

**Employee Stock Option Plan 2025
(ESOP 2025)**

1. Name, Objective and Term of the Plan

- 1.1 This Employee Stock Option Plan shall be called Employee Stock Option Plan 2025 ("**ESOP 2025**" / "**Plan**").
- 1.2 The objective of the ESOP 2025 is to reward certain Employees, as may be considered eligible, for their contribution to the Company's growth. The Company intends to use this Plan to attract and retain key talents working with the Company and its Subsidiary and motivate them to contribute to the overall progress of the Company. The Company views Employee Stock Options as instruments that would enable the Employees to get a share in the value they create for the Company in the years to come.
- 1.3 ESOP 2025 will be effective from the date on which the Shareholders have approved the Plan by way of a special resolution, and shall continue to be in force until earlier of:
 - i. seven years from the date of approval; or
 - ii. the date all the Options reserved under the Plan are granted and exercised; or
 - iii. the date of termination, if any, of the Plan.

The eligibility criteria to include Employees in the Plan may be determined by the Nomination and Remuneration Committee from time to time in compliance with the applicable laws in the plan.

- 1.4 The Board of Directors or the Nomination and Remuneration Committee of Board, as authorised, may, subject to compliance with Applicable Laws, at any time, alter, amend, suspend or terminate ESOP 2025. The Nomination and Remuneration Committee of the Board of Directors of the Company (by whatever name called) duly constituted in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("**Listing Regulations**") shall act as the Compensation Committee for administration of ESOP 2025.
- 1.5 This document is not intended to provide any legal or taxation advice to the Option Grantee of ESOP 2025 and such Employee should consult their own tax advisors before accepting the grant and/ or vesting of the Equity Shares under the ESOP 2025 Plan.

2. Definitions and Interpretation

2.1 Definitions

- i. "**Applicable Law**" means every law relating to Employee Stock Options, to the extent applicable, including and without limitation to the Companies Act, Securities and Exchange Board of India Act, 1992, 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 there under ("**SEBI SBEB Regulations**"), and all relevant tax, securities, exchange control or corporate laws of India, or amendments thereof or of any relevant jurisdiction or of any Recognised Stock Exchange on which the Shares are listed or quoted.

- ii. **"Board"** means the Board of Directors of the Company.
- iii. **"Companies Act"** means the Companies Act 2013 and rules made thereunder and include any statutory modifications or re-enactments thereof.
- iv. **"Company"** means "Pelatro Limited (CIN: L72100KA2013PLC068239), a company incorporated under the provisions of the Companies Act 1956 having its registered office at 5th Floor, No. 144, MSR North Tower, Outer Ring Road, Bangalore 560045.
- v. **"Company Policies / Terms of Employment"** means the Company's policies for employees and the terms of employment as contained in the employment letter / contract / Company intranet and the Company handbook, which includes provisions for securing confidentiality, non-compete and non-poaching of other Employees and customers. Policies / Terms of Employment of the Subsidiary(ies) as regard an Option Grantee on the payrolls of such Subsidiary shall be deemed to be "Company Policies / Terms of Employment" for such Option Grantee.
- vi. **"Compensation Committee"** means the Committee constituted / reconstituted by the Board of Directors of the Company from time to time, by whatever name called, as per the requirements of Applicable Laws to administer and supervise the ESOP 2025 and other employee benefit plans, if any, comprising of such members of the Board as provided under Regulation 19 of the Listing Regulations, as amended from time to time, and having such powers as specified under the SEBI SBEB Regulations read with powers specified in this ESOP 2025 and is deemed to include the Nomination and Remuneration Committee authorised by the Board in this behalf. The Nomination and Remuneration Committee of the Board of Directors of the Company shall act as the Compensation Committee for the purposes of ESOP 2025.
- vii. **"Director"** means a member of the Board of the Company.
- viii. **"Eligibility Criteria"** means the criteria as may be determined from time to time by the Nomination and Remuneration Committee for granting the Employee Stock Options to the employees.
- ix. **"Employee"** means (i) an employee as designated by the Company, who is exclusively working for the Company in India or outsider India; or (ii) an employee as defined in sub-clause (i) above of any Subsidiary (ies), either in India or outside India, of the Company but does not include:
 - a. an employee / Director who is a Promoter or a person belonging to the Promoter Group;
 - b. a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly, holds more than 10% of the issued and subscribed Equity Shares of the Company; and
 - c. any other Independent / Non-executive Director within the meaning of the Companies Act and / or Listing Regulations, as amended from time to time.
- x. **"Employee Stock Option"** means the option granted to an Employee, which gives such Employee the right but not an obligation, to purchase at a future date the Shares underlying the option at a pre-determined price.

- xii. **"Equity Shares"** means fully paid-up Equity Shares of the Company having a face value of Rs.10/- (Rupees Ten Only) each.
- xiii. **"ESOP 2025"** means the Employee Stock Option Plan 2025 under which the Company is authorised to grant Employee Stock Options to select Employees.
- xiv. **"Exercise"** means making of an application by an Employee to the Company for issue of Equity Shares, as the case may be against Vested Options, in pursuance of the ESOP 2025, in accordance with the procedure laid down by the Company for such exercise.
- xv. **"Exercise Period"** means such time period after Vesting within which the Employee should exercise the Options vested in him/her in pursuance of the ESOP 2025.
- xvi. **"Exercise Price"** means the price payable by an Employee or his/her legal heir or nominees in case of an employee's death or permanent incapacity in order to exercise the Options granted to him/her in pursuance of the ESOP 2025.
- xvii. **"Grant"** means issue of the Options to select Employees under the ESOP 2025.
- xviii. **"Independent Director"** means a Director within the meaning of Section 149(6) of the Companies Act read with Regulation 16(1)(b) of the Listing Regulations.
- xix. **"Management"** means the top management of the Company headed by the Managing Director.
- xx. **"Misconduct"** means any of the following:
 - a. committing of any act of misconduct warranting summary termination under law; or
 - b. conduct which in the reasonable opinion of the Board amount to a serious breach by an Option Grantee of the obligation of trust and confidence to his/her employer; or
 - c. a finding by the Board that an Employee has committed any material or consistent breach of any of the terms or conditions of the Employment Agreement including any willful negligence of the duties assigned by the Board; or
 - d. conviction of any criminal offence or having been charged with any criminal offence which, in the reasonable opinion of the Company will result in conviction.
- xxi. **"Option"** means Employee Stock Option within the meaning of this Plan.
- xxii. **"Option Grantee"** means an Employee who has been granted an Employee Stock Option in pursuance of the ESOP 2025 and deemed to include a beneficiary being the legal heir or nominee of such Option Grantee upon his/her eventual death while in employment or service.

- xxii. **"Option Grant Letter"** is the letter issued in the format enclosed as Form 1 to this Plan document, which will be issued to each Option Grantee, giving out the details of the Options being granted.
- xxiii. **"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 Nomination and Remuneration Committee based on a certificate of a medical expert identified by the Company.
- xxiv. **"Promoter"** shall have the same meaning as assigned to the term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**SEBI ICDR Regulations**").
- xxv. **"Promoter Group"** shall have the same meaning assigned to the term under the SEBI ICDR Regulations.
- Provided that** where the Promoter or Promoter Group of the Company is a body corporate, the Promoters of that body corporate shall also be deemed to be Promoters of the Company.
- xxvi. **"Retirement"** means retirement as per the rules of the Company or any of its direct or indirect Subsidiary(ies).
- xxvii. **"Plan"** means ESOP 2025 within the meaning of this Employee Stock Option Plan 2025.
- xxviii. **"Shares"** means Equity Shares of the Company within the meaning of this Plan.
- xxix. **"Recognised Stock Exchange"** means National Stock Exchange of India Limited ("NSE"), BSE Limited ("BSE") or any other recognised stock exchange in India on which the Company's Shares are listed or to be listed in future.
- xxx. **"Subsidiary "** means a company which is a subsidiary of the Company within the meaning of the Companies Act.
- xxxi. **"Unvested Option"** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to exercise the Option.
- xxxii. **"Vesting"** means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of the ESOP 2025.
- xxxiii. **"Vesting Condition"** means any condition subject to which the Options granted would vest in an Option Grantee.
- xxxiv. **"Vesting Period"** means the period during which the vesting of the Employee Stock Option granted to the Employee in pursuance of ESOP 2025 takes place.

xxxv. **"Vested Option"** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.

Any term not defined above, but defined in the Companies Act or the SBEB & SE Regulations shall have the same meaning as assigned to it under the Companies Act or the SBEB & SE Regulations, as the case may be.

2.2 Interpretation

In this Plan, 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 in singular number include the plural and vice-versa;
- iv. words importing a gender include any other gender and
- v. a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

Words and expressions used and not defined herein but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act 1956 (42 of 1956) or the Companies Act and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislations.

3. Authority and Ceiling

- 3.1 The ESOPs granted under this Plan shall be exercisable into 4,00,000 (Four Lakhs) equity shares, being 3.77% of the Company's paid-up equity share capital as on the date of approval by the shareholders (or such other number adjusted in terms of Clause 3.5 herein below or such other number as may be approved by the Board and the shareholders of the Company from time to time), in one or more .
- 3.2 The maximum number of Options that shall be granted to each Employee shall vary depending upon the designation, criticality and other factors as deemed fit by the Nomination and Remuneration Committee, which reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to each Employee.
- 3.3 Where Shares are allotted consequent upon Exercise of an Employee Stock Option under ESOP 2025, the maximum number of Shares that can be allotted under ESOP 2025 as referred to in sub-clause 3.1 above shall stand reduced to the extent of such Shares allotted.
- 3.4 If an Option expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the Options pool and shall become available for future grants, subject to compliance with the provisions of the Applicable Laws.

- 3.5 In case of corporate actions such as issue of bonus shares, rights issue, stock splits, consolidation or other reorganization of capital structure of the Company, whilst any ESOP remains exercisable, the following corresponding fair and reasonable adjustments may be made, in accordance with the Applicable Law, if any, to:
- i. the number or nominal amount of ESOPs (as far as they are unexercised or unvested); and/or,
 - ii. the exercise price of the ESOPs (which cannot be lower than the face value of the Equity Shares); and/or
 - iii. the number of Equity Shares underlying an ESOP; and/or
 - iv. the method of exercise of an ESOP; and/or the maximum number of Equity Shares referred to in Clause 3.1 above.

Provided that:

- a) any such adjustment(s) shall give the Grantee the same proportion of the issued share capital of the Company which such Grantee would have been entitled to subscribe or purchase, as applicable, had he/she exercised all the ESOPs held by him/her immediately prior to such adjustment(s);
 - b) any such adjustment(s) shall be made on the basis that the aggregate Exercise Price for the ESOPs shall remain as nearly as possible the same (but shall not be greater than) as it was before the time when such corporate action was taken;
 - c) any such adjustment(s) shall be made in accordance with the Applicable Law;
 - d) no such adjustment(s) shall be made, the effect of which would be to enable Equity Shares to be issued/transferred at less than their face value; and
 - e) the issue or transfer of shares or other securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment(s).
- 3.6 Prior approval of the shareholders of the Company in the general meeting by passing special resolution shall be obtained in case the Grant of the Options to any identified Employee, in any one financial year, is equal to or exceeding 1% (one percent) of the issued capital (excluding outstanding warrants and conversions, if any) of the Company at the time of Grant of the Option.
- 3.7 ESOPs not Vested due to non-fulfillment of the Vesting Conditions, Vested ESOPs which the Grantees have expressly refused to Exercise, Vested and Unvested ESOPs which have been surrendered and any ESOPs Granted but not Vested or not Exercised within the stipulated time due to any reason(s), shall lapse and such ESOPs or the underlying Equity Shares will be available for Grant by the Nomination and Remuneration Committee to any Employee(s) as it may deem fit in its absolute discretion, whether under this Plan or any amendment thereto or under a new scheme, as a fresh grant, subject to compliance with the provisions of the Applicable Law.
- 3.8 The Company may re-price any Unvested ESOPs or Vested ESOPs which are yet to be exercised, as the case may be, in accordance with the Applicable Law and by obtaining shareholders' approval (if required), in the event they are rendered unattractive due to the fall in the price of the Equity Shares on the Recognised Stock Exchange(s).

4. Administration

- 4.1 The ESOP 2025 shall be administered by the Nomination and Remuneration Committee.

All questions of interpretation, dispute, discrepancy or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with this ESOP 2025 shall be referred to and be determined by the Nomination and Remuneration Committee and such determination shall be final and binding upon all persons having an interest in or affected by this ESOP 2025.

- 4.2 Neither the Nomination and Remuneration Committee nor any of its members shall be liable for any actions taken in good faith for the implementation of ESOP 2025.
- 4.3 The Nomination and Remuneration Committee shall, in accordance with this Plan and Applicable Laws, determine the following:
- a. the Eligibility Criteria for grant of Employee Stock Options to the Employees;
 - b. the quantum of Employee Stock Options to be granted under ESOP 2025 per Employee;
 - c. the conditions under which Options may Vest in employees and may lapse, including in case of termination of employment for misconduct;
 - d. the Exercise Period within which the employees can exercise the Options and that Options would lapse on failure to exercise within the Exercise Period;
 - e. the specified time period within which an employee shall exercise the Vested Options in the event of termination or resignation;
 - f. the right of an Employee to exercise all the Options vested in him/her at one time or at various points of time within the Exercise Period;
 - g. terms and conditions in respect of Grant to, Vest in and Exercise of Options (including determining exercise period) by the Employees which may be different for different class / classes of Employees falling in the same tranche of Grant of the Options issued under ESOP 2025 and that Option would lapse on failure to Exercise the Option within the Exercise Period;
 - h. the procedure for making a fair and reasonable adjustment in case of corporate actions such as merger, sale of division, stock split, stock consolidation, rights issues, bonus issues and others.
 - i. eligibility to avail benefits under ESOP 2025 and the procedure and terms for the Grant, Vest and Exercise of Employee Stock Options in case of employees who are on long leave;
 - j. the procedure for Vesting in case of termination of employment or resignation, if required;
 - k. the procedure for buy-back of the Options granted under ESOP 2025 if to be undertaken at any time by the Company, and the applicable terms and conditions including:
 - permissible sources of financing for buy-back,
 - any minimum financial thresholds to be maintained by the Company as per its last financial statements, and
 - limits upon quantum of Options that the Company may buy-back in a financial year;
 - l. the conditions under which Vested Options in Employee(s) may lapse;
 - m. to construe and interpret the terms and conditions or settle any doubts / queries
 - n. and deal with matters in connection with ESOP 2025;
 - o. the procedure for funding for Exercise of Options, as permitted under the Applicable Laws; and
 - i. approve forms, writings and/ or undertakings for use in pursuance of ESOP 2025.
- 4.4 The Company has framed policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board

of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company, Subsidiary (ies) and the Employees, as applicable. The Option Grantees shall adhere to such policies and procedures in respect to exercise of options under the Scheme.

4.5 It is clarified that in terms of this Plan, upon Exercise of the ESOPs, the Grantees shall purchase the underlying Equity Shares of the Company, upon payment of the Exercise Price.

4.6 The Company, in its sole discretion, may fund or permit the empaneled stockbrokers to make suitable arrangements to fund the Grantees for payment of Exercise Price, the amount necessary to meet their tax obligations and other related expenses pursuant to Exercise of ESOPs Granted under this Plan.

5. Eligibility and Applicability

5.1 Only the Employees within the meaning of this Plan are eligible for being granted Stock Options under ESOP 2025. The specific Employees to whom the Stock Options would be granted and their Eligibility Criteria would be determined by the Nomination and Remuneration Committee.

5.2 The Plan shall be applicable to the Company, its Subsidiary(ies) in India or outside India, and any successor company thereof and may be granted to the Employees of the Company, that of its Subsidiary(ies), as determined by the Nomination and Remuneration Committee at its own discretion.

6. Grant and Acceptance of Grant

6.1 Grant of Options

Each Grant under this ESOP 2025 shall be made in writing by the Company to the eligible Employees fulfilling the Eligibility Criteria in a letter of Grant as may be approved under the ESOP 2025 from time to time.

6.2 Acceptance of the Grant

- a. Any Employee who wishes to accept the Grant made under this ESOP 2025 must deliver to the Company a duly signed acceptance of the Option Grant Letter on or before the date ("Closing Date") which shall not be more than 60 (Sixty) days from the date of the Grant as specified in the letter of Grant. On receipt by the Company of the signed acceptance, such Employee will become an Option Grantee.
- b. Any 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 Nomination and Remuneration Committee determines otherwise.
- c. Upon acceptance of the Grant in the manner described above, the Employee, henceforth as a Grantee, shall be bound by the terms, conditions and restrictions of ESOP 2025 and the Grant document. The Grantee's acceptance of the Grant of Options under ESOP 2025, within the time period provided, shall constitute an agreement between the Grantee and the Company as to the terms of this ESOP 2025 and the Grant document.

7. Vesting Schedule and Vesting Conditions

7.1 Options granted under this Plan would vest not earlier than the minimum Vesting Period of 1 (One) year and not later than the maximum Vesting Period of 4 (Four) years from the date of the Grant of such Options.

7.2 Options granted under ESOP 2025 would vest as under:

- 10% Options would vest at the end of first year from the date of the Grant of such Options,
- 15% Options would vest at the end of second year from the date of the Grant of such Options
- 30% Options would vest at the end of third year from the date of the Grant of such Options and
- Balance 45% Options would vest at the end of fourth year from the date of the Grant of such Options.

Provided further that in the event of death or Permanent Incapacity, the minimum vesting period of One (1) year shall not be applicable and in such instances, the Options shall vest on the date of death or Permanent Incapacity.

7.3 Vesting of the Options would be subject to continued employment with the Company, Subsidiary(ies) and if the Employee has not served any notice of resignation. Thus, the Options would vest on completion of the vesting period provided the Grantee is in employment of the Company or a Subsidiary. If a Grantee is not an employee of the Company or a Subsidiary at the time of vesting, the related options will expire and will be returned to the pool. In addition to the continuation of employment / services, the Options shall vest subject to the achievement of the Vesting Conditions, if any, which shall be similar as disclosed in the explanatory statement to the notice of the general meeting of the Company. Apart from that, the Nomination and Remuneration Committee may also specify certain performance parameters, detailed terms and conditions relating to such performance based vesting, the proportion in which the options granted would vest and / or lock in period subject to which the Options would vest.

7.4 The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the document(s) given to the Option Grantee at the time of grant of Options.

7.5 **Vesting of the Options in case of Employees on long leave**

The period of leave shall not be considered in determining the Vesting Period in the event the Employee is on a sabbatical. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Nomination and Remuneration Committee.

8. Exercise

8.1 **Exercise Price:**

- a. The Exercise Price shall be at a discount of 15% (fifteen percent) to the closing market price on the NSE on the date of the grant as may be decided by the Nomination and Remuneration Committee at its discretion from time to time. However, the Exercise Price shall not be less than the face value of the Shares.

- b. Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company or by way of electronic payment like NEFT, RTGS, IMPS, etc. or in such other manner and subject to such procedures as the Nomination and Remuneration Committee may decide, but not in cash.

8.2 Exercise Period:

a. While in employment:

- i. The Exercise period would commence from the date of vesting and will expire on completion of **3 (Three) years** from the date of respective vesting or such other period as may be decided by the Nomination and Remuneration Committee, from time to time.
- ii. During the Exercise period relating to each vesting, the Vested ESOPs may be Exercised in one or more tranches, as determined by the Nomination and Remuneration Committee.
- iii. For the duly completed and valid exercise applications received up to the end of each month, the Company shall allot Equity Shares in a dematerialised mode, by the end of the subsequent month.

b. Exercise Period in case of separations:

Subject to the maximum Exercise Period approved by the Shareholders of the Company from the date of vesting of the Options, the Options can be exercised as per provisions outlined below:

Sl. No.	Separations	Vested Options	Unvested Options
1.	Resignation / termination (other than due to Misconduct)	All the Vested Options as on the date of submission of resignation may be exercised by the Option Grantee on or before last working day.	All Unvested Options on the date of submission of resignation / termination shall stand cancelled with effect from that date.
2.	Termination due to Misconduct	All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3.	Retirement / Early Retirement as approved	All Vested Options can be exercised by the Option	All Unvested Options as on the date of Retirement

S.No.	Separations	Vested Options	Unvested Options
	by the Company	Grantee immediately after but in no event later than 2 (Two) years from the date of Retirement unless otherwise determined by the Nomination and Remuneration Committee.	would continue to vest in accordance with the original vesting schedules even after the Retirement unless otherwise determined by the Nomination and Remuneration Committee in accordance with the Company's Policies and provisions of the then prevailing Applicable Law. Such aforesaid Options can be exercised within a period of 2 (Two) years from the date of Vesting.
4.	Death	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 2 (Two) years from the date of Death.	All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 2 (Two) years from the date of Death.
5.	Permanent Incapacity	All Vested Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such incapacity, the nominee or legal heir, immediately after, but in no event later than 2 (Two) years from the date of such incapacity.	All the Unvested Options as on the date of such Permanent Incapacity shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after but in no event later than 2 (Two) years from the date of such incapacity.

6.	Other reasons apart from those mentioned above in case of separation	The Nomination and Remuneration Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.
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8.3 The Options shall be deemed to have been exercised when an Employee makes an application in writing to the Company or by any other means as decided by the Nomination and Remuneration Committee, for the issuance of the Equity Shares against the Options vested in him/her, subject to the Applicable Laws.

8.4 The Options not exercised within the Exercise Period shall lapse and the Employee shall have no right over such lapsed or cancelled Options.

8.5 In the event of transfer of an Option Grantee from the Company to a Subsidiary, the Unvested Options as on the date of transfer, will continue to vest as per the original vesting schedule and capable of being exercised by the Option Grantee subject to the compliance with the Applicable Laws.

9. Lock-in

9.1 The Shares issued upon exercise of the Options shall be freely transferable and shall not be subject to any lock-in period restriction after such allotment and credit to the respective demat account; however the same shall be subject to such restrictions as may be prescribed under Applicable Laws including the Company's Code of Conduct to regulate, monitor and prevent trading by insiders, under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended from time to time.

Provided that the Shares allotted on such Exercise cannot be sold, transferred or alienated in any manner during such period as required under the terms of Code of Conduct for Prevention of Insider Trading of the Company framed under Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

10. Exit route in case of de-listing

If the Company gets de-listed from all the Recognised Stock Exchanges, then the Board shall have the powers to set out the terms and conditions for the treatment of the Vested Options and the Unvested Options in due compliance of the Applicable Laws.

11. Other Terms and Conditions

11.1 The Employee shall not have a right to receive any dividend or to vote or in any manner enjoy the benefits of a Shareholder in respect of the Employee Stock Options granted, till

Shares underlying such Employee Stock Options are allotted by the Company on exercise of such Employee Stock Options.

- 11.2 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any Options / Shares covered by the Grant unless the Option Grantee Exercises the Employee Stock Option and becomes a registered holder of the underlying Shares of the Company.
- 11.3 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 11.4 If the Company issues bonus shares or rights shares, the Option Grantee shall not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with clause 3.5 of ESOP 2025.
- 11.5 Employee Stock Options shall not be transferable to any person except in the event of death of the Option Grantee in which case the provisions in table under sub-clause 8.2(b) would apply.
- 11.6 No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option except in the event of the death of the Option Grantee in which case the provisions in table under sub-clause 8.2(b) would apply.
- 11.7 Grants to be made to New Hires / Joinees – In case the Company (including Subsidiary(ies)) proposes to grant options to any new hires / joinees, the number of options to be allocated and related terms & conditions would be decided by the Nomination and Remuneration Committee.

12. Taxation

- 12.1 The liability of paying taxes, if any, in respect of the Employee Stock Options granted pursuant to this Plan and the Shares issued pursuant to exercise thereof shall be entirely on the Option Grantee and shall be in accordance with the provisions of the Income Tax Act 1961 (or any re-enactment thereof) read with rules issued thereunder and / or Income Tax Laws of respective countries as applicable to the eligible Employees of the Company's Subsidiary(ies) abroad.
- 12.2 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 in connection with the ESOPs 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.
- 12.3 The Company shall have no obligation to deliver the Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

13. Authority to vary terms

- 13.1 Subject to prior approval of the shareholders of the Company by way of a special resolution and the Applicable Laws, the Nomination and Remuneration Committee may at any time

amend, alter, vary the terms of the Plan subject to the condition that such amendment, alteration, or variation as the case may be is not detrimental to the interest of the Employees.

Provided that the Company shall be entitled to vary the terms of the Plan to meet any regulatory requirements without seeking the shareholders' approval by way of a special resolution.

- 13.2 The Company may also re-price the Options which are not exercised, whether or not they have vested, if the Plan is rendered unattractive due to fall in the value of the Shares, provided that the Company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantee and approval of the shareholders by way of a special resolution has been obtained for such re-pricing.

14. Miscellaneous

14.1 Regulations

ESOP 2025 shall be subject to all Applicable Laws to the extent applicable. The Grant of the Options and allotment of the Shares to the Employees under ESOP 2025 shall be subject to the Company requiring the Employees to comply with all the Applicable Laws.

14.2 Inability to obtain authority

The inability of the Company to obtain approval / authority from any regulatory body having jurisdiction over the Company or under any Applicable Laws, for the lawful allotment and issuance of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of such inability.

- 14.3 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Employee Stock Option shall give such individual any right, entitlement or expectation that he/she has or shall in future have any such right, entitlement or expectation to participate in this Plan by being granted an Employee Stock Option on any other occasion.

- 14.4 The rights granted to an Option Grantee upon the grant of an Employee Stock Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

- 14.5 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he/she may suffer by reason of being unable to exercise an Employee Stock Option in whole or in part.

- 14.6 Participation in ESOP 2025 shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the market price of the Shares and the risks associated with the investments are that of the Employee alone.

15. Accounting and Disclosures

- 15.1 The Company shall follow the laws/ regulations applicable to accounting and disclosure

related to the Employee Stock Options and Accounting Standard IND AS 102 on Share-based payments and / or any relevant accounting standards as may be prescribed by the Central Government in terms of Section 133 of the Companies Act and / or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India ("ICAI") from time to time, including the disclosure requirements prescribed therein, in compliance with relevant provisions of Regulation 15 of SEBI SBEB Regulations.

15.2 The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features of ESOP 2025 in a format as prescribed under SEBI SBEB Regulations.

15.3 The Company shall disclose details of Grant, Vest, Exercise and lapse of the Employee Stock Options in the Directors' Report or in an annexure thereof as prescribed under SEBI SBEB Regulations or any other Applicable Laws as in force.

16. Certificate from Secretarial Auditors

16.1 The Board shall at each annual general meeting place before the Shareholders a certificate from the Secretarial Auditors of the Company that the Plan has been implemented in accordance with the SEBI SBEB Regulations and in accordance with the resolution of the Company in the general meeting.

17. Governing Laws

17.1 The terms and conditions of ESOP 2025 shall be governed by and construed in accordance with the Applicable Laws including the Foreign Exchange Laws mentioned below.

17.2 Foreign Exchange Laws

In case any Employee Stock Options are granted to any Employee being resident outside India belonging to the Company or to any Subsidiary(ies) of the Company set-up outside India, the provisions of the Foreign Exchange Management Act, 1999 and Rules or Regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vest, Exercise of Employee Stock Options and allotment of Equity Shares thereof.

18. Notices

18.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of ESOP 2025 shall be in writing. The communications shall be made by the Company in any one or more of the following ways:

- (i) Sending communication(s) to the address of the Option Grantee available in the records of the Company; or
- (ii) Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or
- (iii) Emailing the communication(s) to the Option Grantee at the official email address provided, if any by the Company to the existing / prospective Option Grantee during the continuance of the employment or at the email address provided by the Option Grantee after cessation of employment.

18.2 Any communication to be given by an Option Grantee to the Company in respect of ESOP 2025 shall be sent to the person at the address mentioned below or by email:

Email: cfo@pelatro.com

Address: Pelatro Limited, 5th Floor, No. 144, MSR North Tower, Outer Ring Road, Bangalore 560045

19. Jurisdiction

19.1 The Courts in Bangalore, Karnataka, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2025.

19.2 Nothing in this Clause shall however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP 2025:

- (i) in any other court of competent jurisdiction; or
- (ii) concurrently in more than one jurisdictions.

20. Severability

In the event any one or more of the provisions contained in this Plan 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 this Plan in which case the Plan shall be construed as if such invalid, illegal, or unenforceable provisions had never been set forth herein, and the Plan shall be carried out as nearly as possible according to its original intent and terms.

21. Confidentiality

21.1 An Option Grantee must keep the details of ESOP 2025 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his/her peers, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this clause on confidentiality, the Company has undisputed right to terminate any options granted and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this clause on confidentiality shall be final, binding and cannot be questioned by the Option Grantee. In case of non-adherence to the provisions of this clause, the Board shall have the authority to deal with such cases as it may deem fit.

21.2 On acceptance of the Grant of the Option offered by the Company, it shall be deemed that the Option Grantee has authorised the Company to disclose information relating to the Option Grantee during the process of implementation of the Plan 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.

FORM I
OFFER LETTER

(Grant Date)
To,

Dear Option Grantee,

The Nomination and Remuneration Committee has pleasure in inviting you to participate in the Employee Stock Offer Plan – ESOP 2025, of Pelatro Limited.

The Nomination and Remuneration Committee has evaluated your case against the criteria laid down in the ESOP 2025 plan and have advised Management to award you _____ options redeemable into equal number of shares of Pelatro Limited at Rs. _____ per share, upon exercising of the Options on the following terms:

1. The shares awarded are locked in as under:

No. of Options awarded	Vesting details	Consideration payable	Final date of payment

2. During the Vesting period, you will not be entitled for dividends accruing on these shares. However, you will be entitled for any derivatives including Bonus shares, if any, allotted by the Company on these shares, which shall be subject to such terms as the Management may stipulate at the time of allotment, to the extent of the Options you Exercise.

3. On the Exercise of Options, you shall pay full consideration to the Company, which will then proceed to allot the relevant shares.

5. Upon allotment of shares and admission of the same by the NSE for trading, you may sell the shares in such manner as you deem fit.

6. If you fail to pay the consideration within the due dates as above, you shall forego the award and not have any claim on the shares arising out of the award.

7. This award cannot be transferred or alienated without the prior approval of the Company in writing.

8. You may be given a loan, if required, by the Company to acquire the shares on such terms and conditions as the Company may stipulate at the time of grant of such loan. The Company shall exercise its absolute discretion in deciding on granting of any such loan(s).

9. In the event of you ceasing to be an employee of the Company by reason of resignation, dismissal or severance of employment due to reasons of non-performance or otherwise, the Options awarded to you shall forthwith stand cancelled, and you shall not be

entitled for any benefit under this Scheme.

10. In the event of your death in harness or attainment of the age of superannuation or permanent disability while in service, the rights and obligations under the Options awarded shall accrue to your legal heir or continue in your hands, as the case may be.

12. Any Tax liability on this transaction will be to your account.

13. You shall be bound by the terms and conditions as stipulated in the ESOP 2025 plan.

We trust you will be happy to receive the award. If the offer is acceptable to you kindly sign Form II in token of your acceptance.

Yours Faithfully,

On behalf of the Nomination and Remuneration Committee

Chairman

FORM II
LETTER OF ACCEPTANCE

(Date)

From

To
The Nomination and Remuneration Committee

Dear Sirs,

With reference to the Offer Letter dated _____, I wish to inform you that I am desirous of participating in _____ number of Options of Pelatro Limited, out of the _____ Options being awarded to me, under the ESOP 2025 plan, of the Company.

I have read the terms and conditions of the Scheme, which I confirm that I have understood fully and undertake to be bound by them.

I look forward to hearing from you in the matter.

Yours Faithfully,

