



Prozeal Green Energy Limited (PGEL)

Employee Stock Option Plan 2025

CIN: U45206GJ2013PLC075904

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1. Name, Objective and Term of the Plan

1.1 This employee stock option plan shall be called the **‘Prozeal Green Energy Limited - Employee Stock Option Plan 2025’** (“Prozeal Green Energy ESOP 2025”).

1.2 The foremost objectives of the ESOP Plan for PGEL are to foster a sense of ownership among employees and align their interests with those of the shareholders. Further, objectives of the ESOP Plan are to reward the Employees for their association with the Company, their performance as well as to attract, retain and reward Employees to contribute to the growth and profitability of the Company. The Company intends to use ESOP Plan to attract, retain and reward key talent in the organization. The Company views Employee Stock Option as an instrument that would enable the Employees to get a Share in the value; they create for the Company in the years to come. The ESOP Plan is established with effect from March 12, 2025 on which the shareholders of the Company have approved it by way of a special resolution¹ dated March 12, 2025 and shall continue to be in force until (i) its termination by the Nomination and Remuneration Committee (NRC), or (ii) the date on which all of the Options available for issuance under the ESOP Plan have been issued and exercised, whichever is earlier.

1.3 Any such termination of this Plan shall not affect Options/ Shares already Granted and such Options/ Shares shall remain in full force and effect as if the Plan/ the grant letter(s) had not been terminated unless mutually agreed otherwise between the Participant and the NRC.

2. Definitions and Interpretation

2.1 Definitions

- i. **“Abandonment”** means discontinuation of employment by a Option Grantee without giving notice or without serving the notice period;

¹ To comply with Section 62(1)(b) of the Companies Act 2013 read with Regulation 6 (1) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

- ii. **“Acceptance Form”** shall mean the form that the Grantee has to submit indicating his acceptance of the offer made to him to participate in the Plan and/ or any grant letter(s) under the Plan within the prescribed time limit specified in the respective grant letter(s);
- iii. **“Applicable Law”** means every law relating to Employee Stock Options, to the extent applicable, including and without limitation to the Companies Act, 2013 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 Recognized Stock Exchange on which the Shares are listed or quoted;
- iv. **“Board”**² means the Board of Directors of the Company;
- v. **“Beneficiary or Nominee ”** means the person or persons, designated by the Participant, or in the absence of any designation by the Participant, a person or persons who is/are entitled by the will or probate of the Participant, the legal heirs of the Participant, if the Participant dies intestate and includes the Participant's executors or administrator, if no other beneficiary is designated and able to act under the circumstances and such other persons as may be added from time to time to the class of beneficiaries by notice in writing and by the Nomination Form in the exercise of any powers conferred under the Plan or any other agreements forming part thereof;
- vi. **“Cause”** in relation to an employee shall include the following:
 - (a) willful insubordination / disobedience;

² In accordance with Section 2(10) of the Companies Act, 2013

(b) fraudulent or dishonest conduct, material breach of integrity, embezzlement, or improper benefit as a result of a breach of any covenant or agreement;

(c) sexual harassment;

(d) prolonged absence from employment for a period of 21 (twenty-one) consecutive business days without prior consent or general irregularity in attendance from time to time without sufficient cause;

(e) insolvency of Employee or his conviction for any offence involving moral turpitude, or conviction of a crime, or plea of guilty or no contest thereto in connection with any financial, business or commercial enterprise or transaction;

(f) breach by him of any term of this Agreement or other documents or directions of the Company, or the taking of or omission to take any action that has caused or substantially contributed to a material deterioration in the business or reputation of the Company or any of its Affiliates, or that was otherwise materially disruptive of their business or affairs;

(g) failure to devote sufficient time to the business of the Company as required herein without prior consent of the Company or without sufficient cause; or

(h) the taking of any action or the omission to take any action, if Employee knew, or should have known, that such conduct would be detrimental to the operation of the business of the Company in a professional and efficient manner (provided, however, that such conduct shall not include for this purpose any mistake of judgment made in good faith with respect to any transaction implemented as Employee of the Company).

- vii. **“Closing Date”** means the last date on which the offer of Options by the Company to an Option Grantee can be accepted. In case the last date is a non-working day, then it shall be the immediately following working day;
- viii. **“Committee or Nomination and Remuneration Committee” (NRC)**
means the Committee constituted by the Company as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 and authorized by the Board for administration and superintendence;
- ix. **“Corporate action”** includes rights issues, bonus issues, stock splits, consolidation of shares, merger, demerger, transfer of undertaking, sale of division or other capital re-organization which may result in any change in the capital structure of the Company, announced by the Company prior to the Exercise Period pertaining to the relevant Options;
- x. **“Companies Act”** means the Companies Act, 2013 read with rules issued thereunder from time to time and includes any statutory modifications or reenactments thereof;
- xi. **“Company”** means **Prozeal Green Energy Limited** a company registered in India having CIN: U45206GJ2013PLC075904 and having its registered office at Block-C, West Wing, 1209-1212, Stratum, Venus Ground Near Jhansi Ki Rani Statue, Nehrunagar, Ahmedabad – 380015;
- xii. **“Company Policies/Terms of Employment”** means the Company’s policies for Employees and the terms of employment as contained in the employment letter and the company handbook, which includes provisions requiring a desired level of performance, securing confidentiality, non-compete and non-poaching of other employees and customers;

- xiii. “**Director**”³ means a director as appointed and regarded as a Director to the Board of a Company;
- xiv. “**Eligibility Criteria**” means the criteria as may be determined from time to time by the Board for granting the Options to the Employees;
- xv. “**Employee**”⁴ means
- a) an employee as designated by the company, who is exclusively working in India or outside India; or
 - b) 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 director⁵ or
 - c) an employee as defined in clauses (a) or (b) of a group company including subsidiary or its associate company, in India or outside India;
- but does not include- (i) an employee who is a promoter or a person belonging to the promoter group; or
- (ii) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company;
- xvi. “**Employee Stock Option**” means an option granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the Shares underlying the Option at a pre-determined price;
- xvii. “**ESOP Plan**” means the **Prozeal Green Energy Limited** Employee Stock Option Plan 2025 under which the Company is authorized to grant Options to the Employees and shall include any alterations, amendments, additions, deletions, modifications or variations thereof from time to time;

³ In accordance with Section 2(34) of the Companies Act, 2013

⁴ In accordance with Regulation 2(1)(i) of the Securities and Exchange Board of India (Share based employee benefits and sweat equity), regulations, 2021

⁵ In accordance with Section 149(9) of the Companies Act, 2013 and Section 197(7) of the Companies Act, 2013

- xviii. **“Exercise⁶”** of an Option means making of application by participant to the Company to purchase the Shares underlying the Options vested in him/her/them, in pursuance of the ESOP Plan/the grant letter(s), in accordance with the procedure laid down by the Company for exercise of Options;
- xix. **“Exercise Date”** means the date on which the Participant exercises his Vested Options and in case of partial Exercise, shall mean each date on which the Participant exercises part of his Vested Options;
- xx. **“Exercise Period⁷”** means such period after vesting as prescribed in the ESOP Plan/grant letter(s) within which the Vested Options may be exercised by an Option Grantee;
- xxi. **“Exercise Price⁸”** means the price, if any, payable by an Employee in order to exercise the Options granted to him in pursuance of the ESOP Plan/grant letter;
- xxii. **“General meeting”** means a General Meeting (including an Extraordinary General Meeting) of the Shareholders of the Company held in accordance with the Articles of Association of the Company and the Applicable Laws;
- xxiii. **“Grant⁹”** means issue of Options to the Employees under the ESOP Plan/grant letter(s);

⁶ In accordance with Regulation 2(1)(i) of the Securities and Exchange Board of India (Share based employee benefits and sweat equity), regulations, 2021

⁷ In accordance with Regulation 2(1)(m) of the Securities and Exchange Board of India (Share based employee benefits and sweat equity), regulations, 2021

⁸ In accordance with Regulation 2(1)(n) of the Securities and Exchange Board of India (Share based employee benefits and sweat equity), regulations, 2021

⁹ In accordance with Regulation 2(1)(p) of the Securities and Exchange Board of India (Share based employee benefits and sweat equity), regulations, 2021

- xxiv. **“Grant Date”¹⁰** means the date on which the NRC approves the grant;
- xxv. **“Grant Letter”** means the means the letter by which Grant of Options and related terms and conditions are communicated to the Option Grantee;
- xxvi. **“Independent Director”** 11 shall have the meaning as defined under the Companies Act, 2013;
- xxvii. **“Listing”** means listing of the Company’s Shares on any recognized Stock Exchange in India which includes initial public offer of Shares as per Applicable Laws;
- xxviii. **“Option”¹²** means the option given to an employee which gives such an employee a right to purchase or subscribe at a future date, the shares offered by the company, directly or indirectly, at a predetermined price subject to the terms and conditions of the ESOP Plan/Grant Letter;
- xxix. **“Option Grantee”¹³** means an Employee having a right but not an obligation to exercise an Option in pursuance of ESOP plan/grant letter(s).;
- xxx. **“Participant”** means an Option Grantee who accepts the Grant from the NRC to participate in this Plan pursuant to Clause 6 below;
- xxxi. **“Permanent Incapacity”** means 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

¹⁰ In accordance with Regulation 2(1)(q) of the Securities and Exchange Board of India (Share based employee benefits and sweat equity), regulations, 2021

¹¹ In accordance with Section 2(47) of the Companies Act, 2013

¹² In accordance with Regulation 2(1)(z) of the Securities and Exchange Board of India (Share based employee benefits and sweat equity), regulations, 2021

¹³ In accordance with Regulation 2(1)(aa) of the Securities and Exchange Board of India (Share based employee benefits and sweat equity), regulations, 2021

determined by the Board based on a certificate of a medical expert identified by the Board;

xxxii. **“Plan”** means and refers to ESOP Plan within the meaning of this Plan;

xxxiii. **“Promoter”**¹⁴ shall include a person:

- (i) who has been named as such in a draft offer document or offer document or is identified by the issuer in the annual return referred to in section 92 of the Companies Act, 2013;
- (ii) who has control over the affairs of the Company, directly or indirectly whether as a shareholder, Director or otherwise; or
- (iii) in accordance with whose advice, directions or instructions the Board is accustomed to act:

Provided that nothing in sub-clause (iii) shall apply to a person who is acting merely in a professional capacity.

Provided further that a financial institution, scheduled commercial bank, [foreign portfolio investor other than individuals, corporate bodies and family offices], mutual fund, venture capital fund, alternative investment fund, foreign venture capital investor, insurance company registered with the Insurance Regulatory and Development Authority of India or any other category as specified by the Board from time to time, shall not be deemed to be a promoter merely by virtue of the fact that twenty per cent. or more of the equity share capital of the issuer is held by such person unless such person satisfies other requirements prescribed under these regulations.

xxxiv. **“Promoter Group”**¹⁵ includes:

- i) The promoter;
- ii) An immediate relative of the promoter (i.e. any spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and
- iii) In case promoter is a body corporate:
 - A. A subsidiary or holding company of such body corporate

¹⁴ As per section 2(1)(oo) of Securities and Exchange Board of India (Issue of share capital and disclosure requirement), 2018

¹⁵ As per section 2(1)(pp) of Securities and Exchange Board of India (Issue of share capital and disclosure requirement), 2018

- B. Any body corporate in which the promoter holds twenty per cent. or more of the equity share capital; and/or any body corporate which holds twenty per cent. or more of the equity share capital of the promoter;
- iv) in case the promoter is an individual:
 - A. any body corporate in which twenty per cent. or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of their relative is a member;
 - B. any body corporate in which a body corporate as provided in (A) above holds twenty per cent. or more, of the equity share capital; and
 - C. any Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent. of the total capital;
- v) All persons whose shareholding is aggregated under the heading "shareholding of the promoter group":

Provided that a financial institution, scheduled bank, [foreign portfolio investor other than individuals, corporate bodies and family offices], mutual fund, venture capital fund, alternative investment fund, foreign venture capital investor, insurance company registered with the Insurance Regulatory and Development Authority of India or any other category as specified by the Board from time to time, shall not be deemed to be promoter group merely by virtue of the fact that twenty per cent. or more of the equity share capital of the promoter is held by such person or entity:

Provided further that such financial institution, scheduled bank, [foreign portfolio investor other than individuals, corporate bodies and family offices], mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor insurance company registered with the Insurance Regulatory and Development Authority of India or any other category as specified by the Board from time to time shall be treated as promoter group for the subsidiaries or companies promoted by them or for the mutual fund sponsored by them.

- xxxv. **“Retirement”** means retirement as per the rules of the Company;
- xxxvi. **“Recognized stock exchange”**¹⁶ means a stock exchange which is for the time being recognized by the Central Government under Section 4 as per the Section 2(f) of Securities Contracts (Regulation) Act, 1956;
- xxxvii. **“Relative”** means relative as defined under the Companies Act, 2013;
- xxxviii. **“SEBI Regulations”** refers to Securities and Exchange Board of India (share based employee benefits) Regulations, 2014, Securities and Exchange Board of India (share based employee benefits) Regulations, 2021 and related SEBI regulations issued by the Securities and Exchange Board of India (‘SEBI’) under the SEBI Act, 1992 as amended from time to time;
- xxxix. **“Share”**¹⁷ means equity shares and securities convertible into equity shares and includes American Depository Receipts, Global Depository Receipts or other depository receipts representing underlying equity shares or securities convertible into equity shares;
- xl. **“Unvested Option”** means an Option which is not vested as defined in 2.1(xlv);
- xli. **“Vesting”**¹⁸ means the process by which the employee becomes entitled to receive the benefit of a grant made to him/her under the respective ESOP Plan/ Grant Letter;
- xlii. **“Vesting Condition”** means any condition subject to which the Options granted would vest in an Option Grantee;

¹⁶ In accordance with Section 2(73) of the Companies Act 2013

¹⁷ In accordance with Regulation 2(1)(pp) of the Securities and Exchange Board of India (Share based employee benefits and sweat equity), regulations, 2021

¹⁸ In accordance with Regulation 2(1)(xx) of the Securities and Exchange Board of India (Share based employee benefits and sweat equity), regulations, 2021

- xliii. **“Vesting Date”** means the respective dates on and from which the Option Vests with the Participant and thereby becomes exercisable under the respective grant letter(s);
- xliv. **“Vesting Period”**¹⁹ means the period during which the vesting of the Options granted to the Employee, in pursuance of the ESOP Plan/respective grant letter(s) takes place;
- xlv. **“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;

2.2 Interpretation

In this Plan, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender;
- e) Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings;
- f) Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form;

^{19 19} In accordance with Regulation 2(1)(yy) of the Securities and Exchange Board of India (Share based employee benefits and sweat equity), regulations, 2021

- g) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference;
- h) the terms defined above shall for the purposes of this Plan have the meanings herein specified and terms not defined above shall have the meanings as defined in the Companies Act or Applicable Laws, as the context requires. Reference to any act, rules, statute or notification shall include any statutory modifications, substitution or re-enactment thereof;
- i) The term 'including' shall mean 'including without limitation', unless otherwise specified;
- j) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof; and
- k) Unless the context otherwise requires, words denoting the masculine gender shall include the feminine gender and words denoting singularity shall include the plural and vice versa.

3. Authority and Ceiling

- 3.1 The shareholders of the Company have vide their resolution dated March 12, 2025 approved the Plan authorizing the Board to grant not exceeding 21,38,400 ESOPs to the eligible Employees in one or more tranches, from time to time, which in aggregate exercisable into not more than 21,38,400 Shares of face value of Rs.2/- each fully paid up, with each such Option conferring a right upon the Employees to apply for one Share in the Company in accordance with the terms and conditions as may be decided under the Plan.
- 3.2 The maximum number of Options under the ESOP Plan that may be granted to each Employee in any year and in aggregate shall be as authorized by the Board²⁰ from time to time under the ESOP Plan.

²⁰ In accordance with Section 179 of the Companies Act, 2013

3.3 If the number of Options that may be offered to any specific employee shall be equal to or more than 1% (one percent) of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant of Options, then the Company shall take prior approval from shareholders of the Company by way of a special resolution in the general meeting.

3.4 If an Option expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the Options pool as mentioned in sub-clause 3.1 and shall become available for future Grants, subject to compliance with all Applicable Laws.

3.5 Where Shares are issued consequent upon exercise of Options under the ESOP Plan, the maximum number of Shares that can be issued under ESOP Plan as referred to in Clause 3.1 above shall stand reduced to the extent of such Shares issued.

4. Administration

4.1 The ESOP Plan and the Grant Letters issued under this ESOP Plan shall be administered by the NRC appointed by the Board.

4.2 All questions of interpretation of the ESOP Plan / Grant Letter(s) shall be determined by the NRC and such determination shall be final and binding upon all persons having an interest in the ESOP Plan. Neither the Company nor the NRC shall be liable for any action or determination made in good faith with respect to ESOP Plan or any Options granted thereunder.

4.3 The NRC shall in accordance with this Plan and Applicable Laws determine the following:

- (a) The quantum of Options to be granted under the ESOP Plan per Employee, subject to the ceiling as specified in Para 3.1;
- (b) determine the exercise price;
- (c) the Eligibility Criteria for grant of Options to the Employees;

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- (d) the Exercise Period within which the Employee should exercise the Options and that Options would lapse on failure to Exercise the Options within the Exercise Period;
- (e) the specified time period within which the Employee shall exercise the Vested Options in the event of termination or resignation of an Employee;
- (f) the right of an Employee to exercise all the Options vested in 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 number of Options and to the Exercise Price in case of corporate actions. In this regard following shall be taken into consideration by the NRC :
 - (i) the number and the price of Options shall be adjusted in a manner such that total value of the Options remains the same after the corporate action.
 - (ii) the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Options holders.
- (h) the procedure and terms for the Grant, Vesting and Exercise of Options in case of Employees who are on long leave;
- (i) the conditions under which Option vested in Employees may lapse in case of termination of employment for cause and;
- (j) approve forms, writings and/or agreements for use in pursuance of the ESOP Plan.

4.4 Any decision of the NRC in the interpretation and administration of this Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to,

Employee and their Beneficiaries and successors). The NRC shall not be liable for any action or determination made in good faith with respect to the Plan/ grant letter(s) or any Option granted thereunder.

- 4.5 The NRC shall frame suitable 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 and its Employees, as applicable. ²¹

5. Eligibility and Applicability

- 5.1 The eligibility to participate in the Plan is subject to such criteria as may be decided by the NRC at its own discretion, including, but not limited to the date of joining of the Employee with the Company, grade of the Employee, performance evaluation, period of service with the Company, criticality, or any other criteria, as the NRC deems necessary.
- 5.2 Based on the eligibility criteria as described in Clause 5.1 above, the NRC will decide the Employees eligible for Grant of Options under the Plan and accordingly, the NRC would make an offer of Grant of the Options to the identified Employee/s under the grant letter(s).

6. Grant and Acceptance of Grant

6.1 Grant of Options

- (a) Grants contemplated under the Plan shall be made on such day and month as decided by the NRC at its discretion.
- (b) Each Grant of Option under the Plan shall be made in writing by the

²¹ In accordance with Regulation 5(4) of the Securities and Exchange Board of India (Share based employee benefits and sweat equity), regulations, 2021

Company to the eligible Employees by way of Grant Letter containing specific details of the Grant, and disclosure requirements, as prescribed under Applicable Laws.

6.2 Acceptance of the Grant

Any eligible Employee who wishes to accept the Grant made under this Plan must deliver to the Company a duly signed acceptance of the Grant Letter on or before the date (“**Closing Date**”) which shall not be more than 30 days from the date of the Grant, as specified in the Grant Letter. On receipt by the Company of the signed acceptance, the eligible Employee will become an Option Grantee.

Upon receipt of a duly completed acceptance form from the Option Grantee in respect of the Grant, the Option Grantee will become a Participant. The NRC may then issue to the Participant a statement, in such form as it deems appropriate, showing the number of Options to which, the Participant is entitled pursuant to the acceptance of such Grant and the number of Shares for which the Participant will be entitled to subscribe pursuant to such Grant.

6.3 Any eligible 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.

6.4 An offer made under this Clause is personal to the Option Grantee and cannot be transferred any manner whatsoever²².

²² In accordance with Regulation 9(1) of the Securities and Exchange Board of India (Share based employee benefits and sweat equity), regulations, 2021

7. Vesting Schedule and Vesting Conditions

- 7.1 Options granted under ESOP Plan shall vest not earlier than minimum period of **1 (one) year** and not later than maximum period of **Three (3) years** from the date of Grant. The NRC at its discretion may grant Options specifying Vesting Period ranging from minimum and maximum period as afore stated and mentioned in the Grant Letter.
- 7.2 The Unvested Options shall vest with the Participant in accordance with the relevant grant letter(s) under the Plan. In addition to this, the NRC may also specify certain performance criteria subject to satisfaction of which the Options would vest.
- 7.3 As a pre-requisite for a valid vesting, an Option Grantee is required to be in employment or service of the Company on the date of Vesting and must neither be serving his / her notice for termination of employment/ service, nor be subject to any disciplinary proceedings pending against him / her on the date of Vesting.
- 7.4 The specific Vesting schedule and Vesting Conditions subject to which Vesting would take place shall be specified in the Grant Letter issued to the Option Grantee at the time of Grant.
- 7.5 Neither the Participant nor any person entitled to exercise Participant's rights in the event of death of the Participant, shall be entitled to claim or receive any dividend and right to vote in respect of the Options granted/ vested, till such time as the Shares are transferred pursuant to a valid Exercise of the Options in favor of such Participant or such person²³.

²³ In accordance with Regulation 19 of the Securities and Exchange Board of India (Share based employee benefits and sweat equity), regulations, 2021

7.6 Vesting of 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 NRC .

7.7 Power to accelerate Vesting in certain cases

- (i) The Options remaining unvested as on date of meeting of the NRC considering the proposal for such acceleration, may at the discretion of the NRC be deemed to vest with effect from that date or from such other date as the NRC may determine subject to the relevant regulatory provision.

8. Exercise

8.1 Exercise Price

- (a) The Exercise Price per Options shall be determined by the NRC in accordance with the relevant grant letter(s).
- (b) Payment of the Exercise Price shall be made by an account payee cheque or a account payee demand draft drawn in favour of the Company or in such other manner as the NRC may decide from time to time.

8.2 Exercise Period

(a) Exercise while in employment/ service:

The NRC can decide the procedure for the exercise of Options and allotment of shares. Further, all transfer or allotment of shares are subject to the final approval by the NRC.

(b) Exercise in case of separation from employment/ service:

Subject to the Proviso below, the Options can be exercised as under:

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S. No.	Events of separation	Vested Options	Unvested Options
1	Resignation / termination²⁴ (other than due to Cause)	Subject to relevant grant letter(s) the Vested Options shall be permitted to be exercised within the Notice period as per the Employment contract, unless the NRC decides otherwise. Any Vested Options not exercised within this aforesaid period shall lapse and stand forfeited at the end of the aforesaid period.	All the Unvested Options as on date of resignation/ termination shall stand cancelled with effect from date such resignation/ termination.
2	Termination due to Cause of participant	All the Vested Options at the time of such termination shall stand cancelled with effect from the date of such termination in the event of misconduct maybe subject to claw-back at the sole discretion of the NRC.	All the Unvested Options at the time of such termination shall stand cancelled with effect from the date of such termination.

²⁴ In accordance with Regulation 9(6) of the Securities and Exchange Board of India (Share based employee benefits and sweat equity), regulations, 2021

3	Retirement of participant	All the Vested Options as on date of Retirement can be exercised by the Option Grantee only or settled in cash, within such period as may be notified by the NRC at its sole discretion.	All Unvested Options on the date of Retirement shall stand cancelled with effect from date of Retirement.
4	Death of participant²⁵	All the Vested Options as on date of death can be exercised by the Option Grantee's nominee or legal heir or settled in cash, within such period as may be notified by the NRC.	All the Unvested Options as on date of death shall vest immediately in the Option Grantee's nominee or legal heir and can be exercised in the manner defined for Vested Options.
5	Permanent Incapacity of participant²⁶	All the Vested Options as on date of Permanent Incapacity can be exercised by the Option Grantee only or settled in cash, within such period as may be notified by the NRC at its sole discretion.	All the Unvested Options as on date of incurring of such incapacity shall vest immediately in the Option Grantee and can be exercised in the manner defined for Vested Options.
6	Abandonment of	All the Vested Options shall	All Unvested Options

25 In accordance with Regulation 9(4) of the Securities and Exchange Board of India (Share based employee benefits and sweat equity), regulations, 2021

26 In accordance with Regulation 9(5) of the Securities and Exchange Board of India (Share based employee benefits and sweat equity), regulations, 2021

	employment	stand cancelled with effect from such date as determined by the NRC .	shall stand cancelled with effect from such date as determined by the NRC.
7	Termination due to reasons apart from those mentioned above	The NRC 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 such termination shall stand cancelled unless otherwise required by Applicable Laws.

8.3 Procedure of Exercise

The Options can be exercised by the Option Grantees by a written application to the Company in the acceptance form in due course keeping in view the administrative and/ or the legal requirements prevailing at that time.

8.4 Lapse of Options

The Options not exercised within the respective Exercise Periods prescribed in ESOP plan/ grant letter shall lapse and be deemed to be cancelled on expiry of such Exercise Period. The Option Grantee shall have no right or recourse over such lapsed/ cancelled Options.

9. Restriction on transfer of Options

- 9.1 The Options shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 9.2 Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case provisions at Sub-clause 8.2(b) would apply.

- 9.3 No person other than the Employee to whom the Options is granted shall be entitled to Exercise the Options except in the event of the death of the Option Grantee holder, in which case provisions at Sub- clause 8.2(b) would apply.

10. Other Terms and Conditions

10.1 Listing of Shares

In case of Listing, the NRC is authorized to do such acts, deeds and things including but not limited to amendment of this Plan to make the Plan compliant of any Applicable Laws prevailing at that time including imposition of lock-in restrictions for certain classes of Employees.

- 10.2 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 Options granted, till Shares underlying such Options are allotted on Exercise of such Options.

- 10.3 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 Shares covered by the Grant unless the Option Grantee Exercises the Options and becomes a registered holder of the Shares of the Company.

- 10.4 If the Company issues bonus or rights Shares, the Option Grantee will 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 accordingly.

11. Deduction/Recovery of Tax

- 11.1 The liability of paying taxes, if any, in respect of Options granted pursuant to this Plan and the Shares issued pursuant to Exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employees of Company working abroad, if any.
- 11.2 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.
- 11.3 The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

12. Authority to vary terms

For the purpose of efficient implementation and administration of the ESOP Plan, the NRC may, if it deems necessary, vary the terms of ESOP Plan, including pursuant to meeting any regulatory requirements, subject to the Applicable Laws and the conditions of the shareholders' approval, in such manner which is not detrimental to the interest of employee.

13. Miscellaneous

13.1 Government Regulations

This ESOP Plan shall be subject to all Applicable Laws, and approvals from government authorities. The Grant and the allotment of Shares under this ESOP Plan shall also be subject to the Company requiring Employees to comply with all Applicable Laws.

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13.2 Inability to obtain authority

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

13.3 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Options shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Plan by being granted Options on any other occasion.

13.4 The rights granted to an Option Grantee upon the grant of Options 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).

13.5 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Options in whole or in part.

14. Notices

14.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP Plan 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; and/ or

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

14.2 All notices of communication to be given by an Option Grantee to the Company in respect of ESOP Plan shall be sent to the address mentioned below:

Designation : Company Secretary

Email : Companysecretaryesop@prozealgreen.com

15. Nomination

The Employee must nominate a person as his/her nominee. The nominee in case of death or legal incapacity of Employee shall be the legal representative recognized by the Company as the inheritor of the Employee in respect of all rights and liabilities for the purposes of this Plan.

16. Corporate actions

In case of Corporate Action announced by the Company prior to the Exercise period pertaining to the relevant Options, the NRC, in accordance with Applicable Laws, shall ensure that adjustment to Exercise Price and the number of Options granted shall be appropriately made without prejudice to the interest of the Participant. The decision of the NRC on whether such action is necessary and the extent of such action by the NRC shall be final and binding on the Participants.

In case of such Corporate Action, announced by the Company prior to the Exercise Period pertaining to the Options, where the face value of the Shares is reduced below INR 10 (e.g., share-split, etc.) the maximum number of Options available for being granted under the relevant grant letter stand modified accordingly, so as to ensure that the cumulative paid-up value (No. of shares * Face value per share) remains unchanged.

17. Arbitration

In the event of a dispute arising out of or in relation to the provisions of this Plan or any relevant grant letter (including a dispute relating to the Construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such disputes through an amicable settlement. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after a reasonable attempt, which attempt shall continue for not more than 90 days, gives 90 days notice thereof to the other party in writing. In case of such failure, either party may refer the dispute to a single arbitrator appointed by both the parties and failing such agreement, to three arbitrators, one to be appointed by each party and the third arbitrator to be jointly appointed by the two arbitrators appointed by the parties. The arbitration proceedings shall be held in Ahmedabad, Gujarat under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator(s) shall give a reasoned award in writing. The arbitrator(s) shall also decide on the costs of the arbitration proceedings. The parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law at Gujarat. Nothing in this Clause will however limit the right of the Company to bring proceedings against any Participant in connection with this ESOP Plan:

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

18. Accounting and Disclosures

- 18.1 The Company shall follow the rules/regulations applicable to accounting of Options.
- 18.2 The rules/regulations to be followed shall include but not limited to the IND AS/ Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other appropriate authority, from time to time, including the disclosure requirements prescribed therein.

19. Governing Laws

- 19.1 This Plan, the relevant grant letter(s) under the Plan and all agreements thereunder shall be governed by and construed in accordance with the Applicable Laws of India.
- 19.2 This Plan and all the relevant grant letter under the Plan shall be relooked on changes / amendments of the Applicable Laws of India over a period of time.
- 19.3 The Participant agrees and acknowledges that the Participant has received and read a copy of the Plan and the relevant grant letter(s). The Options are subject to the Plan and the grant letter(s). Any term of the Plan or any grant letter(s) that is contrary to the requirement of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014 or any other Applicable Law, and the rules and regulations framed thereunder shall not apply to the extent it is contrary.
- 19.4 In the event that any term, condition or provision of the Plan and the relevant grant letter(s) being held to be a violation of any Applicable Law, statute or regulation the same shall be severable from the rest of the Plan or the relevant grant letter(s) and shall be of no force and effect and the Plan and the relevant grant letter(s) shall remain in full force and effect as if such term, condition or provision had not originally been contained in the Plan or the relevant grant letter(s).

19.5 The NRC shall make all the relevant disclosures in the Director's Report²⁷ in relation to the Plan as are required under the Applicable Laws.

20. Modification of Plan

The NRC may, subject to a Special resolution²⁸ passed at a General meeting²⁹ at any time and from time to time:

20.1 Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Plan/Grant Letter, or any of the rights and obligations of the Grantee / Participant / Beneficiary / Nominee in accordance with Applicable Law:

- i. Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Grantee / Participant / Beneficiary / Nominee. Each of such sets of special terms and conditions shall be restricted in its application to those Grantee / Participant / Beneficiary / Nominee;
- ii. Alter the Exercise Price, if the Option becomes unattractive due to fall in market price of the Shares³⁰.
- iii. Provided that no variation, alteration, addition or amendment to the Plan or any grant letter(s) under the Plan can be made if it is detrimental to the interests of the Grantee / Participant / Beneficiary / Nominee and the approval of the shareholders in General Meeting has been obtained unless the terms are varied to meet any regulatory requirements.

20.2 The Company may by special resolution in a General Meeting vary the terms of the grant letter 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 Employees.

²⁸ To comply with Regulation 7(1) of the Companies (Share Capital and Debentures) Rules, 2014

²⁹ To comply with Regulation 7(1) of The Companies (Share Capital and Debentures) Rules, 2014

³⁰ To comply with Regulation 7(1) of the Companies (Share Capital and Debentures) Rules, 2014

21. Certificate from Secretarial Auditors

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.

22. Severability

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

23. Confidentiality

An Option Grantee must keep the details of the ESOP Plan and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, 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 confidentiality Clause, the Company has undisputed right to terminate any agreement and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this confidentiality Clause shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this clause, the NRC shall have the authority to deal with such cases as it may deem fit.

On acceptance of the grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized 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.

24. Covenants to Option Grantee

The Grantee confirms that: -

- i. the Option Grantee shall not engage himself / herself in activities that have or will have an adverse impact on the reputation of the Company.
- ii. while during employment with the Company or its Subsidiaries, the Option Grantee shall engage exclusively in the work assigned by the Company, and shall not take up any independent or individual assignments, whether the same is part time or full time, (in an advisory capacity or otherwise) and whether directly or indirectly.
- iii. the Option Grantee shall not, directly or indirectly, engage in any activity or have any interest in, or perform any services for any person who is involved in activities which are or shall be (in the sole opinion of the NRC in conflict with the interests of the Company or its subsidiaries or associate company.
- iv. in consideration of the Options granted to the Option Grantee, as also, opportunities, training and access to new techniques and know-how that has been made available to the Option Grantee, the Option Grantee shall also strictly abide by any and all of the terms of the employment agreed by the Grantee.

-----End of Plan-----

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