

**CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE MEMBERS OF THE COMPANY THROUGH POSTAL BALLOT ON 17<sup>TH</sup> JANUARY, 2024.**

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**APPROVAL OF 'MIRC ELECTRONICS EMPLOYEE STOCK OPTION PLAN, 2023'**

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 ('Act') read with the relevant Rules made thereunder, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 read with all circulars and notifications issued thereunder ('SEBI Regulations'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the applicable provisions of the Foreign Exchange Management Act, 1999, the rules and regulations framed thereunder and any rules, circulars, notifications, guidelines and regulations issued by Reserve Bank of India, as amended and enacted from time to time, the relevant provisions of the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the Members of the Company be and is hereby given to the introduction and implementation of 'MIRC Electronics Employee Stock Option Plan 2023' ('ESOP 2023'/'Plan') and authorising the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee, including the Compensation Committee, which the Board has constituted to exercise its powers including the powers conferred by this resolution and Regulation 5 of the SEBI Regulations and Listing Regulations) to exercise its powers including the powers conferred by this resolution to adopt and implement the ESOP 2023, the salient features of which are furnished in the Explanatory Statement.

**RESOLVED FURTHER THAT** consent be and is hereby given to the Board to create, offer, issue, grant and allot from time to time, in one or more tranches, not exceeding 83,76,520 (Eighty-three lakhs seventy-six thousand five hundred and twenty only) employee stock options ('Options') to the eligible employees of the Company as per ESOP 2023, exercisable into not exceeding 83,76,520 (Eighty-three lakhs seventy-six thousand five hundred and twenty only) equity shares of the face value of Re. 1/- (Rupee One only) each fully paid-up where one (1) Option would convert into one (1) equity share upon exercise, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2023.

**RESOLVED FURTHER THAT** the equity shares so issued and allotted as mentioned hereinbefore shall rank *pari passu* with the existing equity shares of the Company.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organisation, split, change in capital structure of the Company, as applicable from time to time, if any additional Options are granted or equity shares are issued by the Company to the grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling of total number of Options and equity shares specified above shall be deemed to be increased to the extent of such additional Options granted or equity shares issued.

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be allotted and the price of acquisition payable by the grantees under the Plan shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such subdivision or consolidation, without affecting any other rights or obligations of the employees who have been granted Options under the ESOP 2023 and the ceiling in terms of number of shares specified above shall be deemed to be adjusted accordingly.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take requisite steps for listing of the equity shares allotted under the Plan on the stock exchanges in reasonable time where the equity shares of the Company are listed in due compliance with SEBI Regulations, Listing Regulations and other applicable laws.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI Regulations, Listing Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Plan.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things, as it may, in its absolute discretion, deem necessary including authorising or directing to appoint merchant bankers, brokers, solicitors, registrars, compliance officer, investors service centre and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the Plan as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to modify, change, vary, alter, amend, suspend or terminate the Plan at any time subject to compliance with applicable laws and regulations and further subject to consent of the Members by way of a special resolution to the extent required under SEBI Regulations and to do all such acts, deeds, matters and things as it may



deem fit at its absolute discretion for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Plan and do all other things incidental and ancillary thereto in conformity with the provisions of the Act, SEBI Regulations, the relevant provisions of the Memorandum and Articles of Association of the Company and any other applicable laws in force.”

Certified true copy  
for MIRC Electronics Limited



Prasad Oak  
Head - Legal, Corporate Affairs  
& Company Secretary



Place: Mumbai

Date: 18<sup>th</sup> January, 2024

## EXPLANATORY STATEMENT

### **Pursuant to Section 102 of the Act, SEBI Regulations and Listing Regulations.**

Equity based compensation is considered to be an integral and important part of employee compensation across various sectors which enables alignment of personal goals of the employees with the organisational objectives by participating in the ownership of the Company through stock-based compensation scheme. The Company believes that equity-based compensation plans are an effective tool to reward the talent working with the Company. With a view to motivate employees for their contribution to corporate growth, to create an employee ownership culture and to retain them for ensuring sustained growth, the Company intends to implement an Employee Stock Option Plan viz. 'The MIRC Electronics Employee Stock Option Plan 2023' ('ESOP 2023'/'Plan').

The primary objectives of the Plan is to reward the employees for their association, dedication and contribution to the goals of the Company. The Company intends to use this Plan to attract and retain the key talent by way of rewarding their performance and motivating them to contribute to the overall corporate growth and profitability. The Company views employee stock option plan as a long-term incentive tool that would assist in aligning employees' interest with that of the shareholders and enable the employees not only to become co-owners, but also to create wealth out of such ownership in future. The initiative is being introduced to link the employee's performance in the Company along with other initiatives which would contribute to improve the performance of the Company. Accordingly, the NRC/ Compensation Committee formulated the detailed terms and conditions of the Plan, which were duly approved by the Board of Directors at its meeting held on 2<sup>nd</sup> November, 2023, subject to approval of the Members.

Under the Plan, the Company would grant up to 83,76,520 (Eighty-three lakhs seventy-six thousand five hundred and twenty only) Employee Stock Options ('Options'), in one or more tranches, to such eligible employees as may be determined by the Compensation Committee in terms of the Plan, that would entitle the grantees (in aggregate) to subscribe up to 83,76,520 (Eighty-three lakhs seventy-six thousand five hundred and twenty only) fully paid-up equity shares with face value of Re. 1/- (Rupee one only) each. The maximum number of Options that may be granted to each Employee during a year shall not be equal to or exceed 1% of issued capital at the time of grant. As per the provisions of Section 62(1)(b) of the Act read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, as amended and Regulation 6 of the SEBI Regulations, the Company seeks approval of the Members for adoption and implementation of ESOP 2023 to the eligible employees of the Company as the Compensation Committee may decide under the Plan.

The Plan has been formulated in accordance with the provisions of the Act and SEBI Regulations.

The salient features of the Plan as required under Regulation 6 of the SEBI Regulations are set out as below:

**(i) Brief Description of the Plan:**

In view of the aforesaid objectives, the Plan contemplates grant of Options to the eligible employees of the Company.

After vesting of Options, the eligible employees earn a right, but not obligation, to exercise the vested Options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon and other terms and conditions of the Plan.

The NRC shall act as the Compensation Committee for the administration of the Plan. All questions of interpretation of the Plan shall be determined by the Compensation Committee and such determination shall be final and binding upon all persons having an interest in the Plan.

**(ii) Total number of Options to be granted:**

Under the Plan, the Company would grant up to 83,76,520 (Eighty-three lakhs seventy-six thousand five hundred and twenty only) Options, in one or more tranches, to such eligible employees as may be determined by the Compensation Committee in terms of the Plan, that would entitle the grantees (in aggregate) to subscribe up to 83,76,520 (Eighty-three lakhs seventy-six thousand five hundred and twenty only) fully paid-up equity shares with face value of ₹ 1 (Rupee one only) each. The maximum number of Options that may be granted to each Employee during a year shall not be equal to or exceed 1% of issued capital at the time of grant. Further, SEBI Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division, etc., a fair and reasonable adjustment needs to be made to the Options granted.

In this regard, the Compensation Committee shall adjust the number or the exercise price of the Options granted or both in such a manner that the total value of the Options granted under the Plan remain the same after any such corporate action. Accordingly, if any additional Options are issued by the Company to the grantees for making such fair and reasonable adjustment, the ceiling of aforesaid shall be deemed to be increased to the extent of such additional Options issued.



**(iii) Identification of classes of employees entitled to participate in the Plan:**

Subject to determination or selection by the Compensation Committee, the following classes of employees/directors are eligible being:

- a) an employee as designated by the Company, who is exclusively working in India or outside India;
- b) a Director in the whole-time employment of the Company, who is not a promoter or member of the promoter group;

but does not include –

(i) an employee who is a promoter or belongs to the promoter group; or (ii) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company; or (iii) an Independent Director.

**(iv) Requirements of Vesting and period of Vesting:**

All the Options granted on any date shall vest not earlier than the minimum vesting period of 1 (one) year from the grant date. The vesting dates and relative percentages shall be determined by the Compensation Committee and may vary from employee to employee or any class thereof. Vesting of Options would be subject to continued employment with the Company. In addition to this, the Compensation Committee may also specify certain performance criteria subject to satisfaction of which the Options would vest.

The Committee may extend, shorten or otherwise vary the vesting period from time to time, in accordance with the applicable law.

**(v) Maximum period within which the Options shall be vested:**

The maximum period within which the Options shall vest will be decided by the Compensation Committee at the time of grant.

**(vi) Exercise price or pricing formula:**

The Exercise Price shall be such price, as determined by the Compensation Committee from time to time and as evidenced in the Letter of Grant unless subsequently modified by the Compensation Committee. For the avoidance of doubt, note that the Exercise price may be different for different set of Employees for Options granted on same / different dates.

**(vii) Exercise period and the process of exercise:**

The Vested Options with an Option Grantee while in employment/service with the Company may be Exercised anytime within 2 (two) years from the Vesting Date, failing which the Vested Options shall automatically lapse, unless otherwise decided by the Compensation Committee. During this period, the Vested Options may be Exercised by the Option Grantee at one time or at various points of time, in line with such procedures as may be determined by the Compensation Committee from time to time.

The exercise period of vested options in case of resignation, termination, retirement, death and permanent incapacity shall be as per ESOP 2023. The Exercise period would be as decided by the Compensation Committee. The Stock Options will be exercisable at one time or at various points of time within the exercise period by the employees as per the process set by the Compensation Committee from time to time in line with SEBI guidelines. The Stock Options will lapse if not exercised within the specified exercise period.

**(viii) Appraisal process for determining the eligibility of employees under the Plan:**

The appraisal process for determining the eligibility of the employees will be based on position, sector, designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Compensation Committee based upon annual operating plan.

**(ix) Maximum number of Options to be issued per employee and in aggregate:**

The maximum number of Options under the Plan shall not exceed 83,76,520 (Eighty-three lakhs seventy-six thousand five hundred and twenty only) Options which are convertible into 83,76,520 (Eighty-three lakhs seventy-six thousand five hundred and twenty only) shares.

The maximum number of Options that may be granted to each Employee during a year shall not be equal to or exceed 1% of issued capital at the time of grant

**(x) Maximum quantum of benefits to be provided per employee under the Plan:**

The maximum quantum of benefits that will be provided to any eligible employee under the Plan will be the difference between the market value of Company's shares on the stock exchanges as on the date of exercise of Options and the exercise price and tax amount as may be applicable paid by the employee. Apart from grant of Options as stated above, no other benefits are contemplated under the Plan.

**(xi) Whether the scheme is to be implemented and administered directly by the Company or through a trust:**

The Plan shall be implemented and administered directly by the Compensation Committee. The Company may change the mode of implementation of the Scheme subject to the condition that a fresh approval of the Shareholders by a special resolution is obtained prior to implementing such a change and that such a change is not prejudicial to the interests of the Grantees.

**(xii) Whether the scheme involves new issue of shares by the Company or secondary acquisition by the trust or both:**

The Plan contemplates issue of fresh/primary equity shares by the Company.

**(xiii) Amount of loan to be provided for implementation of the scheme(s) by the Company, its tenure, utilization, repayment terms, etc.:**

Not applicable since this is currently not contemplated under the Plan.

**(xiv) Maximum percentage of secondary acquisition that may be made for the purposes of the scheme(s):**

Not applicable since this is currently not contemplated under the Plan.

**(xv) Accounting and Disclosure Policies:**

The Company shall follow the IND AS 102 on Share based payments and/or any relevant accounting standards/guidance note as may be prescribed by the Institute of Chartered Accountants of India or any other competent authority, from time to time, including the disclosure requirements prescribed therein, in compliance with Regulation 15 of SEBI Regulations.



**(xvi) Method of valuation of Options by the Company:**

The Company shall comply with the requirements of IND – AS 102 and shall use Fair value method and the fair value of Options would be calculated using Black Scholes method or other option pricing method depending on the type of grant.

**(xvii) Period of lock-in:**

The Shares issued pursuant to exercise of vested Options shall not be subject to any lock-in period restriction in general. Usual restrictions as may be prescribed under the applicable laws including that under the code of conduct framed, if any, by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, shall apply.

**(xviii) Terms & conditions for buyback, if any, of specified securities/Options covered granted under the Plan:**

Subject to the provisions of the applicable laws, the Compensation Committee shall determine the procedure for buy-back of the specified securities/Options if to be undertaken at any time by the Company and the applicable terms and conditions thereof.

Pursuant to Regulation 6(1) of SEBI Regulations and Section 62(1)(b) of the Act, approval of the Members is being sought, by way of a special resolution, for approval of the Plan and issue of shares to the eligible employees of the Company under the said Plan as detailed in Resolution No.2 of this Postal Ballot Notice.

The issue of the said equity shares would be well within the Authorised Share Capital of the Company.

The copies of the draft Plan setting out the terms and conditions of the Plan and the relevant resolutions passed by the NRC/Compensation Committee referred to in the resolutions, would be available for inspection by the Members. Please refer to Note No. 10 given in the Notice on inspection of documents.

None of the Directors and key managerial personnel of the Company, including their relatives, are interested or concerned in the resolutions, except to the extent they may be lawfully granted Options under the ESOP 2023.

The Board recommends the Resolutions set out at Item Nos.2 in this Notice, for approval of the Members by way of Special Resolutions.

Certified true copy  
for MIRC Electronics Limited



Prasad Oak  
Head - Legal, Corporate Affairs  
& Company Secretary



Place: Mumbai

Date: 15<sup>th</sup> March, 2024