



Alkyl Amines Chemicals Limited

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NOTICE OF POSTAL BALLOT

Dear Shareholder(s),

NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with the Companies (Management and Administration) Rules, 2014, (the 'Rules'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the 'SEBI ESOP Regulations'), and other applicable laws and regulations (including any statutory modification or re-enactment thereof for the time being in force) that the Special Resolutions appended below are proposed to be passed by the Shareholders by way of postal ballot / voting by electronic means ('e-Voting'). The explanatory statement pertaining to the said resolutions setting out the material facts and the reasons thereof is annexed hereto along with the postal ballot form (the 'Form' or the 'Postal Ballot Form').

In compliance with the provisions of Section 108 and 110 of the Act read with the Rules and the Listing Regulations (including any statutory modification or re-enactment thereof for the time being in force), the Company is pleased to extend e-Voting facility as an alternative, to enable the Shareholders to cast their votes electronically instead of through the Postal Ballot Form(s).

Mr. Prashant S. Mehta, Practising Company Secretary (ACS No. 5814, C.P. No. 17341), who is not in the employment of the Company and is in the opinion of the Board, capable of conducting the postal ballot process in a fair and transparent manner, has been appointed as the Scrutinizer (the 'Scrutinizer') for conducting the postal ballot process.

You are requested to peruse the proposed resolutions alongwith the explanatory statement and carefully read the instructions that form part of this Postal Ballot Notice ('Notice') and return the Form in original duly filled and signed (at the marked places in the Form) alongwith your vote, as Assent (FOR) or Dissent (AGAINST) for the said resolutions, in the attached self-addressed, postage prepaid reply envelope, so as to reach the Scrutinizer by 5:00 p.m. (IST) on or before Monday, January 14, 2019. Please note that any Form received after the said date and time will be strictly treated as if the reply from the Shareholder has not been received.

Shareholders having equity shares in demat form or in physical form may vote either by way of Postal Ballot or by way of e-voting. For the purpose of e-voting, the Company has engaged the services of National Securities Depository Limited ('NSDL'). In case a Shareholder has voted through e-voting facility, he/she is not required to send the physical Form to the Scrutinizer.

The Scrutinizer shall submit his report after completion of

scrutiny of Forms and e-Voting. The results of voting by Postal Ballot will be declared on or before January 16, 2019. The results shall be communicated to the Stock Exchanges and the same alongwith the Scrutinizer's Report will be displayed on the Company's website www.alkylamines.com as well as on the National Securities Depository Limited website www.evoting.nsdl.com. In addition, the results will also be published in the newspapers for information of the Shareholders.

PROPOSED RESOLUTIONS:

1. APPROVAL OF 'ALKYL AMINES CHEMICALS LTD. (AACL) - EMPLOYEES STOCK OPTION PLAN 2018' FOR EMPLOYEES OF THE COMPANY

To consider and to give assent/ dissent for passing the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62 (1) (b) of the Companies Act, 2013("the Act") and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto ("the SEBI ESOS Regulations"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI LODR Regulations"), the Listing Agreement entered into with the Stock Exchange where the securities of the Company are listed, any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee), consent of the Shareholders be and is hereby accorded to introduce and implement the AACL - Employees Stock Option Plan 2018 ("ESOP - 2018") the salient features of which are detailed in the Explanatory Statement to this Notice and to create, grant, offer, issue and allot at any time in one or more tranches to or for the benefit of such person(s) who are in the permanent employment of the Company, whether working in India or outside India, including Director of the Company, whether Whole-time director or not, but excluding Promoter, Promoter group and independent Directors and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as "Employees") selected on the basis of criteria decided by the Board under the ESOP-2018, such number of stock

options convertible into Equity Shares of the Company (“Options”), in one or more tranches, not exceeding 204,000 equity shares of face value of ₹ 5 each, at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the ESOP-2018, and all provisions of applicable laws.

RESOLVED FURTHER THAT the Scheme may also envisage provisions for providing financial assistance to the Eligible Employees to enable them to acquire, purchase or subscribe to the said Securities of the Company in accordance with the provisions of the Act/Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares directly to the eligible Employees upon exercise of Options from time to time in accordance with the ESOP-2018 and such equity shares shall rank pari-passu in all respects with the then 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 of capital structure of the Company, as applicable from time to time, if any additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Stock Options granted earlier, the above ceiling shall be deemed to be increased to the extent of such additional 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 issued and allotted on exercise of Options granted under the ESOP-2018 and the exercise price of Options granted under the ESOP-2018 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 5 per equity share bears to their revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the ESOP-2018.

RESOLVED FURTHER THAT without prejudice to the generality of the above the Board, which includes the Nomination and Remuneration Committee is authorised to formulate, evolve, decide upon and implement the ESOP-2018, determine the detailed terms and conditions of the aforementioned ESOP-2018 including but not limited to the quantum of the Options to be granted per employee, the number of Options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Stock Options shall lapse and to grant such number of Options, to such employees of the Company, at par or at such other price, at such time and on such terms and conditions as set out in the ESOP-2018 and as the Board may in its absolute discretion think fit.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee be designated as the Compensation

Committee in accordance with Regulation 5(1) of the SEBI ESOS Regulations for the purposes of administration of ESOP-2018.

RESOLVED FURTHER THAT the Board is hereby authorised to make any modifications, changes, variations, alterations or revisions in the ESOP-2018 as it may deem fit, from time to time or to suspend, withdraw or revive the ESOP-2018 from time to time, in conformity with applicable laws, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT the Board shall take necessary steps for listing of the Equity Shares allotted under the ESOP-2018 on the Stock Exchanges, where the Shares of the Company are listed in accordance with the provisions of the SEBI ESOS Regulations, the SEBI LODR Regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the ESOP-2018 at any stage including at the time of listing of the equity shares issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committees, with power to sub-delegate to any Executives/ Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard.”

2. APPROVAL OF AACL - EMPLOYEES STOCK OPTION PLAN 2018 TO THE EMPLOYEES OF SUBSIDIARY COMPANY (IES)

To consider and to give assent/ dissent for passing the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 62 (1) (b) of the Companies Act, 2013 (“the Act”) and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, the Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto (“the SEBI ESOS Regulations”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the SEBI LODR Regulations”), the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents,

permissions, sanctions and approvals as may be necessary and subject to such consents, permissions, sanctions and approvals which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee including the Nomination and Remuneration Committee to exercise the powers conferred by this Resolution), consent and approval of the Shareholders be and is hereby accorded to extend the benefits of AACL - Employees Stock Option Plan 2018 (“ESOP- 2018”) proposed in the resolution number (1) to such persons who would be in the permanent employment of the future subsidiary company(ies), if any (which the Company may set up, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time), (hereinafter referred to as “Subsidiary Companies”), whether working in India or out of India and to the directors of the Subsidiary Companies, and to such other persons as may from time to time be allowed, under prevailing laws, rules and regulations, and/or amendments thereto from time to time, on such terms and conditions as may be decided by the Board, and selected on the basis of criteria prescribed by the Board, hereinafter referred to as “Subsidiary Companies Employees” at such price or prices in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the ESOP-2018.

RESOLVED FURTHER THAT for the purpose of creating, offering, issuing, allotting and listing of the Securities, the Board be authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the ESOP- 2018 from time to time or to suspend, withdraw, or revive ESOP- 2018 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company.”

By order of the Board of Directors
For Alkyl Amines Chemicals Ltd.

K. P. RAJAGOPALAN
General Manager (Secretarial & Legal)
& Company Secretary

November 27, 2018

NOTES:

- 1) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the ‘Act’) for the proposed Special Resolutions setting out material facts in relation thereto is appended to the Notice. Notice shall also be available on the website of the Company: www.alkylamines.com
- 2) In compliance with the provisions of Section 108 and 110 of the Act read with the rules made thereunder, as amended and Regulation 44 of the Listing Regulations, the Company is pleased to provide e-voting facility to its Shareholders, holding equity shares in physical or dematerialized form, as on the cut-off date, being Wednesday, December 5, 2018 to exercise their right to vote by electronic means on the businesses specified in the accompanying Notice through the electronic voting service facility arranged by NSDL. Shareholders have the option to vote either through e-voting or through the Form.
- 3) The Postal Ballot Notice along with the Explanatory Statement, instructions and manner of e-Voting process and the Postal Ballot Form can be downloaded from the link ‘<https://www.evoting.nsdl.com/>’
- 4) The e-voting period commences on Saturday, December 15, 2018 at 9.00 a.m. and ends on Monday, January 14, 2019 at 5.00 p.m. During this period, Shareholders of the Company, holding equity shares either in physical form or in dematerialized form, as on the cut-off date i.e. December 5, 2018, may cast their vote by e-voting. The e-voting module shall be disabled by NSDL after the prescribed date and time for voting. Once the vote on a resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.
- 5) Please follow all the steps below, to cast your vote.
 - i. As per the Rules, Notice of the Postal Ballot may be served on the Shareholders through electronic transmission. Notice of Postal Ballot and Postal Ballot Form are being sent electronically to all the Shareholders whose e-mail addresses are registered with the Company/Depository Participant(s). In respect of others, these documents are being sent by permitted mode of dispatch.
 - ii. Shareholders who have received Notice of the Postal Ballot by e-mail and who wish to vote through physical Postal Ballot Form can seek duplicate Postal Ballot Form from Registered Office of the Company.
 - iii. Kindly note that the Shareholders can opt for only one mode of voting i.e. either physical Postal Ballot Form or e-Voting. If you are opting for e-Voting, please do not vote by physical Postal Ballot Form and vice versa. However, in case a Shareholder casts his vote by physical Postal Ballot Form and also by e-Voting, voting done by valid e-Voting shall prevail and voting done through Postal Ballot Form will be treated as invalid.
 - iv. The Notice is being sent to all the Shareholders of the Company whose names appear in the Register of Members/ Record of Depositories as on December

- 5, 2018 (the “Cut-off Date”). Voting rights shall be reckoned on the paid up value of the equity shares registered in the name of the Shareholders of the Company as on the Cut-off Date.
- v. Shareholders whose names appear on the Register of Members / List of Beneficial Owners as on the Cut-off Date will be considered for the purpose of voting / e-voting. A person who is not a Shareholder as on the Cut-off Date should treat this Notice for information purpose only.
 - vi. The voting period commences at 9:00 a.m. (IST) on Saturday, December 15, 2018 and ends at 5:00 p.m. (IST) on January 14, 2019. No voting shall be allowed beyond 5:00 p.m. on Monday, January 14, 2019. The e-Voting module shall be disabled by NSDL for voting thereafter.
 - vii. In case of voting by Postal Ballot Form, duly completed Postal Ballot Form should reach the Scrutinizer by 5:00 p.m. (IST) on Monday, January 14, 2019. All Postal Ballot Forms received after this date will be strictly treated as if reply from such Shareholder has not been received and shall be invalid.
 - viii. The Scrutinizer’s decision on validity of the Postal Ballot shall be final.
 - ix. The Scrutinizer will submit his report after completion of scrutiny of Postal Ballot Forms and e-Voting, to the Chairman, who will, or in his absence Company Secretary will, declare the results of voting by Postal Ballot on or before Wednesday, January 16, 2019. The results along with the Scrutinizer’s Report will be displayed at the Registered Office of the Company.

The results of the Postal Ballot will also be announced through newspaper advertisement and communicated to the Stock Exchanges. The results along with the Scrutinizer’s Report will also be displayed on the Company’s website www.alkylamines.com as well as on the NSDL website www.evoting.nsdl.com.
 - x. The resolutions will be taken as passed effectively on the last date of receipt of Postal Ballot Forms / e-Voting i.e. Monday, January 14, 2019, if the results of the Postal Ballot indicate that the requisite majority of the Shareholders of the Company have assented to the resolution
- 6) In case of any queries or grievances relating to e-Voting, you may contact Ms. Pallavi Mhatre, Asst. Manager, NSDL, Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, India through e-mail at evoting@nsdl.co.in or on Toll Free No.: 1800-222-990 / Telephone No.: 022-24994545 OR 022-67946618 (Company officials). The procedure to login to e-Voting website consists of two steps as detailed hereunder:

STEP 1: LOG-IN TO NSDL E-VOTING SYSTEM

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> .

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details will be as per details given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical Your User ID is:	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will prompt you to change your password.
 - c. How to retrieve your ‘initial password’?
 - i. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you by NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - ii. If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a. Click on “[Forgot User Details/Password?](#)” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. “[Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

STEP 2: CAST YOUR VOTE ELECTRONICALLY ON NSDL E-VOTING SYSTEM

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. Institutional Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer acs.pmehta@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go

through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of <https://www.evoting.nsdl.com> or contact NSDL by email at evoting@nsdl.co.in or call on: 1800-222-990

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE OF POSTAL BALLOT

Item Nos. 1 and 2.

Stock Options represent a reward system based on performance. They help companies attract, retain and motivate the best available talent. Stock Options also provide a company with an opportunity to optimise its personnel costs. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands.

Further, as the business environment is becoming increasingly competitive, it is important to attract and retain qualified, talented and competent personnel in the Company. Your Company believes in rewarding its Employees including employees of the /Subsidiary Company (ies), if any, for their continuous hard work, dedication and support, which has led the Company on the growth path.

Keeping in line with the above, “AACL - Employees Stock Option Plan 2018” (“the Scheme”) has been formulated by the Company and to be implemented by Nomination & Remuneration Committee constituted under Section 178 of the Companies Act, 2013 in accordance with the requirements of Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI ESOS Regulations”) issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on November 1, 2018 subject to the approval of the members.

The Scheme will be operated and administered under the superintendence of the Company’s Nomination and Remuneration Committee, hereinafter which is a Committee of the Board of Directors, whose Members are Independent Directors. The Nomination and Remuneration Committee will formulate the detailed terms and conditions of the Scheme including:

- Number of options to be granted to any Employee, and in the aggregate;
- Terms on which the options will vest;
- The conditions under which options vested in Employees may lapse in case of termination of Employees for misconduct;
- The exercise period within which an Employee should exercise the options, and lapsing of options on failure to exercise the options within the exercise period and determination of exercise price which may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP- 2018;

- The specified time period within which the Employee shall exercise the vested options in the event of termination or resignation of the Employee;
- The right of an Employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
- The grant, vesting and exercise of options in case of Employees who are on long leave; and
- Any other related or incidental matters.

Brief Description of the Scheme is given as under:

a) The total number of options to be granted

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches upto 204,000 equity shares of ₹ 5 each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time).

SEBI ESOS Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale or division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling Shares shall be deemed to be increased to the extent of such additional equity shares issued

Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation of Option grantees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the provisions of ESOP-2018.

b) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme

All permanent employees of the Company working in India or out of India and Directors (whether Managing/Whole time Director or not) and its Subsidiary Company(ies), (present or future) (excluding promoters and an employee who is a Promoter or a person belonging to the Promoter Group) and further excluding 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 and excluding Independent Directors as may be decided by the Board.

The class of Employees eligible for participating in the Scheme shall be determined on the basis of the grade, number of years' service, performance, and role assigned to the employee and such other parameters as may be decided by the Board in its sole discretion from time to time.

The options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

c) Terms of the scheme:

- (1) The Company shall not vary the terms of the schemes in any manner, which may be detrimental to the interests of the Option Grantees: Provided that the company shall be entitled to vary the terms of the schemes to meet any regulatory requirements.
- (2) Subject to the proviso to sub-regulation (1), the company may by special resolution in a general meeting vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employee provided such variation is not prejudicial to the interests of the Option Grantees.
- (3) The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the Option Grantees who are beneficiaries of such variation.
- (4) The Company may re-price the options as the case may be which are not exercised, whether or not they have been vested if the terms of the grants were rendered unattractive due to fall in the price of the shares in the stock market; Provided that the company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantees and approval of the shareholders in general meeting has been obtained for such re-pricing.

d) Transferability of Employee Stock Options:

- (1) The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option Grantee, the right to exercise all the Options granted to him till such date shall be vest in his legal heirs or nominees.
- (2) In the event of resignation or termination of the Option Grantee, all the options which are granted and yet not vested as on that day shall lapse.
- (3) In the event that an Option Grantee who has been granted benefits under a scheme is transferred or deputed to subsidiary company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

e) Requirements of vesting and period of vesting

Vesting of options may commence after a period of not less than one year from the date of grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the ESOP-2018.

Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising:

Sr. No.	Separations	Vested Options	Unvested Options
1	Resignation	All Vested Options as on date of submission of resignation may be exercised by the Option Grantee on or before his last working day with the Company.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
2	Termination (With or without cause)	All Vested Options which were not allotted 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 the termination date.
3	Retirement or early Retirement approved by the Company	All Vested Options as on date of retirement may be exercised by the Option Grantee within 60 days from his last working date.	All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within 60 days of respective vesting date.
4	Death	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 6 months from the date of Death.	All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within 6 months from the date of Death.
5	Permanent Disability	All Vested Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 6 months from the date of such disability.	All the Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 6 months from the date of such disability.
6	Abandonment*	All the Vested Options shall stand cancelled.	All the Unvested Options shall stand cancelled.
7	Other reasons apart from those mentioned above	The Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

* The Board, at its sole discretion shall decide the date of

cancellation of Option's and such decision shall be binding on all concerned.

f) Maximum period within which the options shall be vested

The maximum vesting period may extend up to 5 (five) years from the date of grant of options, unless otherwise decided by the Board.

g) Maximum Exercise period

The Exercise period shall not be more than 5 years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Board from time to time.

h) Exercise price or pricing formula

Exercise Price means the price at which the Option Grantee is entitled to acquire the equity shares pursuant to the options granted and vested in him/her under the Scheme.

The Exercise Price shall be equal to ₹ 5 (Rupees Five only) per option or any other price as may be decided by the Board. In any case, the Exercise Price per Option shall not be less than the face value of shares and it may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP- 2018.

i) Process of exercise

The Vested options shall be exercisable by the employees by a written application (which may include making applications online using any ESOP administration software) to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Board from time to time. The options shall lapse if not exercised within the specified exercise period. The options may also lapse, under certain circumstances even before the expiry of the specified exercise period.

Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board may decide.

j) Appraisal Process for determining the eligibility of Employees to the Scheme.

The appraisal process for determining the eligibility of the Employee will be specified by the Board and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the Board.

k) Maximum number of options to be issued per Employee and in the aggregate

The number of Options that may be granted to any specific employee under ESOP-2018 shall not exceed such number of Shares as may be decided by the Board as per provisions

of the Scheme, which shall not exceed 1% of the Issued Share Capital of the Company and in aggregate if the prior specific approval from Shareholders of the Company through a special resolution to this effect is not obtained.

l) Maximum quantum of benefits to be provided per employee under a Scheme

The Maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the Market Price of the shares as on the date of sale of shares arising out of Exercise of options.

m) Certificate from auditors

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.

n) Whether the scheme is to be implemented and administered directly by the Company or through a trust

The Scheme will be implemented directly by the Company under the guidance of the Board.

o) Whether scheme involves new issue of shares by the Company or Secondary acquisition by the trust

The Scheme will involve only new issue of shares by the Company.

p) Disclosure and accounting policies

The Company shall conform to the accounting policies specified by Securities & Exchange Board of India as per the SEBI ESOS Regulations, amended from time to time and relevant Accounting Standard as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time.

q) Method of Valuation

The Company follows fair value method for computing the compensation cost, if any, for the options granted. The company will follow IFRS/ IND AS/ any other method as may be statutorily required.

r) Rights of the option holder

The employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are allotted upon exercise of option.

s) Consequence of failure to exercise option

All unexercised options shall lapse if not exercised on or before the exercised period ends. The amount payable by the employee, if any, at the time of grant of option, -

- (a) may be forfeited by the company if the option is not exercised by the employee within the exercise period; or

- (b) may be refunded to the employee if the options are not vested due to non-fulfilment of conditions relating to vesting of option as per the Scheme.

t) Other terms

The Board shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the regulations and guidelines as prescribed by the Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the Option Grantees.

The Board may, if it deems necessary, modify, change, vary, amend, suspend or terminate the ESOP - 2018, subject to compliance with the Applicable Laws and Regulations.

The shares may be allotted directly to the Option Grantees in accordance with the Scheme and such Scheme may also contain provisions for providing financial assistance to the Employees to enable the Employees to acquire or subscribe to the shares.

Resolution at Item 2 is proposed to enable the company to extend the scheme to the employees of any Subsidiary Company(ies), which the Company may form in future.

As the Scheme would entail further shares to be offered to persons other than existing Members of the Company, consent of the members is sought pursuant to the provisions of section 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per the requirement of Clause 6 of the SEBI ESOS Regulations.

Draft scheme of the Employee Stock Option Plan 2018 is available for inspection at the Registered Office of the Company at 401-407, Nirman Vyapar Kendra, Plot No. 10, Sector 17, Vashi, Navi Mumbai 400703 during office hours i.e. from 11 a.m. to 1 p.m. on all working days until the last date for receipt of votes by Postal Ballot/ e-voting.

None of the Directors and Key Managerial Personnel of the Company including their relatives is interested or concerned in the resolution No. 1 and 2, except to the extent of their shareholding entitlements, if any, under the ESOP Scheme.

Your Directors recommend the Resolution set out in Item No. 1 and 2 of the Notice for adoption by the members.

By order of the Board of Directors
For Alkyl Amines Chemicals Ltd.

K. P. RAJAGOPALAN
General Manager (Secretarial & Legal)
& Company Secretary

November 27, 2018