

NOTICE

NOTICE is hereby given that the 3rd (2024-25) Extra-Ordinary General Meeting of the Members of Northern Arc Capital Limited (the “Company”) will be held on **Tuesday, the 02nd day of July 2024 at 10.30 a.m.** at the registered office of the Company at 10th Floor-Phase 1, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai – 600 113 to transact the following business:

SPECIAL BUSINESS:

1. Approval for increasing the ESOP pool from 78,51,758 to 90,07,758 options:

To consider, and if thought fit, to pass, with or without modification(s) the following Resolution as a **Special Resolution:**

RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”) and the applicable Rules framed thereunder, including any amendment thereto or re-enactment thereof and including any regulations, guidelines, circulars and notifications issued thereunder and subject to such other approvals, consents, permissions and/or sanctions as may be required from any appropriate regulatory or statutory authority/institution or body and subject to such terms and conditions as may be prescribed/imposed by any of them, the consent of the Members of the Company be and is hereby accorded for increase in the ESOP pool from 78,51,758 to 90,07,758 options by the addition of 11,56,000 options to be granted to employees in accordance with the Northern Arc Employee Stock Option Plan, 2016 and Schemes made thereunder.

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT anyone of the director of the Company or the Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be required to give effect to the above resolution.

2. Approval for the amendments to Employees Stock Option Plan of the Company and various Schemes framed thereunder.

To consider and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of section 62 and all other applicable provisions, if any, of the Companies Act, 2013 read along with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and such other applicable provisions under of Companies Act 2013, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended (**“SEBI SBEB Regulations”**) and other applicable laws/ regulations (including any statutory amendment, modification or re-enactment of such statutes or the Regulations for the time being in force) and subject to all required approvals, permissions, sanctions and in accordance with the

Memorandum of association and Articles of Association of the Company, such conditions and modifications as may be prescribed or imposed while granting the approvals referred to above, the approval of the Company be and is hereby accorded for the amendments to the Northern Arc Employee Stock Option Plan, 2016 (“**ESOP Plan**”) and the Northern Arc Employee Stock Option Scheme 2016 – Scheme– I, Northern Arc Employee Stock Option Scheme 2016 – Scheme II, Northern Arc Employee Stock Option Scheme 2023 – Scheme– II B, Northern Arc Employee Stock Option Scheme 2018 – Scheme– III, Northern Arc Employee Stock Option Scheme 2022 –Scheme– IV and Northern Arc Employee Stock Option Scheme 2023 – Scheme– IVB (collectively, the “**ESOP Schemes**”) in order to align the ESOP Plan and the ESOP Schemes with the requirements of the SEBI SBEB Regulations.

FURTHER RESOLVED THAT each of the directors of the Company or the Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be required to give effect to the above resolution.

Date: 10.06.2024
Place: Chennai

By and on behalf of the Board of
Northern Arc Capital Limited
S/d
Prakash Chandra Panda
Company Secretary & Compliance officer
Membership No – A22585

NOTES:

1. *A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.*

A proxy form, duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

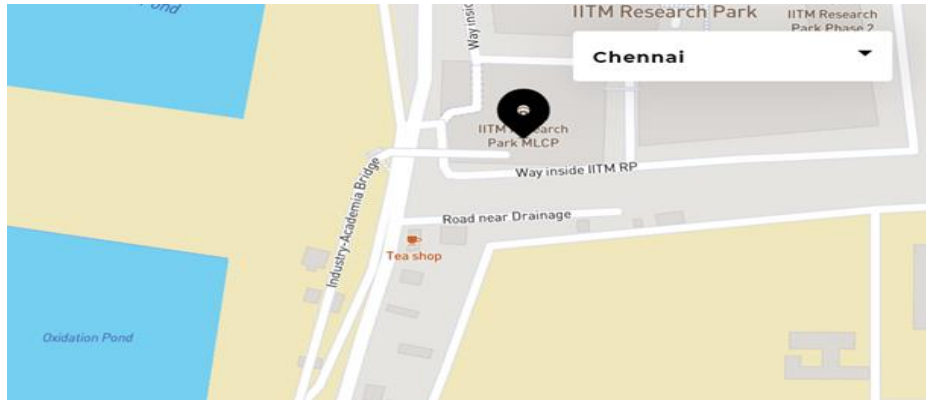
2. Attendance slips and proxy form are annexed hereto.
3. *Corporate Members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing such representative to attend and vote on their behalf at the meeting.*
4. *All the relevant documents referred to in this Notice shall remain open for inspection by the Members of the Company at the Registered Office from 10:00 AM to 4:00 PM on all working days (except Saturday) upto the date of this Extraordinary General Meeting.*
5. *The relevant Explanatory Statement pursuant to Section 102 of the Companies Act 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.*

Northern Arc Capital Limited

10th Floor, Phase-I, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai 600 113, India
+91 44 6668 7000 | contact@northernarc.com | northernarc.com

CIN.: U65910TN1989PLC017021

Route map to the venue of Extra-ordinary General Meeting



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ANNEXURE TO NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

Item No 1& 2:

Approval for increasing the ESOP pool from 78,51,758 to 90,07,758 options and approval for the amendments to Employees Stock Option Plan of the Company and various Schemes framed thereunder:

The Nomination and Remuneration Committee (NRC) at their meeting held on 14th May 2024 approved the increase in the pool of ESOPs available for grants from **78,51,758 to 90,07,758** options. The Board of Directors at the recommendation of the NRC, approved the said increase in grants from **78,51,758 to 90,07,758**, vide circular resolutions dated 08.06.2024.

Your Company is evaluating an initial public offering (IPO) as per the requirements of the Shareholders Agreement entered into between the Company with the Investors, it is proposed by the Board of Directors of the Company at their meeting held on 2nd February 2024 to amend the employees stock option plan and schemes framed thereunder in order to align them with the requirements of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended (“**SEBI SBEB Regulations**”). Accordingly, the Northern Arc Employee Stock Option Plan, 2016 (“**ESOP Plan**”) and the Northern Arc Employee Stock Option Scheme 2016 – Scheme– I, Northern Arc Employee Stock Option Scheme 2016 – Scheme II, Northern Arc Employee Stock Option Scheme 2023 – Scheme– II B, Northern Arc Employee Stock Option Scheme 2018 – Scheme– III, Northern Arc Employee Stock Option Scheme 2022 –Scheme– IV and Northern Arc Employee Stock Option Scheme 2023 – Scheme– IVB (collectively, the “**ESOP Schemes**”) are proposed to be amended.

The purpose of the ESOP Plan and the ESOP Schemes is to encourage ownership of the equity shares by eligible employees on an ongoing basis. The ESOP Plan and the ESOP Schemes are intended to benefit the Company by enabling the Company to attract and retain the best available talent to contribute and share in the growth of the Company.

Brief description of the schemes:

S. No	Requirement	Disclosure
a.	The total number of stock options to be granted	90,07,758
b.	Identification of classes of employees entitled to participate and be beneficiaries in the ESOP Plan and the ESOP Schemes	All grades are eligible to participate.
c.	The requirements of vesting and period of vesting	All ESOPs will vest 12 months post grant and depending on the scheme will complete vesting as per the schedule of each scheme. Scheme 1 - 4 years Scheme 2 & 2B-5 years

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		Scheme 3 – 3 years Scheme 4 & 4B – 4 years
d.	The maximum period within which the options shall be vested	This will depend on the particular scheme and its schedule. Scheme 1 -4 years Scheme 2 & 2B-5 years Scheme 3 – 3 years Scheme 4 & 4B – 4 years
e.	The exercise price or the formula for arriving at the same	The exercise price is decided as per the valuation report at the time of grant.
f.	The exercise period and process of exercise	The maximum period for exercise is 8 years from grant date.
g.	The appraisal process for determining the eligibility of employees for the ESOP Plan and the ESOP Schemes	Performance for the year at a rating of 3 and above (with 4&5 being the highest rating till 2023) and 3 and below (with 2 &1 being the highest rating currently).
h.	The maximum number of options and quantum of benefits to be granted and provided per employee and in aggregate	During any one year, no Employee shall be granted Options equal to or exceeding 1% of the issued share capital excluding outstanding warrants and conversions of the Company at the time of Grant of Options unless an approval from the Shareholders is taken by way of special resolution in a General Meeting.
i.	The amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms etc.,	Nil
j.	Maximum percentage of secondary acquisition that can be made by the trust for the purposes of the Scheme(s).	NA
k.	The method which the company shall use to value its options	Fair value of options is calculated by way of Black Scholes model taking into account the various factors like time value, interest rate, volatility, dividend yield, etc.
l.	The lock-in period, if any	The Shares allotted/ transferred pursuant to the Exercise of the Vested Options shall be subject to a lock- in until the shares are listed on a Recognized stock Exchange or until the happening of any event such as strategic buy out, unless the Committee decides otherwise.
m.	The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct	1. Resignation and not exercised vested options before the last working day. 2. Termination for cause

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n.	The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee	<p>Exercise of the vested options should be done within the last working day in case of resignation of the employee.</p> <p>In case of termination with cause, all options shall stand automatically forfeited.</p>
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The Company shall comply with the applicable accounting standards.

Details of variation made to the ESOP Plan and the ESOP Schemes are enclosed as **Annexure A**.

Particulars of the ESOP Plan and the ESOP Schemes will be made available for inspection at the registered office of the Company during the working hours of the Company on any working day from 10th June 2024 during business hours of the Company up to the date of the Extra-Ordinary General Meeting.

The Board of Directors recommends the resolution set out in Item No. 1 & 2 of the notice, for approval of the members.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in this resolution, except to the extent of the equity shares allotted in their favour or options granted to them.

Date: 10.06.2024
Place: Chennai

By and on behalf of the Board of
Northern Arc Capital Limited

S/d
Prakash Chandra Panda
Company Secretary & Compliance officer
Membership No – A22585

S No	ESOP Plan – Revised Clauses	Note
1	<p>1. Name of the Plan</p> <p><u>Clause 1</u></p> <p>This Plan shall be termed as Northern Arc Employee Stock Option Plan 2016 (“Plan or ESOP”), (formerly termed as the IFMR Capital Employee Stock Option Plan 2016).</p> <p>The Plan has been approved by a special resolution passed on 7th October 2016 at the General Meeting of the Company. The Plan shall be effective from 7th October 2016 herein after referred to as the “Effective Date”. The approval of shareholders by way of separate resolution passed on 7th October 2016 has been obtained by the Company in order to grant Options to Employees of Subsidiary Companies of the Company. The approval of shareholders by way of separate resolution passed on 7th October 2016 has been obtained by the Company in order to grant Options to Employees of Subsidiary Companies of the Company.</p>	<p>Please note, because of repetition of lines, the strike through line is deleted.</p>
2	<p>3. Definitions:</p> <p><u>Clause 3.7</u></p> <p>“Committee” means Compensation Committee, as constituted by the Board for administration and superintendence of the schemes, formed in accordance with Section 178 of Companies Act, 2013 and Regulation 19 of the SEBI LODR Regulations;</p>	<p>The definition of the “Committee” has been updated to cover the regulation 19 of the SEBI LODR regulations for constitution of the Compensation Committee.</p>
3	<p><u>Clause 3.12</u></p> <p>“Employee” means</p> <p>a) an a employee as designated by the Company who has been exclusively working in India or outside India; or</p> <p>b) A director of the Company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or</p> <p>c) an employee as defined in clauses (a) or (b) of a group company, including subsidiary or associate company, in India or outside India but does not include-</p> <p>(i) an employee who is a promoter or a person belonging to the promoter group; or</p> <p>(ii) a director who either himself or through his relative or through any body corporate,</p>	<p>The definition of the “Employee” has been amended by inserting the same definition for “Employee” as mentioned in SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021.</p>

	<p>directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company;</p> <p>For the avoidance of doubt, the term Employee shall have the meaning as assigned to it under the Companies Act, 2013 until the initial public offering (IPO) and thereafter it shall have same meaning as assigned to it in SEBI SBEBSE Regulations;</p>	
4	<p><u>Clause 3.32</u></p> <p>“SEBI LODR Regulations” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;</p>	<p>A new definition “SEBI LODR Regulations” has been inserted.</p>
5	<p><u>Clause 3.33</u></p> <p>“SEBI SBEBSE Regulations” refers to Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 issued by the Securities and Exchange Board of India (‘SEBI’) under the SEBI Act, 1992 as amended from time to time.</p>	<p>Existing definition “SEBI SBEBSE Regulations” is revised to refer the new regulations issued in the year 2021 in place and stead of old regulation issued in the year 2014.</p>
6	<p>6. Administration of this Plan</p> <p><u>Clause 6.5</u></p> <p>The Company may implement several Schemes directly or through a Trust(s) as permitted under the SEBI SBEBSE Regulations. Upon listing of the equity shares of the Company, the Trust may be dissolved in line with the provisions of the Trust Deed pursuant to which the Trust was established.</p> <p>Provided further that if prevailing circumstances so warrant, 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 employees.</p>	<p>Proviso clause is inserted that the Company may change the mode of implementation of the Scheme subject to fresh approval of the shareholders by a special resolution.</p>
7	<p>12 Exercise of Options/ Allotment of Shares</p> <p>Clause 12.12</p> <p>In case a new issue of shares is made under any scheme, shares so issued shall be listed immediately on all recognised stock exchange(s) where the existing shares are</p>	<p>New clause 12.12 has been inserted to enable the listing of new issue of ESOP shares aster</p>

	<p>listed subject to compliance with the conditions laid out in the SEBI SBEBSE Regulations.</p> <p>The shares arising after the IPO of the Company, out of options granted under any scheme prior to its IPO to the Employees, shall be listed immediately upon exercise on all the recognised 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, of regulation 12 of the SEBI SBEBSE Regulations.</p> <p>Upon listing of the Equity Shares of the Company pursuant to the IPO and prior to the grant of options pursuant to this Plan and the Notified Scheme(s), the Company shall in accordance with the SBEBSE Regulations obtain the in - principle approval of the recognized stock exchanges where it proposes to list the said Equity Shares.</p>	<p>the IPO of the Company.</p>
<p>8</p>	<p>13. On attainment of superannuation age</p> <p><u>Clause 13.3:</u></p> <p>In case the services of the Participant with the Company are terminated due to the Participant's retirement or on attaining the superannuation age, all the Unvested Options granted to him/her [shall immediately stand cancelled and forfeited]. Please update 13.3 accordingly.] would continue to vest in accordance with the respective vesting schedules even after retirement or superannuation. and the contract referred to in Clause 9.3 above shall stand automatically terminated without surviving any right/ liability for any party. Subject to relevant Notified Scheme(s) and Clause 12.3 and Clause 12.10 above, all the Vested Options shall be permitted to be exercised in accordance with Clause 12 above within 6 months from the date of termination or before the expiry of the Exercise Period as per the relevant Notified Scheme(s), whichever is earlier unless the Committee decides otherwise. Any Vested Options not exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period and the contract referred to in Clause 9.3 above shall stand automatically terminated without surviving any right/ liability for any party.</p>	<p>Clause 13.3 is revised the enable the ESOP participants to continue to vest in accordance with the respective vesting schedules even after retirement or superannuation.</p>
<p>9</p>	<p>13. Consequence of Failure to Exercise Options</p> <p><u>Clause 13.7</u></p>	<p>New clause is inserted.</p>

	<p>The amount paid by the Participant, if any, at the time of grant, vesting or exercise of Options</p> <p>(a) may be forfeited by the Company if the Option is not exercised by the Participant within the exercise period; or</p> <p>(b) may be refunded to the Participant if the options are not vested due to non-fulfilment of conditions relating to vesting of option as per the relevant Scheme.</p>	
10	<p>17. Non-transferability of Options</p> <p><u>Clause 17.1</u></p> <p>Save as provided in Clause 13.1 above, the Options granted herein, are personal to the Participant.</p> <p>Options granted to a Participant shall not be transferable to any person and no person other than such Participant shall be entitled to the benefit arising out of such Options.</p> <p>Provided that, subject to applicable laws, the Company may fund or permit empaneled stock brokers to make suitable arrangements to fund the Participant for payment of exercise price, the amount necessary to meet his/her tax obligations and other related expenses pursuant to exercise of Options and such amount shall be adjusted against the sale proceeds of some or all the Shares of such Participant.</p>	New proviso is inserted.
11	<p>19. Corporate Actions</p> <p>Clause 19.3</p> <p>In the event that a Participant who has been granted Options, is transferred pursuant to a scheme of arrangement, amalgamation, merger or demerger or continued in the existing company, prior to vesting or exercise, 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 Participant.</p>	New clause is inserted

S No	ESOP Schemes – Revised Clauses	Note
1	<p>List of ESOP Schemes:</p> <ol style="list-style-type: none"> 1. Northern Arc Employee Stock Option Scheme 2016 – “Scheme– I” 2. Northern Arc Employee Stock Option Scheme 2016 – “Scheme– II” 3. Northern Arc Employee Stock Option Scheme 2018 – “Scheme– III” 4. Northern Arc Employee Stock Option Scheme 2022 – “Scheme– IV” 5. Northern Arc Capital Employee Stock Option Scheme 2023 – “Scheme– IIB” 6. Northern Arc Capital Employee Stock Option Scheme 2023 – “Scheme– IVB” 	<ol style="list-style-type: none"> 1. The following new definitions are inserted under <u>definition clause</u>: <p>“Relevant Date” means the date of the meeting of the Committee on which the grant is made and in the case of exercise, the date on which the notice of exercise is given to the Company by the employee;</p> <p>“SEBI SBEBSE Regulations” means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended.</p> 2. The following new clause is inserted under <u>clause vesting of options</u>: <p>Subject to compliance with the requirements of the SEBI SBEBSE Regulations, the Committee is free to determine the start of the vesting date from such period or happening of such event, as the Committee may deem fit on a case to case basis.</p> 3. The following new line is inserted under <u>clause Excise of options</u>: <p>Post listing of equity share, in the event of resignation, death, disability or any other reasons, the procedure mentioned in the Clause 13 of the ESOP plan is to be adhered.</p>