

PIRAMAL PHARMA LIMITED - EMPLOYEE STOCK OPTION AND INCENTIVE PLAN - 2022

This Piramal Pharma Limited - Employee Stock Option and Incentive Plan - 2022 (“Plan”) has been formulated by the Compensation Committee (*as defined below*) with an aim to encourage and motivate selected salaried employees and directors of Piramal Pharma Limited (hereinafter referred to as “PPL” or “Company”) and its Group companies in strengthening and improving their performance, thereby contributing to the overall growth of the Company.

This Plan has been approved by the Compensation Committee (*as defined below*) at its meeting held on 20th May, 2022, the Board (*as defined below*) at its meeting held on 24th May, 2022 and by the shareholders of the Company *vide* a special resolution on 28th July, 2022.

1. DEFINITIONS

1.1. Definitions

- (a) “Applicable Law” includes every law, rule, regulation or bye-law relating to employee stock options and share appreciation rights (SARs), including, without limitation, the Companies Act, the SEBI Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all the relevant tax laws, rules, regulations or bye-laws of India or any relevant jurisdiction, including the United States Tax Code, Federal laws of Canada – Income Tax Act, UK Tax laws, or of recognized stock exchange, and includes, any amendment, modification, alteration or re-enactment made to such laws, rules, regulations or bye-laws, and includes any foreign exchange regulations that governs issuance of stock options and share appreciation rights.
- (b) “Appreciation” shall, in relation to SARs, mean the difference between the Market Price of the Share of the Company on the date of the Exercise of the SARs and the SAR Price, which is payable to the Grantee in the form of cash;
- (c) “Associate Company” shall have the same meaning as defined under Section 2(6) of the Companies Act, 2013 or under the applicable accounting standards;
- (d) “Board” means the board of directors of the Company, as constituted from time to time, and shall where the context so requires includes the Compensation Committee;
- (e) “Compensation Committee” shall mean the Nomination & Remuneration Committee constituted by PPL for administration and superintendence of the Plan, and where such Committee is reconstituted or renamed, or where the Board appoints another Committee to discharge the role of the Compensation Committee under Applicable Laws, it shall mean such Committee as may be so reconstituted or renamed or appointed;

- (f) “Company” or “PPL” shall mean Piramal Pharma Limited;
- (g) “Companies Act” means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof;
- (h) “Director” means a member of the Board of the Company;
- (i) “Employee” shall mean:

A. Until Listing:

- (i) a permanent employee of the Company working in or outside India; or
- (ii) a Director of the Company, whether a whole-time Director or not but excluding an independent director (unless permitted otherwise under law); or
- (iii) employees as mentioned in (i) and (ii) above of a Subsidiary, in India or outside India, or a Holding Company of the Company,

but does not include:

- I. an employee who is a Promoter or a person belonging to the Promoter Group;
- II. a Director who either by himself /herself or through his/her relatives or through anybody corporate, directly or indirectly, holds more than 10% (ten percent) of the outstanding equity shares of the Company.

B. Post Listing:

- (i) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (ii) a Director of the Company, whether a whole time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group, but excluding an independent director; or
- (iii) an employee as defined in sub-clauses (i) or (ii) above, of a Group company, including Subsidiary or its Associate Company, in India or outside India, or of a Holding Company of the Company,

but does not include:

- (a) an employee who is a Promoter or a person belonging to the Promoter Group; or

- (b) a Director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% (ten percent) of the outstanding equity shares of the Company;
- C. Such other persons, as may from time to time be allowed under Applicable Laws and as may be approved by the Compensation Committee and the Board for this purpose;
- (j) “Employer Company” shall mean the Company and shall where the context so requires include the Subsidiary Company in or outside India or the Holding Company or the Group company (as permitted) of PPL with whom the Eligible Employee has an employment relationship;
- (k) “Eligible Employee” shall mean an Employee to whom this Plan applies and to whom Options and / or SARs may be Granted as determined by the Compensation Committee and intimated to the Trustee in terms of the Plan;
- (l) “Exercise” means (i) making of an application by the Grantee to the Compensation Committee for issue of Shares in case of vested Options; or (ii) provision of Appreciation in case of SARs, as the case may be, in pursuance of this Plan and in accordance with Applicable Laws. Provided that SARs would be deemed to be exercised automatically on Vesting and no separate application for exercise shall be required to be made;
- (m) “Exercise Period” means the time period after Vesting within which a Grantee should Exercise his/ her right to apply for Shares against vested Options in accordance with the terms of this Plan, which time period shall not exceed 5 (five) years from the date of Vesting of the Options. In case of SAR, there shall be no exercise period, and the SARs would be deemed to be exercised automatically on Vesting;
- (n) “Exercise Price” means the price, if any, payable by the Grantee for exercising the Option granted to him/ her in pursuance of this Plan. Provided that after Listing, the Exercise Price shall be in compliance with the accounting standards specified under the SEBI Regulations, including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time;
- (o) “Grant” means the process by which the Compensation Committee issues Options and/or SARs under this Plan;
- (p) “Grant Date” means the date on which the Compensation Committee approves the Grant;
- (q) “Grantee” means an Eligible Employee having a right but not an obligation to Exercise an Option and/ or SAR (as the case may be) granted to him/ her;
- (r) “Group” shall have the same meaning assigned to it under the SEBI Regulations;

- (s) “Holding Company” shall have the meaning ascribed to it under the Companies Act;
- (t) “Listing” means listing of the Company’s Shares on any recognized stock exchange(s);
- (u) “Market Price” means:

Prior to Listing:

Value of Share of the Company as may be determined by an independent registered valuer / chartered accountant / merchant banker as per accepted pricing methodology and Applicable Laws.

Post Listing:

The latest available closing price on a recognised stock exchange on which the Shares are listed on the date immediately prior to the relevant date;

Explanation.- If such Shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price;

For the purposes of the above definition, “relevant date” means:

- (i) in case of Grant, the date of the meeting or approval of the Compensation Committee on which the Grant is made; or
 - (ii) in case of Exercise, the date on which the notice of Exercise is given to the Company or the Trust by the Grantee.
- (v) “Option” means the option given to an Eligible Employee which gives him/her a right to purchase or subscribe at a future date, the Shares, directly or indirectly, at a pre-determined price, in accordance with this Plan;
 - (w) “Other Securities” shall include preference shares, debentures, convertible or otherwise, that may have been issued by PPL or any warrants/options/rights, etc. which would entitle the holder to subscribe for or otherwise acquire any equity shares, preference shares, debentures, convertible or otherwise of PPL;
 - (x) “Permanent Incapacity” shall mean any disability 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 Company based on a certificate of a medical expert identified by the Company.
 - (y) “Plan” means this Piramal Pharma Limited - Employee Stock Option and Incentive Plan – 2022, as amended from time to time;

- (z) “Promoter” and “Promoter Group” shall have the meaning assigned to it under the SEBI Regulations;
- (aa) “SARs” or “Share Appreciation Right” shall mean a right given to an Eligible Employee entitling him / her to receive Appreciation, for the specified number of SAR units of the Company upon Exercise;
- (bb) “SAR Price” shall mean the price, if any, payable by the Grantee for exercising the SARs granted to him / her in pursuance of this Plan;
- (cc) “SEBI Regulations” means Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as may be modified or amended from time to time or any statutory modification or re-enactment thereof;
- (dd) “Secondary Acquisition” means acquisition of existing Shares by the Trust, on a delivery basis, on a recognized stock exchange for cash consideration;
- (ee) “Shares” means equity shares of the Company;
- (ff) “Subsidiary/ Subsidiary Company” means a subsidiary company as defined under the Companies Act;
- (gg) “Trust” means a trust created by the Company for the benefit of the Company’s employees and to implement schemes for providing incentives / motivation to employees (including this Plan);
- (hh) “Trustee” means a trustee of the Trust;
- (ii) “Vesting” means the process by which the Grantee becomes entitled to receive the benefit of a Grant made to him/ her in pursuance of this Plan of the Company;
- (jj) “Vesting Period” means the period during which the Vesting of Option and/or SARs (as the case may be) or a benefit granted in pursuance of this Plan takes place; and
- (kk) “U.S. Tax Code” means the United States Internal Revenue Code of 1986, as subsequently amended.

Words not defined herein shall have the same meaning as that defined in the SEBI Regulations, Companies Act, the Securities Contracts (Regulation) Act, 1956, or other applicable regulations or any statutory modification or re-enactment thereof, as the case may be.

In the event of any inconsistency between the provisions of this Plan and the provisions of the employment offer letter or employment agreement of the Eligible Employee, the provisions of this Plan shall prevail.

2. EFFECTIVE DATE, APPLICABILITY AND CEILING

- 2.1. This Plan shall come into effect from the date of its approval by the shareholders of PPL.
- 2.2. This Plan shall apply to all Employees as defined herein.
- 2.3. The Options Granted under this Plan shall be exercisable into not more than 5,92,95,675 (five crores ninety two lakhs ninety five thousand six hundred and seventy five) Shares, being 5% (five percent) of the paid-up equity share capital of the Company as on the date of the adoption of this Plan (or such other number adjusted in terms of Clause 5.3 or such other number as may be approved by the Compensation Committee and the shareholders of the Company from time to time), in one or more tranches, whereby, each such Option confers a right upon the Grantee to apply for 1 (one) Share, or such number of Shares as may be determined by the Compensation Committee, in accordance with the terms and conditions of this Plan including Clause 5.3. Fractional Vesting shall not be Exercisable. Any fractional Vesting shall be rounded up or down to the nearest whole number as determined by the Compensation Committee and can be Exercised thereafter.
- 2.4. The maximum number of Options granted per Eligible Employee shall not exceed 1% (one percent) of the issued Shares of the Company at that time (each Option providing an entitlement to one Share of the Company) or such higher limit as approved by the shareholders of the Company. The aggregate of all such Options granted shall not exceed 5% (five percent) of the issued Shares of the Company at that time or such higher limit as approved by the shareholders of the Company.
- 2.5. The Company shall conform to the applicable provisions of the SEBI Regulations and/or such other guidelines as may be applicable, from time to time.
- 2.6. Vested Options that lapse due to non-Exercise or unvested Options that are cancelled or forfeited would be available for re-grant at a future date, subject to compliance with the Applicable Laws.
- 2.7. Where Shares are issued consequent upon Exercise of an Option under the Plan, the maximum number of Shares that can be issued under the Plan shall stand reduced to the extent of such Shares issued to the Eligible Employee.
- 2.8. The maximum number of SARs that may be Granted under this Plan shall not exceed 2,96,47,838 (two crores ninety six lakhs forty seven thousand eight hundred and thirty eight) units, representing 2.5% (two point five percent) of the paid-up equity share capital of the Company as on the date of the adoption of this Plan (or such other number as may be approved by the Compensation Committee, Board and the shareholders of the Company from time to time), in one or more tranches. Each SAR unit confers a right upon the Grantee to the Appreciation for the specified number of SAR units exercised by him/her, on the assumption that 1 (one) SAR unit shall entitle him/her to the Appreciation as regards 1 (one) Share, or such number of Shares as may be determined by the Compensation Committee, in accordance with the terms and conditions of this Plan including Clause 5.3. Fractional Vesting shall not be Exercisable and shall be rounded up or down to the nearest whole number as determined by the Compensation Committee.

- 2.9. The maximum number of SARs granted per Eligible Employee shall not exceed 1% (one percent) of the issued Shares of the Company at that time (each SAR providing an entitlement to Appreciation relating to 1 (one) Share of the Company) or such higher limit as approved by the shareholders of the Company. The aggregate of all such SAR units granted shall not exceed 2.5% (two point five percent) of the issued Shares of the Company at that time or such higher limit as approved by the shareholders of the Company.
- 2.10. Where Appreciation is paid consequent to Exercise of a SAR under the Plan, the maximum number of Shares earmarked for the SARs under the Plan shall stand reduced to the extent of such Shares utilized for the payment of Appreciation to the Eligible Employee.

3. COMPENSATION COMMITTEE

- 3.1. The Plan being implemented through the Trust, the Compensation Committee has, in compliance with the SEBI Regulations, delegated the administration of the Plan to the Trust to the extent set out in this Plan.
- 3.2. The Compensation Committee shall, *inter alia*, formulate the detailed terms and conditions for due implementation of the Plan by the Trust, including but not limited to:
- (a) identification of the Eligible Employees;
 - (b) the quantum of Options/ SARs to be granted under this Plan per Eligible Employee, and in aggregate;
 - (c) the conditions under which the Options/ SARs may vest in Employees and may lapse including in case of termination of employment for cause or misconduct;
 - (d) the Exercise Period within which the Employee can Exercise the Options /SARs and that Options/SARs would lapse on failure to Exercise the same within the Exercise Period;
 - (e) the specified time period within which the Employee shall Exercise the Vested Options/SARs in the event of termination or resignation;
 - (f) the right of an Employee to Exercise all the Options/ SARs vested in her/ him at one time or at various points of time within the Exercise Period;
 - (g) the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of Options/ SARs and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, *inter alia*, be taken into consideration by the Compensation Committee:
 - (i) the number and price of Options/ SARs shall be adjusted in a manner such that total value to the Employee of the Options/ SARs remains the same after the corporate action;

- (ii) the Vesting Period and the life of the Options/ SARs shall be left unaltered as far as possible to protect the rights of the Employee who is granted such Options/ SARs;
 - (h) the Grant, Vesting and Exercise of Options/ SARs in case of Employees who are on long leave;
 - (i) the procedure for funding the Exercise of Options/ SARs; and
 - (j) the procedure for buy-back of specified securities issued under the SEBI Regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
 - (i) permissible sources of financing for buy-back;
 - (ii) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
 - (iii) limits upon quantum of specified securities that the Company may buy-back in a financial year.
- 3.3. The Compensation Committee shall frame suitable policies and systems to ensure that there is no violation of Applicable Law, including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the SEBI Regulations and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 and such other applicable regulation(s) as may be introduced from time to time.

4. IMPLEMENTATION OF PLAN THROUGH THE TRUST

- 4.1. This Plan is being implemented through the Trust to the extent set out herein.
- 4.2. PPL may formulate and implement several schemes as permitted under SEBI Regulations through the Trust.
- 4.3. The Trust may, subject to the Applicable Laws, acquire Shares through direct allotment from the Company or Secondary Acquisition for the purposes of implementing this Plan subject to the limits specified and the other provisions contained in the SEBI Regulations.
- 4.4. The Trust shall utilize the Shares of the Company acquired/ held by it for the purpose of transferring them to the Grantees, or selling them and transferring the requisite amount to the Grantee upon Exercise/ Vesting, in case of Options and SARs respectively, as the case may be subject to Applicable Laws.
- 4.5. Subject to Applicable Laws, the Company may lend monies to the Trust on appropriate terms and conditions to acquire the Shares either through new issue or Secondary Acquisition, for the purposes of implementation of this Plan.

5. GRANT OF OPTIONS AND CORPORATE ACTION

- 5.1. The Compensation Committee shall Grant Options and / or SARs to the Eligible Employees on such terms as it may determine, in accordance with this Plan. Upon such Grant, the Compensation Committee shall intimate the Trustees in writing as to the number of Options/ SARs that have been granted to each Eligible Employee specifying therein the Grant Date, number of Options/SARs Granted, Vesting date(s), Exercise Period and the Exercise Price/ SAR Price.
- 5.2. Upon determination of the Eligible Employees and the Grants to be made, the Human Resource department or any other persons authorised by the Compensation Committee shall inform the Eligible Employees, in writing, of:
- (a) the number of Options/ SARs granted to him/ her;
 - (b) in case of Options, the particulars of the Shares or Other Securities forming part of the Option granted to him/ her;
 - (c) date(s) of Grant, number of Options/ SARs to be Granted, and the Vesting date(s);
 - (d) in case of Options, the Vesting schedule, Exercise Price and the Exercise Period;
 - (e) in case of SARs, the SAR Price and the Vesting schedule and the Exercise Period;
 - (f) time based and performance based parameters to be fulfilled by the Eligible Employee for being entitled to Vesting; and
 - (g) subject to conforming to the accounting policies as stated in the SEBI Regulations, the Exercise Price which shall be such price, as determined by the Compensation Committee, which can be the face value of the Shares of the Company or an amount higher than the face value but not exceeding the higher of:
 - (i) Market Price on the Grant Date; or
 - (ii) average of the price prevailing for the Share or Other Security in respect of which the Option/SAR is Granted during the 3 (three) months immediately preceding the date on which the Option/SAR is offered to the Eligible Employee; or
 - (iii) the issue price of any such Shares or securities if the same have been issued within 3 (three) months prior to the Grant of Option/SAR.
- 5.3. In the case of corporate action like rights issue, bonus issue, sub-division of shares, merger, de-merger, re-organization of capital structure, sale or division/ business and others (collectively, “**Corporate Action**”), fair and reasonable adjustment shall be made at the sole discretion of the Compensation Committee in accordance with the Applicable Laws, including in relation to:

- (a) the number or nominal amount of Options and SARs to which the Plan applies (insofar as they are unexercised); and/or
- (b) the Exercise Price and SAR Price, as the case may be;
- (c) the number of Shares underlying an Option, including any adjustment to number of Shares to be issued on Exercise of Options; and/or
- (d) the method of Exercise of any Option, and Vesting of Options/ SARs, as the case may be.

Provided that:

- (a) any such adjustment shall give the person to whom Options/ SARs are being granted under this Plan, the same proportion of the issued share capital of the Company which such person would have been entitled to subscribe or purchase, as applicable, had he/she Exercised all the options held by him/ her under any employee benefit plan immediately prior to such adjustment pursuant to the Corporate Action;
- (b) any such adjustment shall be made on the basis that the aggregate Exercise Price or SAR Price, as the case may be, payable shall remain as nearly as possible the same (but shall not be greater than) as it was before the time when such Corporate Action takes effect;
- (c) the Vesting Period, if any, lapsed under the Options/SARs held by such person prior to being granted Options/ SARs under this Plan pursuant to the Corporate Action shall be accounted while calculating the maximum Vesting Period under the Plan;
- (d) any such adjustment shall be made in accordance with Applicable Law;
- (e) no such adjustment shall be made, the effect of which would be to enable Shares to be issued at less than their face value;
- (f) the Compensation Committee shall be entitled to provide for accelerated Vesting, or cash compensation (if permitted under Applicable Laws) or allotting additional Options/SARs or adjusting Exercise Price or otherwise, in order to give effect to any Corporate Action. For this purpose, the terms of the Plan may be varied by the Compensation Committee, to the extent necessary in accordance with the Applicable Laws; and
- (g) 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.

6. VESTING AND EXERCISE

- 6.1. Subject to Clause 6.6, Options/ SARs granted shall vest with Eligible Employees at any time after a period of 12 (twelve) months from the Grant Date of Options/ SARs, provided the Eligible Employees qualify for such Vesting based on fulfilment of

time based and performance based parameters, as determined by the Compensation Committee.

- 6.2. Such Vesting may either be in one installment i.e. all Options/ SARs may vest at one time or, the Vesting may be phased over such period and in such quantum as the Compensation Committee may decide from time to time (subject to time based and/ or performance based Vesting), within an overall period of 7 (seven) years from the Grant Date. The Human Resource department or any other persons authorised by the Compensation Committee shall inform the Eligible Employees details relating to the Vesting of Options/ SARs.
- 6.3. Unless otherwise provided in this Plan, Eligible Employees can Exercise the Options vested in them within a period of 5 (five) years (or such other period, not being less than one year from the Grant Date, except in case of death or Permanent Incapacity of the Grantee post Listing, as may be determined by the Compensation Committee from time to time) from the Vesting date and in such manner as decided by the Compensation Committee. All vested SARs shall be deemed to have been Exercised automatically upon Vesting. It is clarified that where the Options/ SARs are vested in a phased manner as set forth in this Clause 6, the 'vesting date' referred to hereinabove, would be with reference to the actual Vesting of Options/ SARs or any other benefit at each phase/ installment of Vesting.
- 6.4. Subject to Clause 6.6, in an event of death of Employee while in employment with the Employer Company, all Options/SARs granted to him/ her till such date shall vest with the legal heirs or nominees of deceased Employee on that day and all vested Options shall be Exercised within a period of 1 (one) year from the date of death or such other period as may be determined by the Compensation Committee. All vested SARs shall be deemed to have been Exercised automatically upon Vesting.
- 6.5. Subject to Clause 6.6, in case where an Employee suffers from a Permanent Incapacity, while in employment with the Employer Company, all the Options/SARs granted to him/ her as on the date of Permanent Incapacity, shall vest in him/ her on that day and all vested Options shall be Exercised within a period of 1 (one) year from the date of Permanent Incapacity or such other period as may be determined by the Compensation Committee. All vested SARs shall be deemed to have been Exercised automatically upon Vesting.
- 6.6. Notwithstanding anything contained in the Plan but subject to Applicable Laws, post Listing, in case of death or Permanent Incapacity of the Grantee, the minimum Vesting Period of 1 (one) year shall not apply and all the unvested Options/ SARs shall vest forthwith and shall be Exercised in the manner set out herein. Further, the Company shall formulate appropriate policy in accordance with Applicable Laws as regards the Options/ SARs granted in case of death or Permanent Incapacity.
- 6.7. Subject to Applicable Laws, in case of superannuation or retirement, all the unvested Options/ SARs on the date of superannuation or retirement shall (i) lapse; or (ii) their vesting shall be accelerated; or (iii) vest in accordance with original vesting schedule, as determined by the Compensation Committee. The vested Options (i.e. vested and eligible for Exercise but not Exercised) as on the date of

superannuation or retirement shall be Exercised on the last working date of the Grantee or such other date as determined by the Compensation Committee, failing which, the same will lapse. The Options that vest post the date of retirement or superannuation shall be Exercised on the date on which such Options vest or such other date as determined by the Compensation Committee, failing which, the same will lapse. In case of SARs that vest either during employment or post cessation of employment due to retirement or superannuation shall be deemed to have been Exercised automatically upon Vesting.

- 6.8. Subject to any directive that may be given by the Compensation Committee, and subject to 6.4 through 6.6 above, in an event of resignation or termination of employment with the Employer Company for any reason other than for Cause (which shall be determined as per the employment agreement between the Employee and the Employer Company or any other document issued by the Employer Company to the Employee) or misconduct, all Options/ SARs granted and yet not vested on that day shall expire. However, all vested Options (i.e. vested and eligible for Exercise but not Exercised) shall be Exercised on the last working date of the Grantee or such other date as may be determined by the Compensation Committee, failing which, the same shall lapse. All vested SARs shall be deemed to have been Exercised automatically upon Vesting.
- 6.9. Subject to any directive that may be given by the Compensation Committee, in an event of termination of employment with the Employer Company due to Cause (which shall be determined as per the employment agreement between the Employee and the Employer Company or any other document issued by the Employer Company to the Employee), misconduct, or abandonment, all Options vested but not Exercised on the day of such termination together with all Options/ SARs granted and not vested, shall expire. Additionally, any gross benefit arising from Options/ SARs vested and Exercised in the past years from the date of termination, may be clawed back and recovered.
- 6.10. In the event an Employee is transferred or deputed to a Subsidiary or Holding or an Associate Company prior to Vesting or Exercise, the Vesting and Exercise as per the terms of the Grant shall continue for such Employee who is transferred.
- 6.11. In case of Grantee who has gone on long leave, Vesting Period shall be adjusted against such leave period as may be determined by the Compensation Committee.
7. *[Redacted, pursuant to approval of the Board of Directors on 28th January, 2025]*

8. NON-TRANSFERABILITY OF OPTIONS

- 8.1. Except in case of death of the Grantee, Options/ SARs shall be non-transferable. No person other than the Employee to whom the Option/ SARs is granted shall be entitled to the benefit arising out of such Options/ SARs.
- 8.2. Provided that, post Listing, in case of Options under cashless Exercise, PPL or the Trustee(s) may itself fund or permit the empaneled stock brokers to make suitable arrangement to fund the payment of Exercise Price, the amount necessary to meet his/her tax obligations and other related expenses pursuant to Exercise of Options granted under the Plan and such amount shall be adjusted against the sale proceeds of some or all the Shares, subject to the provisions of the Applicable Law. Options granted shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner by the Employees.

9. EXERCISE PROCEDURE AND OTHER MATTERS

- 9.1. The duration of the long leave, and the procedure and terms for the Grant, Vesting, and Exercise of Option/ SARs in case of Employees who are on long leave shall be as decided by the Compensation Committee.
- 9.2. The Grantees can Exercise the vested Options by:
 - (a) Making an application to the Compensation Committee, which shall intimate the Trustees;
 - (b) Making appropriate payment of the Exercise Price to the Trustee; and
 - (c) Taking delivery of the Shares to which the Employee is entitled in terms of the Plan.
- 9.3. The Employee may at his/her discretion choose to Exercise only a part of the Option i.e. he/she may choose to Exercise and acquire only some of the Shares or other securities to which he/she is entitled in terms of Options vested. Options granted that are vested shall expire, if the Employees do not Exercise the Options within the Exercise Period.
- 9.4. Subject to Applicable Laws, Shares acquired under the Plan would not be subject to any lock-in period. The Shares issued on the Exercise of Vested Options shall rank *pari passu* with all the existing Shares subject to such exceptions and restrictions as may be specified in the articles of association of the Company and this Plan. At the time of allotment of Shares pursuant to a valid Exercise, the Participant will be required to sign such document as may be considered necessary

by the Board and/ or Committee to lawfully execute/ enforce various provisions of this Plan.

- 9.5. In case of SARs, the Exercise shall be deemed to be automatic as on the date of Vesting of SAR on payment of SAR Price (if any). For SARs, the Grantee shall not be required to take any specific steps for Exercise. All the vested SARs shall stand Exercised at their respective date of Vesting and the related Appreciation shall be paid to the Grantee within the timelines determined by the Compensation Committee and communicated to the Grantee. The payment of SAR Price shall be undertaken in the manner as may be determined by the Compensation Committee, including by way of deduction from the Appreciation payable on automatic Exercise of vested SARs.

10. DIVIDENDS/ VOTING RIGHTS /BONUS SHARES

No Employee shall have a right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of Option granted to him/ her, till Shares are allotted to them pursuant to Exercise of Option.

11. VARIATION OF TERMS

- 11.1. PPL may, subject to Applicable Law and obtaining the requisite approvals, vary the terms of the Plan in a manner, which is not detrimental to the interests of the Employees. Post Listing, the Board, upon the recommendation of the Compensation Committee may revise any of the terms and conditions of this Plan to meet any regulatory requirement without seeking shareholders' approval.
- 11.2. Subject to the above sub-clause, PPL may by special resolution in a general meeting vary the terms of the Plan and / or Options/ SARs offered pursuant to an earlier resolution of the general body but not yet Exercised by the Employee provided such variation is not prejudicial to the interests of the Grantees.
- 11.3. The provisions of this Clause 11 shall apply to such variation of terms as they apply to the original Grant of Option/SAR, as the case may be.
- 11.4. The notice for passing special resolution for variation of terms of the Plan shall disclose full details of the variation, the rationale therefor and comply with other applicable regulatory requirements.

12. WINDING UP OF THE PLAN

In case of winding up of the Plan being implemented by PPL through the Trust, the excess monies or Shares remaining with the Trust after meeting all the obligations, if any, shall be utilized for repayment of loan or by way of distribution to Employees or subject to the approval of the shareholders be transferred to another scheme / plan under the SEBI Regulations as recommended by the Compensation Committee.

13. COMPLIANCE WITH SEBI REGULATIONS

The Plan shall be in compliance with the SEBI Regulations as amended from time to time.

14. ADMINISTRATION AND IMPLEMENTATION

14.1. Subject to the provisions of SEBI Regulations, employee stock option scheme shall contain the details of the manner in which the scheme will be implemented and operated.

14.2. No employee stock option scheme shall be offered unless, PPL makes the specified disclosures to the prospective grantees as specified by the Securities and Exchange Board of India in this regard. For US employees, the stock options shall be offered pursuant to the applicable provisions of the US Tax Code.

15. PRICING

PPL will have the freedom to determine the Exercise Price/ SAR Price subject to conforming to the accounting policies as specified by SEBI Regulations, including any ‘Guidance Note on Accounting for employee share-based Payments’ issued in that regard from time to time, and, for US employees, compliance with the applicable provisions of the US Tax Code.

16. TERM

16.1. This Plan shall continue to be in force (i) until terminated at the discretion of the Board; or (ii) until the date on which all of the Options/ SARs available for issuance under this Plan have been issued and Exercised/ Vested or have lapsed or have been cancelled by the Compensation Committee and the Compensation Committee does not intend to re-issue the said lapsed or cancelled Options/ SARs, whichever is earlier.
