

SHORTER NOTICE IS HEREBY GIVEN THAT THE SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. BHARAT FIH LIMITED (FORMERLY KNOWN AS RISING STARS MOBILE INDIA PRIVATE LIMITED) WILL BE HELD ON SUNDAY THE 12TH DAY OF JUNE 2022 AT 5:00 P.M(IST) AT THE REGISTERED OFFICE OF THE COMPANY AT PLOT NO. M2, SIPCOT HI TECH SEZ ZONE DTA AREA, INDUSTRIAL PARK, PHASE-II, KANCHIPURAM, TAMILNADU-602106

ORDINARY BUSINESS:

1. ADOPTION OF ACCOUNTS

To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

- (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended December 31, 2022, together with the Reports of the Directors and the Auditors thereon; and
- (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended December 31, 2022 and the Report of the Auditors thereon.

2. TO APPOINT MR. KAM WAH DANNY TAM (DIN: 09229307) AS DIRECTOR, LIABLE TO RETIRE BY ROTATION, AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT

To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Kam Wah Danny Tam (DIN: 09229307), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

3. APPROVAL FOR APPOINTMENT OF MS. ARUNA SUNDARARAJAN (DIN: 03523267) AS INDEPENDENT DIRECTOR OF THE COMPANY:

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 Sections 149, 150, 152, 161, Schedule IV and 197 read with Schedule V, and all other applicable provisions, if any, of the Companies Act, 2013 along with the rules made thereunder, each as amended (“Companies Act”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI Listing Regulations”), as

amended and other applicable provisions thereof, if any, Ms. Aruna Sundararajan (DIN 03523267), who possesses relevant expertise and experience and is not being disqualified under Section 164 of the Companies Act and who has submitted a declaration that she meets the criteria for appointment as an Independent director under the Companies Act and the SEBI Listing Regulations, who was appointed as an Additional Independent Director with effect from 10th June, 2022 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of the ensuing Annual General Meeting and is eligible for appointment, consent of the Members of the Company, be and is hereby accorded, for the appointment as Independent director to the Board of Directors of the Company, who shall hold office for a term of Three years w.e.f. 10th June, 2022 to 09th June 2025, and not be liable to retire by rotation.

RESOLVED FURTHER THAT Ms. Aruna Sundararajan will be eligible for a commission based on Profit, up to/not exceeding INR 17,60,000 (Seventeen Lakh Sixty Thousand Only) per annum on *pro-rata basis*.

RESOLVED FURTHER THAT the Board of Directors are authorized to decide factors/ attributes or performance evaluation criteria of the Independent director(s) based on which the profit based Commission will be provided up to or below the above approved limits.

RESOLVED FURTHER THAT any Director of the Company and Company Secretary, be and are hereby severally authorized to take all steps for giving effect to the aforesaid resolutions, including making the necessary applications, filing forms and doing all such acts, deeds, and things as may be required or deemed necessary to implement such resolutions.

RESOLVED FURTHER THAT any Directors or Company Secretary of the Company be and are hereby authorized to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action.”

4. REGULARISATION OF APPOINTMENT OF MR. MENG HSIAO YI AS DIRECTOR:

To consider and if thought fit to pass with or without modification, the following resolutions as ORDINARY RESOLUTION:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and any another applicable provisions if any of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force) Mr. Meng Hsiao Yi (DIN 09375413), who was appointed as an Additional Director of the Company by the Board of Directors on 09^h June 2022 to hold office under Section 161 (1) of the Companies Act, 2013 up to the date of this Annual General Meeting, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.”

5. CANCELLATION OF STOCK OPTIONS GRANTED PURSUANT TO THE EMPLOYEE STOCK OPTION SCHEME 2021 (ESOS 2021) OF THE COMPANY

To consider and if thought fit to pass with or without modification, the following resolutions as SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act 2013 (including any statutory modification or enactment thereof), read with the rules made thereunder, and subject to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”), including the relevant circulars and modifications, if any issued by Securities and Exchange Board of India (“SEBI”) from time to time and the Memorandum and Articles of Association of the Company approval of the members Company be and is hereby accorded to the members of the company to cancel 93,110,000 (Nine Crores Thirty-One Lakhs Ten Thousand) stock options granted at INR 20 per share to 92 (Ninety Two) employees under the ESOS 2021 with immediate effect.

RESOLVED FURTHER THAT the Board and the Nomination and Remuneration Committee, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deem necessary, or being incidental for the effective implementation of the aforementioned resolution including settling of all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT any Director of the Company and the Company Secretary of the Company be and are hereby authorized severally to do all such acts and deeds as are required for regulatory & legal compliance including filing of any relevant forms with the Registrar of Companies for giving effect to the above resolutions and to initiate all necessary actions and take all such steps and decisions in this regard.”

BY THE ORDER OF THE BOARD

Place: Kanchipuram

Date: 12th June 2022

SD/-

Ramachandran Kunnath
Company Secretary, M.No. A57817
Mambakkam, Kancheepuram - 602106

NOTES:

- **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
- Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The proxy form duly stamped and executed should be deposited / lodged at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of Limited Companies, Societies etc., must be supported by an appropriate resolution / authority, as applicable.
- Members / Proxies should bring the Attendance slip duly completed, signed and stamped for attending the meeting.
- During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the Company.
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out the details relating to special business at the meeting, is annexed hereto.
- A route map along with prominent landmark for easy reach to the venue of general meeting is annexed with this notice.
- The AGM notice with Attendance Slip and Proxy form are being sent by electronic mode only to all the members whose email addresses are registered with the Company for communication purpose unless a member has requested for a hard copy of the same.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No.3

With a view to further diversify the Board, it is proposed to induct directors with appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy and for improved decision making. Hence as per the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 it is proposed to appoint Ms. Aruna Sundararajan, as Additional Independent director of the company.

Ms. Aruna Sundararajan, former Telecom Secretary, Government of India and was chairman of the Telecom Commission of India. She is an ex-civil servant, with four decades of distinguished service with the Government of India. In the course of over two decades of heading India's technology sectors, viz. Telecomm and Information Technology, Ms. Sundararajan had the opportunity to play a key role in shaping the country's evolving digital infrastructure and landscape during a pivotal period that saw India's rise as a growing digital power.

As the Secretary, Ministry of Electronics and Information Technology (MeitY), she drove the Digital India initiatives, particularly during the post-demonetization phase. Pioneering initiatives and policies under her leadership in the IT Ministry were the Digital Payments Campaign and Mission, Digital literacy and inclusion initiatives; universalisation of Aadhaar and the fillip given to electronics manufacturing in the country. She also served on the Justice Srikrishna Committee on Data Protection.

As Secretary, Telecom, she oversaw a doubling of India's communications and broadband infrastructure between 2014 and 2019, as also the transition from 3G to 4G; triggering a significant data revolution in the country. She also headed the 'National Broadband Mission', aimed at connecting over 250,000 rural villages on optic fiber. Her period also saw important reforms in the licensing and spectrum regimes in the country to facilitate and accelerate broadband access to millions of Indians.

Key honours conferred on her include the Most transformative leader in Government in 2012 (Forbes Magazine), Transformative Leadership Award 2017 (US India Business Council), Technology Visionary 2018 (Intel Corp), Digital Woman of the Year 2019 (Internet and Mobile Association of India, Technology Woman of the Year (Dataquest-2019) and Award of Excellence, 2019, Institution of Engineering and Technology (IETE), UK.

Currently Ms. Aruna Sundararajan serves on the Board of a leading IT company in India, besides mentoring a number of tech start-ups.

The Board hereby recommends the said resolution No.3 for approval of the Members of the Company.

None of the Directors, Key Managerial Personnel and relatives of Directors and/ or Key Managerial Personnel (as defined in the Companies Act, 2013) are concerned or interested in the proposed resolution, except in the ordinary course of business.

Item No.4

Mr. Meng Hsiao Yi was first inducted to the Board at the Board Meeting held on 09th June 2022 and in the same meeting he was appointed as the Additional Director of the Company in terms of Section 161(1) of the Companies Act, 2013. Mr. Meng Hsiao Yi can hold office upto the date of the ensuing the Annual General Meeting.

Mr. Meng is the Executive Director and Chief Operating Officer of FIH Mobile Limited, Promoter and holding Company of Bharat FIH Limited. He graduated from the Taiwan Zhonghua Senior High School in 1984.

He has gained over 30 years of extensive experience in factory operation management as well as resources integration and optimisation.

Mr. Meng joined the Hon Hai Technology Group (comprising Hon Hai, its subsidiaries and/or associates) in January 1991, he has held a number of key positions in the connector and mobile phone business, including managerial roles such as (among others) senior supply chain manager, senior procurement manager, director of marketing management and business unit deputy general manager.

Besides, the performance of the business unit led by Mr. Meng has been highly appreciated and awarded the Group's Best Business Performance for three consecutive years. In January 2019, Mr. Meng was promoted to Vice President for leading EMS (Electronics Manufacturing Services)/OEM business in the aspects of cross-region markets development and management of manufacturing operations in Beijing, Langfang and India.

The Board is of the view that the appointment of Mr. Meng Hsiao Yi on the Company Board is desirable and would be beneficial to the Company and hence it recommends the said Resolution No.3 for approval by the members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in terms of the resolution set out in Item No.4 of this Notice.

Item No. 5

The Board had set up the Employee Stock Option Scheme (ESOS) for the eligible employees of the Company and of its holding and subsidiary companies with an intention to reward highly talented employees and to attract and retain such employees for the growth of the organisation.

The Employee Stock Option Scheme 2021 (ESOS 2021) had been approved by the Board and Shareholders of the company on March 25, 2021. The Board and Shareholders of the Company approved the alteration to the ESOS 2021 on November 12, 2021.

Pursuant to Chapter 17 of the Stock Exchange of Hong Kong Listing (HKEx) Listing Rules as applicable to the Company's Promoter and holding Company, FIH Mobile Limited, the ESOS 2021 was approved by the Board and Shareholders of FIH Mobile Limited on March 26, 2021 and May 28, 2021 respectively.

Further, the Board of Directors of the Company in their meeting held on November 24, 2021 approved the issue of 93,110,000 (Nine Crores Thirty-One Lakhs Ten Thousand) stock options under ESOS 2021 at INR 20 per option to 92 (Ninety Two) eligible employees of the company, its holding and subsidiary companies.

With reference to the announcement made by FIH Mobile Limited, an enquiry into the basis of determination of the exercise price of the options granted in accordance with Rule 17.03(9) of the HKEx Listing Rules was made by the HKEx on December 24, 2021.

*“According to the Rule 17.03 (9) of the HKEx Rules, the scheme must provide that the exercise price of options granted after the listed issuer has resolved to seek a separate listing of such subsidiary on the Exchange, GEM or an overseas stock exchange and up to the listing date of the subsidiary must be not lower than the new issue price (if any). In particular, any options granted during the period commencing six months before the lodgment of Form A1 (or its equivalent for listing on GEM or the overseas stock exchange) up to the listing date of the subsidiary are subject to this requirement. The scheme must therefore provide for any necessary adjustment of the exercise price of options granted during such period to **not lower than the new issue price.**”*

The said rule is contemplated as that the scheme must provide for necessary adjustment to the exercise price at which the options were granted not later than six month before filing of the offer document with the Securities Exchange Board of India (SEBI) and the Stock Exchanges where the securities of the company are proposed to be listed, to be not lower than the offer price of such securities.

In the given case, the exercise price as determined by the Board of the company is INR 20 per share. However, based on the previous submissions made by FIH Mobile Limited to HKEx, the expected offer price for the shares of the company were ranging between INR 66 per share to INR 98 per share and there was no clause included in ESOS 2021 to make necessary adjustments to the exercise price to be in alignment with the proposed offer price.

On diligent examination of the said provision of the HKEx Rules, it was brought to the notice of the company that there was an inadvertent oversight of the said Rules as applicable to FIH Mobile Limited and its subsidiaries.

The Company is compliant with the applicable provisions of the Companies Act read with the applicable rules and SEBI (Share Based Employee Benefits) Regulations, 2014 where it is stated that the Board at its own discretion has the authority to determine the exercise price being not less than the face value of the shares in conformity with the accounting policies or standards and valuation guidelines as applicable.

However, since Chapter 17 of the HKEx Listing Rules are applicable on the company, there is a conflict between the said rules and provisions under the Companies Act and SEBI regulations as applicable to the company.

It is also to be noted that the Scheme may not be amended to make necessary adjustments to the exercise price in accordance with the new issue price as the expected offer price is not fixed and the same will be discovered by way of book building method.

The management of the company after due deliberations, hereby suggest to cancel 93,110,000 (Nine Crores Thirty-One Lakhs Ten Thousand) stock options granted under the ESOS 2021. Such cancellation will result in the cancellation of the options granted under ESOS 2021 whereas the Scheme, ESOS 2021 shall remain in force.

According to Regulations 7 of the SEBI (Share Based Employee Benefits) Regulations, 2014, it is also suggested to obtain consent from all the option grantees for cancellation of the options granted to them in order to establish that such cancellation is not prejudicial to the interest of the employees.

The members are hereby requested to consider and approve the cancellation of the options granted under ESOS 2021 of the company subject to the receipt of consent from all the option grantees.

Mr. Kam Wah Danny Tam, Mr. Hui Chung Chen, Mr. Yu Yang Chih and Clement Joshua Foulger Directors of the company and Mr. Ramachandran Kunnath as a Key Managerial Personnel of the Company are concerned or interested in the terms of the resolution set out in Item No. 4 of this Notice.

BY THE ORDER OF THE BOARD

Place: Kanchipuram

Date: 12th June 2022

SD/-

Ramachandran Kunnath
Company Secretary, M.No. A57817
Mambakkam, Kancheepuram - 602106

