deems necessary, vary/ modify/ alter/ add/ amend the terms of ESOP 2014 at its sole discretion, provided that no such variation, alteration, addition or amendment to shall be made if it is detrimental to the interest of the Option Grantees, all such variations, alterations, additions or amendments shall be approved by the shareholders of the Company at a general meeting, pursuant to a special resolution, in compliance with Applicable Law. However, the Company shall be entitled to vary the terms of ESOP 2014 to meet any regulatory requirement without seeking shareholders' approval by special resolution.
- 12.2 The Company may reprice the unexercised Options, whether Vested or not, if the ESOP 2014 is rendered unattractive due to a fall in the price of Shares in the stock market, provided that such repricing is not detrimental to the interests of the Employees, and approval of the shareholders of the Company is obtained in a general meeting for such repricing.

13. MISCELLANEOUS

13.1 Government Regulations

This ESOP 2014 shall be subject to all Applicable Laws, and approvals from governmental authorities.

13.1.1 Inability to obtain approval

The inability of the Company to obtain approval from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the

failure to issue or sell such Shares.

- 13.2 The grant of an Option does not form part of the Option 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 shares or any expectation that an Option might be granted to him whether subject to any condition or at all.
- 13.3 Neither the existence of this Plan 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 this Plan by being granted an Stock Option on any other occasion.
- 13.4 The rights granted to an Option Grantee upon the grant of an Option shall not afford the Option 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).
- 13.5 The Option 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.
- 13.6 Participation in this plan shall not be construed as any guarantee of return on the equity investment. Any loss due to the fluctuations in the market price of the Equity Shares and the risks associated with the investments is that of the Optionee alone. The company is also not responsible for the following risks associated with the investments in the Equity Shares by the Optionee:
- i. Concentration: The risk arising out of any fall in value of shares is aggravated if the employee's holding is concentrated in the shares of a single company.
 - ii. Leverage: Any change in the value of the share can lead to a significantly larger change in the value of the options.

14. **NOTICES**

All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP 2014 shall be in writing and shall be sent to the address of the Option Grantee or to the official e-mail id available in the records of the Company and any communication to be given by an Option Grantee to the Company in respect of ESOP 2014 shall be sent to the address mentioned below:

Designation: The Company Secretary,
Bluestone Jewellery and Lifestyle Limited
Site No.89/2 Lava Kusha Arcade
Munnekolal Village, Outer Ring Road, Marathahalli
Bengaluru - 560035

Email: ~~compliance@bluestone.com~~ secretarial@bluestone.com

15. GOVERNING LAW AND JURISDICTION

- 15.1 The terms and conditions of the ESOP 2014 shall be governed by and construed in accordance with the laws of India.
- 15.2 The Courts of Bengaluru, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2014.
- 15.3 Nothing in this Clause will however limit the right of the Company to bring proceedings against any Option Grantee in connection with this ESOP 2014:
- (i) in any other court of competent jurisdiction; or
 - (ii) concurrently in more than one jurisdiction.

16. INCOME TAX RULES

The Income Tax Laws and Rules in force will be applicable.

17. SEVERABILITY

In the event any one or more of the provisions contained in this ESOP 2014 shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this ESOP 2014, but this ESOP 2014 shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein, and the ESOP 2014 shall be carried out as nearly as possible according to its original terms and intent.

18. CONFIDENTIALITY

Option Grantees must keep the details of the ESOP 2014 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this Confidentiality Clause, the Company has undisputed right to terminate any Agreement and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this Confidentiality Clause shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this clause, the Nomination & Remuneration Committee/ Board will have the authority to deal with such cases as it may deem fit.

The Option Grantee agrees that the Company may be required to disclose information of the Option Grantee during the process of implementation of the ESOP 2014 or while availing services relating

to SOP consulting, advisory services or SOP management services and/ or any other such incidental services. The Option Grantee hereby accords his consent that such confidential information regarding his SOP entitlements may be disclosed by the Company to its officers, professional advisors, agents and consultants on a need-to-know basis.
