

NOTICE

NOTICE IS HEREBY GIVEN THAT THE EXTRA ORDINARY GENERAL MEETING NO. 01/2022-23 OF THE MEMBERS OF BHARAT FIH LIMITED (FORMERLY BHARAT FIH PRIVATE LIMITED) IS SCHEDULED TO BE HELD ON FRIDAY THE 21<sup>ST</sup> DAY OF OCTOBER 2022 AT 03:00 P.M. IST AT SHORTER NOTICE THROUGH VIDEO CONFERENCING ADMINISTERED FROM THE REGISTERED OFFICE OF THE COMPANY AT M-2B, DTA AREA, SIPCOT INDUSTRIAL PARK, PHASE - II CHENNAI BANGALORE NH- 4, SUNGUVARCHATRAM, SRIPERUMBUDUR KANCHEEPURAM 602106.

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SPECIAL BUSINESS:

ITEM NO. 1: TO APPROVE ALTERATION OF THE EMPLOYEE STOCK OPTION SCHEME (ESOS 2021) OF THE COMPANY

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

“RESOLVED THAT in continuation of the resolution passed by the Board of Directors and Shareholders’ of the Company on November 12, 2021, approving alterations to the Company’s Employee Stock Option Scheme 2021 (hereinafter referred to as “ESOS 2021”) and pursuant to the provisions of Companies Act, 2013 (“Act”) and rules made thereunder and provisions contained in the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (as and when applicable, including any statutory amendment, modification or re-enactment to the Act or the Regulations, for the time being in force) and the Articles of Association of the Company, the amendments proposed in the Employee Stock Option Scheme (hereinafter referred to ESOS 2021), as placed before the Members, be and is hereby approved.

RESOLVED FURTHER THAT the consent of the Members of the Company be and is hereby accorded to the Board to:

- Issue and allot equity shares upon exercise of stock options from time to time, granted under ESOS 2021 and such equity shares allotted shall in all respects rank *pari-passu* with the existing equity shares of the Company;
- take necessary steps for listing of the securities allotted under ESOS 2021 on the stock exchanges, where the equity shares of the Company are listed or proposed to be listed as per the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable laws, rules and regulations;

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BHARAT FIH LTD, Registered Office & Tamil Nadu Factory Address: Plot No.M-2B, SIPCOT Industrial park, Phase II, Hi-Tech SEZ, DTA Area, Sriperumbudur Taluk, Kancheepuram, Tamil Nadu - 602 106, India (CIN - U31401TN2015PLC143100) Land Line: 044-67113500, 044-67135000  
Email: contactus@bfih-foxconn.com

BHARAT FIH LTD, Andhra Pradesh Factory Address: No.380, Belerica Road, Sri City, Siddam Agraharam Village, Varadaiahpalem Mandal, Chittoor District, Andhra Pradesh - 517 646, India (CIN - U31401TN2015PLC143100) Land Line: 085-76391300



- conform to the accounting policies prescribed from time to time under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and any other applicable laws and regulations to the extent relevant and applicable to ESOS 2021;
- make any modifications, changes, variations, alterations or revisions in ESOS 2021, as it may deem fit, from time to time or to suspend, withdraw or revive ESOS 2021, from time to time, in conformity with the provisions of the Act and other applicable rules, regulations, guidelines and laws, unless such variation, amendment, modification or alteration is detrimental to the interest of the employees who have been granted stock options under ESOS 2021; and
- do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the members of the Company to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of ESOS 2021 and to take all such steps and do all acts as may be incidental or ancillary thereto.


**RESOLVED FURTHER THAT** all the Directors of the Company or the Company Secretary of the Company be and are hereby authorized jointly and/or severally to do all such acts, deeds, matters and things as may be necessary or expedient including filing of necessary documents, intimations including e-Forms with regulatory authorities.

**RESOLVED THAT** all the Directors of the Company or the Company Secretary be and is hereby authorized to certify copies of the aforesaid resolutions for submission to the authorities as deemed fit.”

For **BHARAT FIH LIMITED**  
(Formerly Bharat FIH Private Limited)



Place: Kancheepuram  
Date: October 21, 2022

  
Pradeepta Kumar Puhan  
Company Secretary & Compliance Officer  
M.No. F5138

Mobile: +91 9384856377  
E-mail: [pkp@fih-foxconn.com](mailto:pkp@fih-foxconn.com)

**Notes:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Extra-Ordinary General Meeting ('EGM' or 'Meeting') is annexed hereto.
2. It is informed that the EGM of the Company will be held through Video Conferencing/Audio Visual Means. The deemed venue for the EGM shall be the Registered Office of the Company at M-2B, DTA Area, SIPCOT Industrial Park, Phase - II Chennai Bangalore NH - 4, Sunguvarchatram, Sriperumbudur, Kancheepuram-602106.
3. This Meeting is being called at shorter notice. The Members are requested to accord their consents to hold the Meeting at a shorter Notice.
4. A Member entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote instead of his/her behalf and a proxy need not be a Member of the Company. Since this EGM is being held through Video Conferencing/Audio Visual Means, in terms of the MCA Circulars and SEBI Circulars, the facility for appointment of proxies by the Members will not be available for this EGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Corporate Members intending to authorize their Representatives to attend the Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the Meeting.
6. The Members can also cast their vote by way of an e-mail on the e-mail id: [pkp@fih-foxconn.com](mailto:pkp@fih-foxconn.com).
7. The link of the Meeting shall be provided separately. To access and participate in the Meeting, Shareholders and other participating Stakeholders are requested to install Zoom application and then click on the link provided.
8. In case of any assistance with regards to using the technology before or during the meeting, please contact the Company Secretary and Compliance Officer of the Company at [pkp@fih-foxconn.com](mailto:pkp@fih-foxconn.com) or +91 9384856377.
9. The proceedings of the Meeting shall be recorded and shall be kept in the safe custody of the Company. Transcript of the Meeting shall be made available at the request of the Members.
10. The Notice of the EGM is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company.
11. The Notice of the EGM has been uploaded on the website of the Company at <https://www.bharatfih.com/>



12. The facility for joining the meeting shall be kept open 15 minutes before the time scheduled to start the Meeting and shall not be closed till the expiry of 15 minutes after the scheduled time of the Meeting.
13. Attendance of Members is allowed at the Meeting through Video Conferencing and the same shall be counted for Quorum. . Since the EGM will be held through Video Conferencing mode in accordance with the MCA Circular, the route map, proxy form and attendance slip are not attached to this Notice.
14. The Voting at the Meeting shall be conducted by show of hands unless a poll in accordance with Section 109 of the Companies Act, 2013 is demanded by any Member.
15. The Members can pose questions concurrently at the Meeting or they can submit questions or queries regarding the agenda items on the designated email address through which the notice has been sent.
16. None of the Directors of the Company or their relatives are concerned or interested in the resolution No.1 set out in the Notice.
17. The Meeting has been convened in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 02/2022 dated May 05, 2022.
18. Members desirous to inspect the documents referred to in the Notice and the Explanatory Statement and requiring Members' approval and such Statutory Records and Registers, as are required to be kept open for inspection under the Companies Act, 2013 may write to the Company Secretary and Compliance Officer of the Company at [pkp@fih-foxconn.com](mailto:pkp@fih-foxconn.com).



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**ANNEXURE TO THE NOTICE  
EXPLANATORY STATEMENT AND THE REASONS FOR THE PROPOSED RESOLUTION PURSUANT  
TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO.01: TO APPROVE ALTERATION OF THE EMPLOYEE STOCK OPTION SCHEME (ESOS 2021) OF THE COMPANY**

The Members are hereby informed that pursuant to the applicable provisions under the Companies Act, 2013 read with rules made thereunder, the SEBI (Share Based Employee Benefits) Regulations, 2021 and the Articles of Association of the Company, the ESOS 2021 had been approved by the Board and Shareholders of the Company on March 25, 2021. Further, 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 relating to the Stock Option Schemes as applicable to the Promoter and Holding Company, FIH Mobile Limited or its subsidiaries, the ESOS 2021 was approved by the Board and Shareholders of FIH Mobile Limited on March 26, 2021 and May 28, 2021 respectively.

Since the adoption of ESOS 2021, the Company had granted 93,110,000 options (Nine Crores Thirty-One Lakhs Ten Thousand Only) on 23 December 2021. On recommendation of the Nomination and Remuneration Committee and consent as received from all the grantees, the Board approved cancellation of all the options i.e, 93,110,000 options (Nine Crores Thirty-One Lakhs Ten Thousand Only) granted under ESOS 2021 on June 12, 2022. Hence as on date, there are no outstanding options granted or vested or exercised under ESOS 2021.

**PROPOSED AMENDMENTS:**

It is hereby informed that during July 2022, the Stock Exchange of Hong Kong (HKEX) proposed amendments to Chapter 17 of the HKEX Listing Rules relating to the Share Option Schemes, which will be effective from January 01, 2023.

Under the New Chapter 17, the new rules relating to share schemes will only apply to principal subsidiaries of a listed issuer. As currently BFIH does not fall within the definition of "principal subsidiary" of the Company under the New Chapter 17, the BFIH Share Option Scheme does not need to comply with the New Chapter 17.

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Considering the proposed amendments to the HKEX Listing Rules and amendments relating to the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Board approved the proposed amendments to the ESOS 2021 in its meeting held on October 21, 2022 subject to the approval of the Shareholders of the Company.

The Board recommends the resolution set out in Item No. 1 of the Notice for approval and adoption of the Members of the Company. None of the Directors or Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise in the said resolution, except the stock options, if any, to be granted pursuant to the ESOS 2021.

A) The main features of ESOS 2021 are given below:

**1. Brief description of the scheme:**

ESOP 2021 contemplates grant of employee stock options to the eligible employees including Directors (excluding Independent Directors) of the Company, as may be determined in due compliance of extant law and provisions of ESOP 2021. Under the proposed ESOP 2021 Scheme, it was proposed to issue 23,80,94,498 (Twenty-Three crores Eighty Lakhs Ninety-Four Thousand Four Hundred and Ninety-Eight) Stock Options.

**2. Total number of options to be Offered and granted:**

A maximum of 23,80,94,498 (Twenty-Three crores Eighty Lakhs Ninety-Four Thousand Four Hundred and Ninety-Eight) Stock Options may be granted in aggregate under ESOS 2021 not exceeding 10% of existing Issued, Subscribed or Paid up Capital. Fair and reasonable adjustments to the above number shall be made by the Board in case of corporate actions such as rights issue, bonus issue, merger etc.

**Identification of classes of Employees entitled to participate in the Scheme:**

The Board of Directors (which expression shall also include any committee constituted by the Board for ESOP management purpose) shall identify the classes of employees and may specify such conditions and performance criteria when making the offer to the eligible employees to be satisfied before an option can be exercised.

**3. Time period within which the employee shall exercise the vested option in the event of termination of employment or resignation of employee:**

The Board of Directors shall determine the time period within which the vested unexercised option in the event of termination of employment or resignation of employee shall be exercised.

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**4. Whether the Scheme(s) is to be Implemented and administered directly by the company or through a trust**

The ESOP scheme 2021 is Implemented and administered directly by the Company.

**5. Maximum Number of Options, SARs, Shares, as the Case may be, to be Offered and Issued per Employee and in Aggregate, If any;**

Maximum Number of employee stock options that may be granted to an eligible employee under the ESOP 2021 shall not exceed 1% of the issued share capital of the Company from time to time in aggregate per employee under ESOP 2021 or any such ceiling number of employee stock options as may be determined by the Board within such limit with respect to an individual eligible employee.

**6. Requirements of vesting and period of vesting:**

The stock options granted shall vest so long as the Employee continues to be in the employment of the Company and of its holding subsidiary Company(ies) in terms of the Scheme. The Board/Committee may lay down the performance criteria for the exercise of options. The Vesting Period shall be decided by the Board/Committee as and when the Grant takes place. However, there shall be a minimum of one year between the Grant and vesting before the options can be exercised.

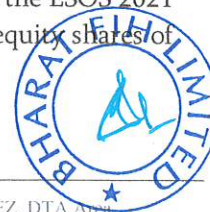
The minimum vesting period of one year shall not apply in case of early vesting of Options owing to (i) the Grantee's death or permanent incapacity or (ii) ill-health, injury or disability not attributable to the Grantee's own misconduct.

**7. The maximum period within which the options shall be vested:**

Options granted under ESOS 2021 would vest subject to maximum period of 10 years from the date of grant of such Options or such other period determined by the Board in terms of the scheme.

**8. Maximum quantum of benefits to be provided per employee under the scheme**

Any benefit other than grant of options or consequential issue of equity shares is not envisaged under the ESOS 2021. Accordingly, the maximum quantum of benefit for the employees under the ESOS 2021 is the difference between the exercise price of the options and the market price of the equity shares of the Company as on date of exercise of options.



**9. Whether the scheme involves new issue of shares by the Company or secondary acquisition by the Trust or both:**

ESOP 2021 involves new issue of shares by the Company.

**10. Exercise price**

The Board/Committee, at its own discretion determine the Exercise Price, being not less than face value of Shares and in conformity with the applicable accounting policies or standards and Valuation Guidelines as applicable.

**11. Exercise period and the process of exercise:**

The exercise period shall be as determined by the Board/Committee and shall commence from the date of vesting.

An Eligible Employee can exercise his Options by applying to the Board /Committee by giving notice in writing to stating that the Option is thereby exercised and specifying the number of Shares to be subscribed for. Each such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given. Within 30 days after receipt of the notice and the remittance the shares will be issued and allotted to the employee.

**12. The Lock-in period**

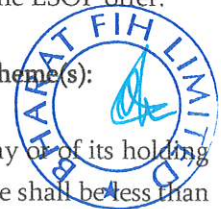
There shall be no lock-in after the Options granted under ESOS 2021 have been exercised. However, this is subject to compliance of applicable law/Regulations, as may be applicable from time-to-time.

**13. The appraisal process for determining the eligibility of the Employees for the Scheme:**

The performance criteria and any such condition to be satisfied by the eligible Employee before the exercise of option may be specified by the Board/ Committee at the time of making the ESOP offer.

**14. Maximum number of options to be issued per Employee and in aggregate under the scheme(s):**

The number of Options that may be granted to any specific employee of the Company or of its holding and subsidiary Company(ies), in any financial year and in aggregate under the Scheme shall be less than 1% of the issued Equity Share Capital of the Company.





The aggregate number of Shares that may be issued pursuant to exercise of all options granted to the Employees under ESOS 2021 shall not exceed 10% of existing Issued, Subscribed or Paid up Capital of the Company.

**15. Disclosure and Accounting Policies:**

The Company and its holding and subsidiary Company(ies), if any, shall comply with the disclosure and accounting policies prescribed by Companies Act, 2013, SEBI Regulations and any other laws applicable in the country of its registration from time to time.

**16. Method of Option Valuation:**

The Company shall use the Fair Value Method for valuation of the options granted under the ESOS 2021.

**17. The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct:**

As per the scheme approved by the Board of Directors and Shareholders of the Company.

**18. The Following statement, if applicable:**

In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report; 'In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report;

Not Applicable



**B) Interest of Director, Key Managerial Personnel and their relatives:**

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.1 except to the extent of their respective shareholding, if any, in the Company and number of options which may be granted to them, if any, pursuant to the ESOS 2021.

**C) Relevance of Resolution in any other Company:**

The above resolution does not affect any other Company.

**D) Inspection of Documents:**

The relevant documents are available for inspection for the Shareholders of the Company at PLOT NO. M2, SIPCOT HI-TECH SEZ ZONE, DTA AREA, INDUSTRIAL PARK PHASE - II, KANCHIPURAM – 602 106.

For **BHARAT FIH LIMITED**  
(Formerly Bharat FIH Private Limited)

Pradeepta Kumar Puhan  
Company Secretary & Compliance Officer  
M.No. F5138

Place: Kancheepuram  
Date: October 21, 2022



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E-mail: pkp@fih-foxconn.com