

## **Table of Contents PPL ESPS – 2024**

<b>1</b>	Name and Objective of the Scheme
<b>2</b>	Term of the Scheme
<b>3</b>	Definitions and Interpretation
<b>4</b>	Implementation and Administration
<b>5</b>	Quantum of the Shares
<b>6</b>	Eligibility and Applicability
<b>7</b>	Enrollment and Participation
<b>8</b>	Pricing of Shares
<b>9</b>	Purchase of Shares
<b>10</b>	Cessation of Employment
<b>11</b>	Allotment and Listing of Shares
<b>12</b>	Rights of the Shareholders
<b>13</b>	Lock-in
<b>14</b>	Taxation
<b>15</b>	Variation of terms of the Scheme
<b>16</b>	New Schemes
<b>17</b>	Disclosure and Accounting Policy
<b>18</b>	Certificate from Auditors
<b>19</b>	Miscellaneous
<b>20</b>	Confidentiality

## **Pharmaids Pharmaceuticals Limited- Employee Stock Purchase Scheme 2024**

### **(PPL ESPS 2024)**

#### **1. Name and Objective of the Scheme:**

- 1.1. This Scheme shall be called the Pharmaids Pharmaceuticals Limited- Employee Stock Purchase Scheme 2024 (hereinafter referred to as “**PPL ESPS 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<sup>th</sup>, 2024. Thereafter it was made effective vide special resolution passed by the shareholders at the extra-ordinary general meeting held on 31<sup>st</sup> January 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 Shares offered under the Scheme have been allotted to the Eligible Employees, 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 Shares already purchased and such Shares shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Company and the Eligible Employee/ nominee/ legal heirs.
- 2.4. Shares issued 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 acts 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 Purchase Schemes, to the extent applicable, including but not limited to, 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 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 of the Company, 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 ESPS – 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 allotting the Shares 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 as on the Offer Date, 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 anybody corporate, directly or indirectly holds more than 10% (Ten Percentage) of the outstanding 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) **“Extended Offer Period”** means the period of time commencing immediately after expiry of the Offer Period, which can be further extended by the Compensation Committee, from time to time, at its sole discretion, within which Shares offered under the Scheme may be accepted by the Eligible Employee.
- (n) **“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;
- (o) **“Long Leave”** means a sanctioned leave in excess of 90 (Ninety) days without break;
- (p) **“Offer”** means the process by which the Company shall issue Shares to the Eligible Employees under the Scheme. Any reference to the term **“Offered”** within this Scheme shall be construed in accordance with this definition .
- (q) **“Offer Date”** means the date on which the Board or Compensation Committee Offers the Shares to the Eligible Employee. For accounting purposes, the offer date will be determined in accordance with applicable accounting standards.
- (r) **“Offer Letter”** means a written communication issued by the Compensation Committee to the Eligible Employee containing specific details and the relevant terms and conditions of the Offer.

- (s) **“Offer Period”** means such time period within which all or a part of the Shares Offered under the Scheme should be accepted by the Eligible Employee with a view to participate in the Scheme.
- (t) **“Permanent Disability or Permanent Incapacity”** means any incapacity of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Eligible Employee from performing any specific job, work or task which the said Eligible Employee was capable of performing immediately before such disablement, as determined by the Board/ Compensation Committee based on a certificate of a medical expert identified by the Company;
- (u) **“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.
- (v) **“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 SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time;
- (w) **“Promoter Group”** shall have the same meaning assigned to the term under Regulation 2(1)(oo) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time;
- (x) **“Purchase Date”** means one or more dates during the Offer Period on which Shares are purchased by the Eligible Employee.
- (y) **“Purchase Price”** means the price per Share to be paid by the Eligible Employee for obtaining the Shares pursuant to the Offer.
- (z) **“Scheme”** shall mean the Pharmaids Pharmaceuticals Limited - Employee Stock Purchase Scheme 2024 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof made by the Compensation Committee from time to time.
- (aa) **“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

- (bb) “**SEBI**” means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992;
- (cc) “**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;
- (dd) “**Shares**”/ “**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;
- (ee) “**Subsidiary Company**” means a Company (present or future) which shall have the same meaning as defined under Section 2(87) of the Companies Act.

### 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 is a 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, in accordance with the terms and conditions of the Scheme.
- 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 Shares for each individual Eligible Employee in any financial year and in aggregate to be issued under the Scheme, subject to the ceiling specified in the Scheme.

4.4.3. To decide upon Shares which were lapsed or surrendered under the provisions of the Scheme.

4.4.4. To set specific milestone-based eligibility criteria for the issue of Shares subject to the provisions of this Scheme.

4.4.5. To determine the kind of benefits to be Offered under the Scheme.

4.4.6. To prescribe detailed terms and conditions in respect of issuance of Shares to Eligible Employees and determination of Purchase Price.

4.4.7. To disallow purchase of Shares in case of misconduct on the part of the Eligible Employee.

4.4.8. To issue Shares to one or more Eligible Employees.

4.4.9. To cancel all or any issuance of Shares in accordance with this Scheme.

4.4.10. To determine the date of issue of Shares for purchase.

4.4.11. To determine the procedure for cashless purchase of Shares, if required.

4.4.12. To decide upon the mode and manner of purchase of Shares.

4.4.13. To decide the Offer Period or the Extended Offer Period within which Eligible Employees can purchase the Shares.

4.4.14. To determine or impose such other conditions under the Scheme, as it may deem appropriate.

4.4.15. To finalize letters and other documents, if any, required to be issued under the Scheme.

4.4.16. To appoint such agents as it shall deem necessary for the proper administration of the Scheme.

4.4.17. To determine the procedure for buy-back of Shares allotted 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.

4.4.18. To prescribe any minimum financial threshold to be maintained by the Company as per its last financial statements.

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

4.4.20. To determine the procedure for making a fair and reasonable adjustment in the number of Shares in case of any Corporate Action, subject to Applicable Laws, in a manner such that total value of Shares shall remain the same after the Corporate Action.

4.4.21. To frame suitable policies and systems to ensure that there is no violation of:

- (a) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 as amended from time to time; and
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

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

## **5. Quantum of the Shares:**

- 5.1. The maximum number of Shares that may be Offered in one or more tranches under the Scheme shall not exceed 10,00,000 (Ten Lakhs Only) Shares per Eligible Employee at any point of time and, the aggregate shall not exceed 30,00,000 (Thirty Lakhs Only) Shares of face value of Rs. 10/- (Rupees Ten Only) each fully paid up of the Company.
- 5.2. The Compensation Committee shall determine the quantum of Shares to be Offered to the Eligible Employees on the basis of their grade, designation and level in the Company and such other criteria as it may deem fit at the time of Offer.
- 5.3. If any Share issued under the Scheme remains unpurchased under the relevant provisions, such Share shall be available for further issue under the Scheme unless otherwise determined by the Compensation Committee.
- 5.4. Subject to Applicable Laws, in case of any Corporate Action(s), then the above ceiling of Shares and the Purchase Price payable by the Eligible Employees shall be deemed to be increased or decreased in line with such change in total paid-up Shares and/or face value thereof.
- 5.5. Further, the maximum number of Shares that can be Offered shall stand adjusted in case of a Corporate Action.

## **6. Eligibility and Applicability**

- 6.1. The Compensation Committee may decide on the Employees who are eligible for purchase of Shares under the Scheme and the terms and conditions thereof.
- 6.2. The Employees satisfying the 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. Subject to necessary approvals, Employees of the Company who are deputed to any other company/ entity and the executive or whole-time Directors of the Subsidiary Company(ies) of the Company who are on lien with the Company may also be eligible subject to satisfaction of Eligible Criteria as may be determined by the Compensation Committee from time to time and based on the discretion of the Compensation Committee.
- 6.4. Nothing in 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, in accordance with applicable laws and the terms of their employment.

- 6.5. 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 Share prices in the market.

**7. Enrollment and Participation:**

- 7.1 **Offer:** Offers contemplated under the Scheme shall be made at such time as determined by the Compensation Committee at its discretion. Each Offer under the Scheme shall be made in writing by the Company to the Eligible Employees by way of an Offer Letter.
- 7.2 **Transfer of Offer:** The Offer made under this Scheme shall not be transferred, pledged, hypothecated, mortgaged or otherwise alienated in any other manner. In the event of death of an Eligible Employee, the Offer shall be transferred as per the clause 10.3 of this Scheme.
- 7.3 **Offer Period:** During the term of the Scheme, the Compensation Committee may from time to time Offer Shares of the Company, pursuant to the Scheme, to Eligible Employees during the Offer Period, as may be specified by the Compensation Committee. Such Offer shall be in such form and shall contain such terms and conditions as the Compensation Committee shall determine, subject to compliance with the Applicable Laws.

The Compensation Committee shall specify the following prior to the commencement of such Offer:

- (i) the period during which the Offer shall be effective, which shall not be less than 12 (Twelve) months subject to maximum of 6 (Six) years from the Offer Date and may include one or more successive purchase periods within such Offer;
  - (ii) the Purchase Date and Purchase Price for Shares purchased pursuant to the Offer; and
  - (iii) if applicable, any limits on the number of Shares that may be purchased by the Eligible Employee, or by all Eligible Employees in the aggregate, during any Offer Period or, if applicable, purchase period, in each case, shall be consistent with the provisions of the Scheme.
- 7.4 **Acceptance of Offer:** An Eligible Employee who has been Offered Shares under this Scheme may choose to participate in the Scheme by accepting the Offer in one or more tranches, as determined by the Compensation Committee at its discretion, by delivering to the Company a duly signed acceptance of the letter within the Offer Period or Extended Offer Period, as the case may be. By doing so, the Eligible Employee shall be deemed to

have read and understood the terms and conditions of this Scheme, and further consents to any action taken by the Compensation Committee as per the provisions of this Scheme.

Any Eligible Employee, who fails to deliver the signed acceptance of the Offer within the Offer Period may submit such acceptance within the Extended Offer Period, as determined by the Compensation Committee. Any failure or delay in submission of acceptance beyond the Extended Offer Period shall be deemed as rejection of the Offer by the concerned Eligible Employee and the Offer shall lapse forthwith on the last date of Extended Offer Period. Upon lapse of Offer, the concerned Eligible Employee shall not have any right over such lapsed Offer.

## **8. Pricing of Shares**

The price of the Shares to be allotted under the Scheme to the Eligible Employees of the Company shall be determined by the Compensation Committee in compliance with Accounting Standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013, including any “Guidance Note on accounting for Share based Payments” issued in this regard from time to time.

## **9. Purchase of Shares**

- 9.1 The Compensation Committee shall allot Shares to be purchased by the 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.
- 9.2 The Shares Offered under this Scheme on the Offer Date shall be available for purchase by the Eligible Employee, subject to the acceptance of the Offer and payment of Purchase Price by the Eligible Employee in the manner prescribed by the Compensation Committee, during the Offer Period mentioned in the Offer Letter. On failure to submit the acceptance letter and purchase of the Share in the given timeline, the Offer with respect to the relevant Shares shall cease, and the Eligible Employee shall lose any right to purchase those Shares, unless otherwise decided by the Compensation Committee.
- 9.3 The Purchase Price of any Share Offered under the scheme shall be the price for purchase of Shares as determined by the Compensation Committee which shall not be less than the face value of the Shares.
- 9.4 In case of any Corporate Action(s), the Compensation Committee shall adjust the number of Shares available for Offer and Purchase Price payable by the Eligible Employees in such a

manner that the total value of Shares available for Offer remains the same after any such Corporate Action(s).

- 9.5 Payment of the Purchase Price along with applicable taxes shall be made via Cheque/Demand Draft/NEFT/RTGS to the Company's bank account. Subject to Applicable Laws, the Company may opt for the buy-back of Shares allotted under the Scheme.

## **10. Cessation of Employment**

Notwithstanding anything contained elsewhere in this Scheme, any Offer or exercisability thereof shall be dealt with in different circumstances of cessation of employment/ service of an Eligible Employee as under:

<b>Sl. No.</b>	<b>Events of cessation</b>	<b>Prior to acceptance of Offer</b>	<b>After acceptance of Offer but prior to transfer / Allotment of Shares</b>
1	Resignation or Termination (without Cause)	Offer shall lapse with effect from the date of such resignation or termination.	<p>The Eligible Employee may proceed to complete the process of purchase by making payment within such period as may be prescribed by the Compensation Committee.</p> <p>In case such Eligible Employee has already accepted the Offer and made the requisite payment, the Company shall proceed to transfer/ allot Shares in due course.</p>
2	Termination due to Cause, including misconduct, moral turpitude or due to material breach of the terms of employment	Offer shall lapse with effect from the date of termination.	<p>Offer and acceptance shall be deemed to lapse from the date of termination.</p> <p>Payment received, if any, by the company shall be refunded back without any interest to the concerned Employee.</p>
3	Retirement	Offer shall be valid as per the terms of original offer.	The Eligible Employee may proceed to complete the process of purchase by accepting the

			<p>Offer within the Offer Period and making payment within such period as may be prescribed by the Compensation Committee.</p> <p>In case such Eligible Employee has already paid the requisite payment, the Company shall proceed to transfer/allot Shares in due course.</p>
4	Death	<p>Legal heir(s) or nominee(s) of the deceased Eligible Employee shall have the right to accept the Offer within (i) the Offer Period or Extended Offer Period, as the case may be; or (ii) within 180 (One Hundred Eighty) days from date of death, whichever is later.</p>	<p>Legal heir(s) or nominee(s) of the deceased Eligible Employee shall have the right to make payment within such period as may be prescribed by the Compensation Committee.</p> <p>In case the deceased Eligible Employee has already paid the requisite payment, the Company shall proceed to transfer Shares in due course or refund the payment received by his/her legal heir(s) or nominee(s). The option of purchasing Shares or obtaining refund shall vest with such legal heir(s) or nominee(s).</p>
5	Permanent Incapacity	<p>The Eligible Employee shall have a right to accept the Offer within (i) the Offer Period or Extended Offer Period, as the case may be, or (ii) 180 (One Hundred Eighty) days from date of Permanent Incapacity, whichever is later.</p>	<p>The Eligible Employee shall have a right to make payment within such period as may be prescribed by the Compensation Committee.</p> <p>In case the Eligible Employee has already paid the requisite payment, the Company shall proceed to transfer Shares in due course or refund the payment received by the Eligible Employee.</p>

			The option of purchasing Shares or obtaining a refund shall vest with such Eligible Employee.
6	Cessation due to reasons apart from those mentioned above	The Compensation Committee shall decide whether to allow the acceptance of Offer and such decision shall be final.	The Compensation Committee shall decide whether to allow the exercise of Offer by payment of requisite Purchase Price and applicable taxes and such decision shall be final.

**10.1** In case of Long Leave of an Eligible Employee including sabbatical, the Compensation Committee shall have the power to determine the exercisability of Offer at its sole discretion. Such a decision of the Compensation Committee shall be final and binding.

## **11. Allotment and Listing of Shares**

On receipt of the acceptance letter and the Purchase Price, in accordance with the terms of this Scheme and such other terms as may be imposed by the Compensation Committee, the Board shall make an allotment of Shares directly from the Company through fresh issue of Shares. The Shares to be allotted under this Scheme shall be listed immediately upon allotment on the stock exchanges(s) where the Shares of the Company are listed. As and when applicable, the Company shall make an application to the appropriate authorities and obtain the in-principle approval from the stock exchanges where it proposes to list the Shares allotted under this Scheme.

## **12. Rights of the Shareholders**

- 12.1 Upon allotment of Shares, the Eligible Employee(s) shall become members of the Company and shall be entitled to all the rights of a member with respect to voting rights, receipt of dividend, etc. The Shares to be allotted shall rank pari-passu in all respects with the outstanding Shares of the Company.
- 12.2 If the Company issues bonus Shares or rights Shares, the Eligible Employee will be eligible for the bonus and rights Shares in the capacity of a shareholder of the Company even during the Lock-in Period

## **13. Lock-in**

- 13.1 The Shares allotted under this Scheme shall be subjected to a lock-in period as prescribed under SEBI (SBEB and Sweat Equity) Regulations and such other Applicable Laws. The

Eligible Employee(s) shall not be allowed to transfer, sell, hypothecate, create any charge or alienate the Shares during the lock-in period.

- 13.2 In case of merger or amalgamation of the Company with another company during the lock-in period, pursuant to which Employees are entitled to receive shares in the new company, the lock-in period already undergone in respect of shares of the transferor company shall be adjusted against the lock-in period.
- 13.3 Further that in the event of death or Permanent Incapacity of an Eligible Employee, the requirement of lock-in shall not be applicable from the date of death or Permanent Incapacity.
- 13.4 After expiry of the lock-in period specified above, the Shares issued under this Scheme shall be freely transferable subject to the compliance with the Company's Code of Conduct for Prevention of Insider Trading and the SEBI (Prohibition of Insider Trading), Regulations, 2015, as amended from time to time, provided however that no Eligible Employee shall transfer the Shares (directly or indirectly) to any competitor of the Company.

#### **14. Taxation**

- 14.1 The liability of paying taxes, if any, in respect of Shares transferred 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 deliver 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 Employee of PPL ESPS 2024 and such Employee should consult their own tax advisors before accepting the Equity Shares under the PPL ESPS 2024.

## **15. Variation of terms of the Scheme**

Subject to the prior approval of the members of the Company by way of special resolution 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 Offer 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 (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, 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 ESPS 2024 has been implemented in compliance with the SEBI (SBEB and Sweat Equity) Regulations and with the resolution passed by the Company in the general meeting approving PPL ESPS.

## **19. Miscellaneous:**

- 19.1 Notices and correspondence:** any notice or correspondence to be given by the Eligible Employee 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 Eligible Employee shall be made on behalf of the Company at the address provided by the Eligible Employee while purchasing the Shares, or at the official e-mail address of the Eligible Employee.
- 19.2 Nomination:** Each Eligible Employee under the Scheme shall nominate, any nominee(s) to whom the benefit under the Scheme is to be delivered in case of his death. The nomination

shall be made in a form prescribed by the Company and will be effective only when filed by the Eligible Employee in the prescribed form during the Eligible Employee'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 Shares.

- 19.3 **Severability:** In the event that any one or more of the provisions contained in the Scheme shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the 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 Eligible Employee 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 by the Applicable Laws as defined in Clause 3.1(a).

## **20. Confidentiality**

- 20.1 Notwithstanding anything contained in the Scheme, the Eligible Employee 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 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.
- 20.2 On acceptance of the Shares offered by the Company, it shall be deemed that the Eligible Employee has authorized the Company to disclose information relating to him 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 >>