



Pharmaids Pharmaceuticals Limited

Employee Stock Option Scheme 2024

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Pharmaids Pharmaceuticals Limited - Employee Stock Option Scheme, 2024
(PPL ESOS - 2024)

1. Name and Objective of the Scheme:

- 1.1. This Scheme shall be called the Pharmaids Pharmaceuticals Limited - Employee Stock Option Scheme 2024 (hereinafter referred to as “**PPL ESOS 2024**”/ “**Scheme**” / “**Plan**”).
- 1.2. The objective of the Scheme is to reward the Eligible Employees of the Company and also of the Subsidiary Company for their performance and to retain their talent for the long-term growth and profitability of the Company.
- 1.3. The Scheme was approved by the Board of Directors in accordance with the Applicable Laws on January 06, 2024. Thereafter, it was made effective vide special resolution passed by the shareholders at the extraordinary general meeting held on January 31, 2024. Subsequently, a further resolution was passed by the shareholders on March 28, 2025, approving the extension of the benefits of the Scheme to the employees of the Subsidiary Company.

2. Term of the Scheme:

- 2.1. The Scheme was established with effect from January 31, 2024 by way of passing special resolution at the shareholders’ meeting. The Scheme shall continue to be in effect until: (i) it is terminated by the Compensation Committee, as per the Applicable Laws; or (ii) the date on which all of the Employee Stock Options available for issuance under the Scheme have been issued and exercised, whichever is earlier.
- 2.2. The Compensation Committee may at any time, subject to the Applicable Laws, suspend, amend, or terminate the Scheme.
- 2.3. Any such termination of the Scheme shall not affect the Options already granted and such Options shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Company and the Grantee/nominee/legal heirs.
- 2.4. Options granted under this scheme are exercisable into fully paid-up Equity Shares of the Company.

3. Definitions and Interpretation

3.1. Definitions

- (a) **“Applicable Law”** shall mean and include all statutes, enactments and act of legislature or parliament, ordinances, rules, regulations, notifications, directions, guidelines, directives, policies, bye-laws and orders of any government, statutory authority, tribunal, statutory board or competent court, relating to Employee Stock Options, to the extent applicable, including and without limitation, the Companies Act, 2013, and its corresponding rules, as amended from time to time, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Income Tax Act, 1961, and its corresponding rules, as amended from time to time, the Foreign Exchange Management Act, 1999, and associated rules and regulations, as amended, and all other relevant tax, securities, exchange control or corporate laws of India, or amendments thereof.
- (b) **“Associate Company”** means a Company (present or future) which shall have the same meaning as defined under Section 2(6) of the Companies Act, 2013.
- (c) **“Board”** means the Board of Directors of the Company.
- (d) **“Cause”** means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or terms of employment amounting to misconduct or breach of terms of employment as determined by the Board after giving the Employee an opportunity of being heard:
 - (i) dishonest statements or acts of an Employee, with respect to the Company;
 - (ii) a felony or any misdemeanor involving moral turpitude, deceit, dishonesty or fraud committed by the Employee;
 - (iii) gross negligence, misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company;
 - (iv) breach by the Employee of any terms of his employment agreement or the Company’s policies or other documents or directions of Company including the reasons of non-performance;
 - (v) participating or abetting a strike in contravention of any law for the time being in force;
 - (vi) Misconduct as provided under the labour laws after following the principles of natural justice;
 - (vii) Disclosure or unauthorized use of the Company’s confidential, proprietary, or sensitive information, in breach of employment terms or Company policies;
 - (viii) Engaging in acts of harassment, discrimination, or any other workplace behavior that violates applicable laws or Company policies.

- (e) **“Company”** means ‘Pharmaids Pharmaceuticals Limited’, a company incorporated under the provisions of Companies Act, 1956 bearing CIN L52520KA1989PLC173979 and currently having its registered office at Unit 201, 2nd Floor, Brigade Rubix, 20/14 HMT Factory Main Road, Peenya Plantation, Bangalore - 560013.
- (f) **“Compensation Committee / Committee”** shall mean the Nomination and Remuneration Committee duly constituted by the Board, under Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time, shall act as the Compensation Committee for the purpose of the PPL ESOS – 2024.
- (g) **“Companies Act”** means the Companies Act, 2013, and rules made thereunder and include any statutory modifications or re-enactments thereof.
- (h) **“Corporate Action(s)”** means a change in the capital structure of the Company which may include without limitation, any rights issue, bonus issue, buy-back, merger or amalgamation, demerger or sale of division, split or sub-division of shares or consolidation of shares and others.
- (i) **“Director”** shall have the same meaning as defined under Section 2(34) of the Companies Act;
- (j) **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Compensation Committee for granting the Employee Stock Options to the Eligible Employees under the Scheme.
- (k) **“Eligible Employee”** means an Employee who meets the Eligibility Criteria under this Scheme.
- (l) **“Employee”** means:
1. A Permanent Employee of the Company and of group company(ies) including Permanent Employees of Subsidiary Company(ies), and Associate Company(ies) in India or outside India;
 2. A director of the Company, whether a whole-time director or not, including a non-executive director, but excluding an Independent Director as on the Offer Date; and
 3. A director of the group Company, whether a whole-time director or not, including a non-executive director but excluding an Independent Director as on the Offer Date, but excludes:
 - 3.1. an employee, who is a Promoter or belongs to the Promoter Group; or

- 3.2. a director of the company, who is promoter or member of the promoter group;
 - 3.3. a director of the group company, who is promoter or member of the promoter group;
 - 3.4. a director, who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% (Ten Percentage) of the outstanding Equity Shares of the Company;
 - 3.5. all those Employees who are on cessation/suspension immediately prior to the Offer Date; or
 - 3.6. any other person(s) as determine by the Compensation Committee from time to time.
- (m) **“Equity Shares”** means fully paid-up equity shares of the Company of face value of Rs. 10/- (Rupees Ten Only) each or any other value as may be determined by the Board or the shareholders of the Company in compliance with the Companies Act 2013 or any reenactment thereof;
- (n) **“Exercise”** means the making of an application by the Grantee, in such manner and on such format as may be prescribed by the Compensation Committee, from time to time, to the Company for issue of Equity Shares against the vested Options.
- (o) **“Exercise Period”** means such time period after Vesting within which the Grantee should Exercise the Options vested in him in pursuance of the Scheme.
- (p) **“Exercise Price”** means the price payable, if any, by a Grantee in order to Exercise the Options granted to him in pursuance of the Scheme.
- (q) **“Grant”** means the process by which the Company shall issue Options to the Employees under the Scheme.
- (r) **“Grant Date”** means the date on which the Board or Compensation Committee approves the Grant. For accounting purposes, the grant date will be determined in accordance with applicable accounting standards.
- (s) **“Grantee”/ “Option Grantee”** means an Employee who receives an offer of Options from the Company or the Compensation Committee under the Scheme and includes any person who is/ are legal heirs or nominees of such Employee on their eventual death during the continuance of employment or service.

- (t) **“Grant Letter”** means the written communication issued by the Company intimating the Grant under the Scheme, and the relevant terms and conditions attached to it.
- (u) **“Independent Director”** means a Director within the meaning of Section 149(6) of the Companies Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (v) **“Long Leave”** means a sanctioned leave in excess of 90 (Ninety) days without break;
- (w) **“Options / Employee Stock Options”** means a right but not an obligation granted to a Grantee to purchase or subscribe at a future date, the Equity Shares offered by the Company, directly or indirectly, at a pre-determined price, in accordance with this Scheme.
- (x) **“Options Agreement”** shall mean the agreement to be executed between the Eligible Employee and the Company in connection with the Options, the details of the eligibility, the Vesting, Grant, Exercise and all rights associated with the Equity Shares thereto, in a form and manner prescribed by the Company.
- (y) **“Permanent Employee”** shall mean an employee of the Company who has been designated as a permanent employee by the Company, in accordance with the Company's policies and employment terms.
- (z) **“Permanent Disability or Permanent Incapacity”** means any incapacity of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Board/ Committee based on a certificate of a medical expert identified by the Company;
- (aa) **“Promoter”** shall have the same meaning as assigned to the term under Section 2(69) of the Companies Act and Regulation 2(1)(oo) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time;
- (bb) **“Promoter Group”** shall have the same meaning assigned to the term under Regulation 2(1)(pp) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;
- (cc) **“Scheme”** shall mean the Pharmaids Pharmaceuticals Limited – Employees Stock Option Scheme 2024 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof made by the Compensation Committee from time to time.

- (dd) **“Secretarial Auditor”** means a company secretary in practice appointed by the Company under Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit, pursuant to applicable provisions of the Companies Act and rules made thereunder and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (ee) **“SEBI”** means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992;
- (ff) **“SEBI (SBEB and Sweat Equity) Regulations”** means Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended and re-enacted from time to time and includes any clarifications or circulars issued thereunder;
- (gg) **“Subsidiary Company”** means a Company (present or future) which shall have the same meaning as defined under Section 2(87) of the Companies Act;
- (hh) **“Unvested Options”** means Options, which are not Vested;
- (ii) **“Vested Option”** means an Option which has vested in pursuance to the Scheme and has thereby become exercisable;
- (jj) **“Vesting”** means the process by which the Grantee becomes entitled to receive the benefit of the Grant made to them under the Scheme;
- (kk) **“Vesting Condition”** means any condition subject to which the Options granted would vest in an Option Grantee;
- (ll) **“Vesting Date”** means the date on and from which the Option vests with the Grantee and thereby becomes exercisable;
- (mm) **“Vesting Period”** means the period during which the Vesting of Options takes place under the Scheme.

3.2. Interpretation

In this Scheme, unless the contrary intention appears:

- (i) The clause headings are for ease of reference only and shall not be relevant to interpretation;

- (ii) A reference to a clause number includes reference to its sub-clauses;
- (iii) Words with singular meaning include plural and vice-versa;
- (iv) The word “person” includes an individual, a firm, a body corporate or unincorporated body or authority;
- (v) Any word which is not defined under the Scheme shall be interpreted in line with the Applicable Laws.
- (vi) Any word or expression importing the masculine, feminine or any other genders, shall be taken to include all genders
- (vii) Any reference to Acts, Rules, Statutes or Notifications shall include any statutory modification, substitution or re-enactment thereof.

4. Implementation and Administration:

- 4.1. The Scheme shall be implemented through the direct route by way of fresh allotment and will follow cash mechanism, in accordance with terms and conditions of the Scheme. It is hereby clarified that the Compensation Committee shall have the power to allow cashless Exercise of Employee Stock Options, based on its sole discretion.
- 4.2. The Scheme shall be administered by the Compensation Committee, subject to Applicable Laws. The Compensation Committee shall be authorized to interpret the Scheme, to establish, amend and rescind any clauses relating to the Scheme and to make any other determinations that it deems necessary.
- 4.3. Any decision relating to the interpretation of this Scheme shall, subject to the Applicable Laws, lie within the sole and absolute discretion of the Compensation Committee and shall be final, conclusive and binding on all parties concerned.
- 4.4. The Compensation Committee shall, subject to the Applicable Laws, inter alia, have the following powers:
 - 4.4.1. To adopt rules and regulations for implementation of the Scheme from time to time.
 - 4.4.2. To determine the quantum of Employee Stock Options to be granted under the Scheme, subject to the ceiling specified in the Scheme.
 - 4.4.3. To decide upon Grant of Options which were lapsed, forfeited or surrendered under the provisions of the Scheme.
 - 4.4.4. To set specific milestone-based Eligibility Criteria for the Grant of Employee Stock Options subject to the provisions of this Scheme.

- 4.4.5. To determine the kind of benefits to be granted under the Scheme.
- 4.4.6. To prescribe detailed terms and conditions in respect of Grant to, Vest in and Exercise of Options by the Employees and determination of Exercise Price which may be different for different class / classes of Employees falling under this Scheme.
- 4.4.7. To disallow Options in case of misconduct on the part of the Grantee.
- 4.4.8. To grant Options to one or more Eligible Employees.
- 4.4.9. To cancel all or any granted Option in accordance with this Scheme.
- 4.4.10. To determine the Grant Date.
- 4.4.11. To decide upon treatment of Vested Options and Unvested Options in cases of disputes between the Grantee and Company.
- 4.4.12. To determine the procedure for cashless Exercise of Employee Stock Options, if required.
- 4.4.13. To decide upon the mode and manner of Exercise.
- 4.4.14. To decide the period within which Employees can Exercise the Option.
- 4.4.15. To determine or impose other conditions under the Scheme, as it may deem appropriate.
- 4.4.16. To finalize letters and other documents, if any, required to be issued under the Scheme.
- 4.4.17. To appoint such agents as it shall deem necessary for the proper administration of the Scheme.
- 4.4.18. To determine the procedure for buy-back of Options granted under the Scheme, if to be undertaken at any time by the Company, and the applicable terms and conditions, in accordance with the Applicable Laws.
- 4.4.19. To prescribe any minimum financial threshold to be maintained by the Company as per its last financial statements

4.4.20. To approve forms, writings and/or agreements for use in pursuance of the Scheme including the Options Agreement. The Compensation Committee shall frame suitable policies and procedures to ensure that there is no violation of any of the Applicable Laws.

4.4.21. To determine the procedure for making a fair and reasonable adjustment in case of any Corporate Actions, in accordance with Applicable Laws such that the total value of the options to the employees remain the same even after the corporate action and the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the employees.

4.4.22. To determine the procedure and terms for the Grant, Vesting and Exercise of Employee Stock Options in case of Employees who are on Long Leave;

4.4.23. To determine the procedure for funding for Exercise of Options, as permitted under the Applicable Laws; and

4.4.24. To decide on any other incidental or related matters.

5. Pool of the Scheme:

5.1. The maximum number of Options that may be granted to any Eligible Employee in one or more tranches under the Scheme shall not exceed 1,00,000 (One Lakh) Equity Shares per Employee having a face value of Rs. 10/- (Rupees Ten Only) each.

5.2. The total number of Options granted under the Scheme shall not exceed such number of Options that convert into maximum of 25,00,000 (Twenty-Five Lakhs Only) fully paid-up Equity Shares (or such other adjusted figure/number for any reorganization of capital structure undertaken in accordance with the Scheme) in the Company having face value of Rs. 10/- (Rupees Ten) each.

5.3. Subject to the Applicable Laws, in case of any Corporate Action, then the above ceiling of Equity Shares and the Exercise Price payable by the Eligible Employees shall be deemed to be increased or decreased in line with such change in total paid-up Equity Shares and/or face value thereof.

5.4. If any Option granted under the Scheme lapses or is forfeited or surrendered under the relevant provisions, such Option shall be available for further Grant under the Scheme unless otherwise determined by the Compensation Committee.

- 5.5. Further, the maximum number of Options that can be granted and the Equity Shares arising upon Exercise of these Options shall stand adjusted in case of a Corporate Action.

6. Eligibility and Applicability

- 6.1. The Compensation Committee may, on the basis of all or any of the following criteria decide on the Employees who are eligible for the Grant of Options under the Scheme and the terms and conditions thereof.
- (i) Milestones: the Employee should be a Permanent Employee of the Company or of the group Company for at least 1 (One) year of continuous employment, unless otherwise decided by the Compensation Committee.
 - (ii) Performance of the Employee during a financial year on the basis of parameters decided by the Compensation Committee and agreed by the Employee.
 - (iii) Performance of the Company as per the corporate goals and standards set by the Compensation Committee.
 - (iv) Any other criteria as decided by the Compensation Committee from time to time.
- 6.2. The Employees satisfying the above eligibility criteria or those identified on the basis of their exemplary or exceptional performance during the performance period as evaluated by the appraising authority and confirmed by the Compensation Committee shall be termed as Eligible Employee.
- 6.3. Nothing in the Scheme or in any Options granted pursuant to the Scheme shall confer on any Employee, any right to continue in the employment of the Company or interfere in any way with the right of the Company to terminate the Employee's employment at any time.
- 6.4. Nothing in this Scheme shall give the Grantee any right to status of any kind as a shareholder of the Company in respect of any Equity Share covered by the Grant, unless the Grantee Exercises the Options and becomes a registered shareholder of the Company.
- 6.5. The Grantee shall not be entitled to any compensation or damages for any loss or potential loss which they may suffer by reason of being unable to Exercise Options, in whole or in part.
- 6.6. The Eligible Employee shall not be entitled to any compensation or damages for any loss or potential loss which they may suffer due to the fluctuation of Equity Share prices in the market.
- 6.7. The Company may opt for the buy-back of Options granted under the Scheme at any time during the validity of the Scheme, subject to Applicable Laws.

7. Grant of Options:

- 7.1. The Compensation Committee shall Grant Options to one or more Eligible Employees, in accordance with the terms and conditions of the Scheme for the time being in force and subject to Applicable Laws and Employee's employment terms and his continuity in the employment, and other parameters as set out by the Compensation Committee, if any.
- 7.2. Subject to availability of Options in the pool under the Scheme, the maximum number of Options that can be granted to all Eligible Employees shall not exceed 1% (One Percent) of the issued capital of the Company at the time of Grant during any 1 (One) year. The Compensation Committee may decide to Grant such number of Options equal to or exceeding 1% (One Percent) of the issued capital to any Eligible Employee as the case may be, subject to the separate approval of the shareholders in a general meeting.
- 7.3. No amount shall be payable by the Grantee at the time of Grant and Vesting of Options.
- 7.4. The Options granted to the Eligible Employees shall not be transferable to any other person.
- 7.5. As a condition to the receipt of benefits hereunder, each Grantee may be required to execute related agreements, in a form satisfactory to the Compensation Committee, which may include but are not limited to, a non-competition, confidentiality, non-solicitation, non-interference, adherence to code of conduct or non-disclosure agreement with the Company as well as tax indemnification agreements in connection with the Grant of the Options.

8. Acceptance of Grant

- 8.1. An Eligible Employee who intends to accept the Grant made under this Scheme must duly convey his/her acceptance by way of a letter of acceptance in the format as prescribed by the Compensation Committee.
- 8.2. The acceptance by the Employee shall be conveyed within 30 (Thirty) days from the date of issuance of the Grant Letter.
- 8.3. On receipt of the letter of acceptance in the prescribed format within the prescribed time period, the Eligible Employee will become a Grantee.
- 8.4. An Employee who fails to deliver the signed acceptance of the letter of Grant on or before the closing date stated above shall be deemed to have rejected the Grant unless the Compensation Committee determines otherwise.

- 8.5. Upon acceptance of the Grant, it shall be deemed that the Employee has read, understood, and is bound by the terms and conditions specified in the Scheme, Grant Letter, and any other terms that the Compensation Committee may decide from time to time in accordance with the Scheme.

9. Vesting of Options

- 9.1. Vesting of Options granted under the Scheme shall be subject to a minimum period of 1 (One) year from the Grant Date or such extended period as determined by the Compensation Committee. Subject to this minimum period, the Vesting period shall comply with a Vesting schedule of minimum 1 (One) year and maximum 3 (Three) years from the Grant Date, as shall be morefully provided under the Options Agreement.
- 9.2. The Compensation Committee may decide the proportion of Options which shall vest at any intervals as decided by the Compensation Committee, which may be different for different Employees or classes of Employees.
- 9.3. Except as expressly provided in this Scheme, the Vesting of Options would be subject to continued employment of the Employee with the Company. The Compensation Committee may further prescribe certain performance based or achievement-based milestones as additional conditions for the Vesting of Options.
- 9.4. In the event of suspension or commencement of any disciplinary enquiry against any Grantee, the Vesting of Options shall be suspended and continue to remain suspended until the disposal of such enquiry or ceasing of such suspension.
- 9.5. In the event of the Employee taking a sanctioned Long Leave, which excludes casual leave or sick leave, the period of leave shall not be considered in determining the Vesting Period.
- 9.6. In the event of transfer of a Grantee from the Company to a Subsidiary Company, the Vested Options as on the date of transfer shall continue to vest as per the original Vesting schedule. Such Vested Options may be Exercised by the Option Grantee subject to the compliance with the Applicable Laws.
- 9.7. In the event of death or Permanent Incapacity of an Employee, the minimum Vesting Period shall not be applicable and in such instances, all the Unvested Options shall vest with effect from date of the death or Permanent Incapacity.

10. Exercise of Options, Exercise Period and Exercise Price

- 10.1. The Exercise Options may be carried out by the Grantee during the Exercise Period. The Exercise Period shall begin from the date of Vesting and be valid for a maximum of 3 (Three) years, as more fully provided under the Options Agreement. The Compensation Committee may subject to compliance with Applicable Law, at any time, alter the Exercise Period, provided, that no modification or alteration to the Exercise Period shall be effected in respect of any Options for which the Exercise Period has commenced and is ongoing, where such Options remain unexercised and the originally stipulated Exercise Period has not expired.
- 10.2. The Options not Exercised within the Exercise Period shall lapse, and the Employee shall have no right over such lapsed or cancelled Options.
- 10.3. The Exercise Price/ pricing formula shall be determined on the Grant Date as may be decided by the Compensation Committee at its discretion from time to time and shall be as provided under the Options Agreement. However, the Exercise Price shall not be less than the face value of the Equity Shares. The Exercise Price may be different for different Employees or classes thereof.
- 10.4. Process of Exercise: the Grantee shall make an application in writing to the Compensation Committee in the prescribed format, for the issuance of Equity Shares against the Options, subject to payment of Exercise Price, applicable taxes and compliance of other requisite conditions of Exercise.
- 10.5. The Grantee at his/her own discretion may choose to Exercise all the Vested Options at once or in part within the Exercise Period.
- 10.6. Exercise of Options in case of cessation of employment in various circumstances:

SL No	Type of cessation	Vested Options	Unvested Options
1.	Resignation/ Termination (without Cause)	All the Vested Options up to the last working day with the Company shall be exercisable. The Grantee must Exercise these options within 30 (Thirty) days from the last working day, failing which all the unexercised Options shall lapse irrevocably and the rights thereunder shall be extinguished	The Unvested Options shall stand expired

2.	Termination due to Cause including misconduct, moral turpitude or due to material breach of terms of employment	All Vested Options which were not Exercised shall stand cancelled.	All Unvested options shall stand expired
3.	Superannuation/retirement	All the Vested Options up to the last working day with the Company shall be exercisable. The Grantee must Exercise these options within 180 (One Hundred Eighty) days from the said date, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.	All Unvested Options shall continue to vest in accordance with the respective Vesting schedules.
4.	Death/Permanent Incapacity	The minimum Vesting Period of 1 (One) year shall not apply in the event of the death or Permanent Disability of an Employee, and in such cases, the Options granted as of the date of death or Permanent Incapacity, as the case may be, shall vest immediately in him or the nominee(s)/legal heir(s), as the case may be. These Options must be Exercised within a period of 12 (Twelve) months from the date of the Grantee's death or Permanent Incapacity failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.	All Unvested Options as on the date of death and Permanent Incapacity shall vest immediately and may be Exercised by the Option Grantee's nominee(s) or legal heir(s) within 12 (Twelve) months from the date of death and Permanent Incapacity.
5.	Abandonment of employment or absence from the office for more than 90 (Ninety) days	All the Vested Options shall stand cancelled.	All the Unvested Options shall stand cancelled.

	without sanctioned leave.		
6.	Cessation due to reasons apart from those mentioned above	The Compensation Committee shall decide whether the vested options as on that date can be exercised by the Option Grantee or not, such decision shall be final.	All the Unvested Options shall stand cancelled, unless otherwise required by Applicable Laws.

11. Lock-in

The Equity Shares allotted upon Exercise of Options under the Scheme are not subject to any lock in period. Subject to the Applicable Laws, the Compensation Committee is authorized to impose lock-in period or exempt lock-in period on the Equity Shares.

However, the same shall be subject to such restrictions as may be prescribed under Applicable Laws including the Company's Code of Conduct for Prevention of Insider Trading, and the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended from time to time.

12. Limits on transferability

12.1. The Grantee shall not transfer the Options vested in him to any other person or entity.

12.2. No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Options.

12.3. The Options granted to the Eligible Employees shall not be pledged, hypothecated, mortgaged or otherwise encumbered or alienated in any other manner.

12.4. The Compensation Committee may impose certain restrictions on the transferability of the Equity Shares after the Options are Exercised from time to time.

13. Surrender of Options

A Grantee may surrender his/her Vested or Unvested Options at any time during / post their employment with the Company. A Grantee willing to surrender their Options shall communicate the same to the Compensation Committee in writing. Thereafter, the surrendered Options shall be brought back to the Employee Stock Option pool and shall become available for future grant of Option.

14. Taxation

- 14.1. The liability of paying taxes, if any, in respect of the Options and Equity Shares pursuant to this Scheme shall be entirely on the Eligible Employee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder.
- 14.2. The Company shall have the right to deduct from the Employee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.
- 14.3. The Company shall have no obligation to Grant Options and/or deliver Equity Shares until the Company's tax deduction obligations, if any, have been satisfied by the Eligible Employee in full.
- 14.4. It is hereby clarified that this document is not intended to provide any legal or taxation advice to the Option Grantee of PPL ESOS 2024 and such Employee should consult their own tax advisors before accepting the Grant and/or Vesting of the Equity Shares under the PPL ESOS 2024.

15. Variation of terms of the Scheme

Subject to special resolution passed by shareholders at a general meeting and compliance with other relevant provisions of the Applicable Laws, the Compensation Committee may at any time amend, alter, or vary the terms of the Scheme and/or terms of the Grant already made under the Scheme provided that such amendment, alteration, or variation, as the case may be, is not detrimental to the interest of Eligible Employees.

16. New Schemes

Nothing contained in the Scheme shall be construed to prevent the Company directly from implementing any other new scheme for granting stock options and /or share purchase rights or any other benefits, which is deemed by the Company to be appropriate or in the best interests of the Employees, whether or not such other action would have any adverse impact on this Scheme. No Employee or other person shall have any claim against the Company as a result of such action.

17. Disclosure and Accounting Policy

In the implementation of the Scheme, the Company shall conform to the disclosure and accounting policies specified under the SEBI (SBEB and Sweat Equity) Regulations and the Companies Act, 2013, as may be applicable.

18. Certificate from Auditors

The Board shall, place before the shareholders, in a general meeting, a certificate from the Secretarial Auditor of the Company that the PPL ESOP 2024 has been implemented in compliance with the SEBI (SBEB and Sweat Equity) Regulations and the resolution passed by the Company in the general meeting approving PPL ESOP 2024.

19. Miscellaneous:

- 19.1. **Notices and correspondence:** any notice or correspondence to be given by the Grantee to the Company shall be addressed to the registered office of the Company or to any place and in any form as may be notified by the Company. Any notice or correspondence required to be given by the Company to the Grantee shall be made on behalf of the Company at the address provided by the Grantee while accepting the Options granted to them in the “Acceptance Form”, or at the official e-mail address of the Grantee.
- 19.2. **Nomination:** Each Grantee under the Scheme may nominate, from time to time, any nominee(s) to whom the benefit under the Scheme is to be delivered in case of their death before they receive all of such benefit. The nomination shall be made in a form prescribed by the Company and will be effective only when filed by the Grantee in the prescribed form during the Grantee’s lifetime. Company may seek know-your-customer (KYC) documents of the nominee. In the absence of nomination, only legal heir(s) (as supported by sufficient documents under Applicable Laws) will be entitled to the Equity Shares.
- 19.3. **Severability:** In the event that any one or more of the provisions contained in the Scheme, for any reason, is held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect other provisions of the Scheme, in which case the Scheme shall be construed as if such invalid, illegal or unenforceable provisions had never been set forth herein, and the Scheme shall be carried out as nearly as possible according to its original intent and terms.
- 19.4. **Jurisdiction:** In case of any disputes arising between the Grantee and the Company, or between any party in relation to this Scheme, the courts in Bangalore shall have exclusive jurisdiction. Nothing in this clause shall, however, limit the right of the Company to bring proceedings against any Employee in connection with the Scheme in any other court of competent jurisdiction, or concurrently in more than one jurisdiction.

19.5. **Governing Law:** the provisions of the Scheme shall be governed in accordance with the Applicable Laws as defined in Clause 3.1(a).

20. Confidentiality

Notwithstanding anything contained in the Scheme, the Grantee shall not divulge the details of the Scheme and/or his holdings to any Person except with the prior written permission of the Compensation Committee. In case a Grantee is found in breach of this Clause, all unexercised Options shall stand cancelled immediately. Furthermore, in case of non-adherence to the provisions of this Clause, the Compensation Committee shall have the authority to deal with such cases as it may deem fit.

On acceptance of the Grant of Option offered by the Company, it shall be deemed that the Grantee has authorized the Company to disclose information relating to the Grantee during the process of implementation of the Scheme or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need-to-know basis.

<< End of the Scheme >>