Premier Energies Limited
Employees Stock Option Plan 2021 Scheme

A. Salient features of the Scheme

This Employees Stock Option Plan 2021 (hereinafter referred to as "**ESOP 2021**" or "**Scheme**") is pursuant to and under the authority granted in terms of approval by the shareholders at the extra ordinary general meeting of the Company held on 09th September, 2021 and in accordance with applicable regulations. Wherever applicable, the Scheme shall be in accordance with the regulations prescribed under the Companies Act, 2013 or the rules thereunder, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and / or any regulations prescribed by any other regulatory authority as applicable to the Company and shall not contravene any other law, for the time being in force that is material for giving effect to such Scheme.

The Scheme applies to all Employees (as defined herein below). The Nomination and Remuneration Committee of Board of Directors would decide the entitlement of each Employee based on his/her level, grade, seniority and other relevant factors.

It shall be deemed to have come into force on 09th September, 2021.

1. Definitions and Interpretations

1.1 The terms defined in this section shall, for all purposes of this Scheme, have the meanings herein specified. Under the Scheme, where the context so admits, the masculine shall include the feminine and the singular shall include the plural.

(a) "**Acceptance Form**" means the form that the Eligible Employee(s) shall submit to the Company indicating his acceptance of the offer made to him to participate in the Scheme;

(b) "**Act**" means the Companies Act, 2013 and shall include all rules, regulations, and sub-ordinate legislation made thereunder, as amended from time to time;

(c) "**Applicable Law(s)**" means: (i) statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines, or policies of India; (ii) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or any consent, approval, authorization, waiver, no-

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objection, permit, grant, franchise, concession, agreement, license, certificate, exemption, order, registration, declaration, filing, report or notice of, or agreements with, any governmental authority including but not limited to the Ministry of Corporate Affairs, the Securities and Exchange Board of India; and (iii) rules of any recognized Stock Exchange, as applicable, may be in force and have effect of law from time to time including but not limited to the Act, Income Tax Act, 1961, SEBI (SBEB and SE) Regulations,2021 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(d) **"Award**" means a written Award Agreement between an Employee and the Company, confirming the grant of the Stock Option and evidencing the terms and conditions upon which they may be exercised and sold;

(e) **"Board"** means the board of directors of the Company;

(f) "**Cause**" means the occurrence of any of the following event:

(i) any act or omission by an Employee(s) amounting to misconduct, breach of employment contract/appointment letter;

(ii) theft, fraud, gross negligence, unethical practices with respect to the Company;

(iii) failure to conform with the policies of the Company;

(iv) wilful suppression of material information or any other non-compliance or violation of any Applicable Law(s);

(v) any misconduct under Applicable Law(s);

(vi) any conviction of any criminal offence involving moral turpitude;

(vii) engaging directly or indirectly, in any activity similar to or competing with the business or acquiring an interest in any entity (except to the extent of 1% (One Percent) of the total paid-up share capital of a public listed company) whose primary business is similar to competing with the business or rendering service similar to or competing with the business;

(viii) wilful damage or loss of property of the Company;

(ix) taking or giving bribes or any illegal gratification;

(x) any act or conduct of any manner which would lead to, with any other Employee(s) or client of the Company, harassment or discrimination on the basis of gender, racial, religious belief, age, physical or mental disability, nationality, or marital status;

(xi) absence without leave for more than such number of days as per the leave policy of the Company;

(xii) absence for ten or more days without approved leave from the Company, in which case it will be deemed as voluntarily termination and employment will automatically come to an end;

(xiii) riotous or disorderly behaviour during working hours at the office;

(xiv) joining any other employment without the prior consent of the Company,; or

(xv) any other act which is detrimental to the interest of the Company.

(g) "**Charter Documents**" means collectively, the memorandum of association and the Articles of Association, as may be amended from time to time in accordance with the Applicable Laws;

(h) **"Company"** means Premier Energies Limited, a company incorporated under the provisions of the Companies Act, 1956;

(i) **"Nomination and Remuneration Committee"** or **"Committee"** means the Committee of the Board of Directors constituted as per Companies Act, 2013;

(j) **"Employee"** means

1. an employee of the Company who is exclusively working in India or out of India; or
2. 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
3. an employee as defined in clauses (1) or (2) of a group company including subsidiary or its associate company, in India or outside India, [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 ten percent of the outstanding equity shares of the Company.

(k) "**Equity Share(s)**" or "**Share(s)**" means issued and fully paid equity share of the Company having a face value of Rs. 1 (Rupees one Only) each and each carrying 1 (one) vote and all other (if any) equity share(s) or stock in the Equity Share Capital resulting from any subdivision, consolidation or reclassification of the Equity Share Capital or conversion, exercise or exchange of any preference share(s) or any other security;

(l) **"Exercise"**, in relation to Options, means, making of an application by an employee to the Company or to the Trust for issue of Shares against vested Options in pursuance of ESOP 2021;

(m) "**Exercise Notice**" means the notice by which an Employee requests the Company or the Trust to allot Shares pursuant to the Options vested in him under the Grant and the ESOP 2021;

(n) **"Exercise Period"** means a period of time after Vesting within which an Employee should Exercise his/her right to apply for Shares against the vested Option in pursuance of the ESOP 2021 as may be deemed fit by the Committee and may vary for different Employees;

(o) **"Exercise Price"** means the price payable by the Employee for exercising the Options granted to him in pursuance of ESOP 2021 or any other price as may be determined by the Committee but at least equal to the Face Value of the Share;

(p) **"Grant"** means the process whereby the Committee passes a resolution granting a specified number of Options to the Employees under ESOP 2021;

(q) **"Grant Date"**, with respect to any Options means the date on which the Committee approves the Grant of such Options pursuant to the ESOP 2021 Explanation,—For accounting purposes, the grant date will be determined in accordance with applicable accounting standards;;

(r) **"Option"** means the option given to an Employee that gives him a right to purchase or subscribe at a future date, the Shares offered by the Company, directly or indirectly, at a pre-determined price. This is a right but not an obligation granted to an Employee under the Scheme to apply for and be allotted Shares of the Company at the Exercise Price, during or within the Exercise Period, subject to the requirements of Vesting. Each Option granted would represent the right to apply for 1 (one) Share of the Company.

(s) **"Grantee"** means an Employee who has been granted an Option under the Scheme and signed his/her acceptance thereof by way of an Award Agreement in accordance with the terms and conditions set forth in the Scheme;

(t) **"Private Equity Partner"** means such private equity partner as may be designated by the committee.

(u) **"Promoter"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(v) **"Promoter Group"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(w) **"Performance Condition"** means conditions required to be met along with the time condition for Options to Vest. These performance conditions shall be specified in the Grant and may vary for different Employees at the discretion of the Committee;

(x) **"SEBI (SBEB and SE) Regulations"** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof;

(y) **"SEBI (LODR) Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof;

(z) "**Stock Exchange**" means BSE Limited (BSE) and National Stock Exchange of India Limited (NSE);

(aa) **"Subsidiary"** means any present or future subsidiary as defined under the Companies Act, 2013, whether incorporated in India or outside India;

(bb) **"Trust"** shall mean a trust set up by the Company for implementation, administration, financing and holding the Shares in accordance with the terms and conditions of this Scheme

(cc) **"Trustee"** means a trustee of the Trust as appointed by the company as per the terms of the Trust Deed

(dd) **"Vesting"** means the process by which an Employee becomes entitled to receive the benefit of a Grant pursuant to the ESOP 2021; and

(ee) **"Vesting Period"** means the period, from the date of Grant of the Option till the date on which the Employee becomes eligible to Exercise the Options.

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Companies Act, 2013 or any statutory modification or re-enactment thereof, as the case may be.

1.2 Interpretations

In this document, unless otherwise stated or intention appears:

a. words denoting the singular shall include the plural and vice versa;

b. The words importing a gender include every gender;

c. heading and bold type face are only for convenience and shall not affect the interpretation hereof;

d. references to the word “include” or “including” shall be construed without limitation; and

e. references to any statute or statutory provision or rule or regulation shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted.

2. Purposes

The purposes of the Scheme are:

(a) To enable the Company to attract and retain the talented human resources by offering them the opportunity to acquire a continuing equity interest in the Company which will reflect their efforts in building the growth and the profitability of the Company.

(b) To provide existing Employees an opportunity for investment in the Company’s equity Shares in recognition of their efforts to grow and build the Company.

3. Quantum of Shares subject to the Scheme

The maximum number of Options available for Grant under the ESOP 2021 shall be 1,39,48,000.[1] Each Option when exercised will be converted into one Share of the Company.

Where Shares are issued consequent upon exercise of an Option under the Scheme, the maximum number of Shares that are subject to Options referred above shall stand reduced to the extent of such Shares issued.

[1] Increased from 110,00,000 to 1,39,48,000 pursuant to Bonus Issue of Equity Shares in the ratio of 0.2680:1 approved by shareholders in their EGM Dated 10th April 2024.

If any Option granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such Option shall be available for further grant under the Scheme unless otherwise determined by the Committee.

4. Scheme Administration

a) The ESOP 2021 shall be administered by the Nomination & Remuneration Committee of the Board through the Trust in accordance with applicable.

The Board shall have the power to reconstitute the Nomination & Remuneration Committee from time to time.

b) The Committee shall, inter alia, formulate the detailed terms and conditions of the Scheme which shall include the provisions as specified under applicable law and shall ensure due implementation of the same.

c) The Committee shall have power to administer the Scheme, prescribe or amend any rule and correct any defects in the Scheme.

d) The Committee shall subject to applicable laws, inter alia, have powers to do following:
   1) To delegate its duties and powers in whole or in part as it may decide from time to time to any person or Committee or Trust.
   2) To decide upon stopping the Options which were lapsed, forfeited or surrendered under any provisions of the Scheme from re granting.
   3) To increase or decrease the pool of Options to be granted under Scheme.
   4) To increase or decrease the pool of Shares to be issued under Scheme.
   5) To identify the Employees eligible to participate in the Scheme.
   6) To finalize the eligibility criteria for grant of Options.
   7) To determine the Employees eligible for grant of Options.
   8) To determine the number of Options to be granted to each Grantee and in aggregate subject to the pool of Options of the Scheme.
   9) To decide upon granting of Options to new employees.
   10) To determine the grant date.
   11) To grant Options to one or more eligible Employees.
   12) To calculate the exercise price after giving discount / charging premium on the market price, if deems fit.
   13) To extend the period of acceptance of grant.
   14) To decide the vesting period subject to minimum and maximum period of vesting as stated in Scheme.
   15) To determine the vesting schedule for each Grantee.
   16) To finalize the eligibility criteria for vesting of Options.
   17) To determine the Employees eligible for vesting of Options.

18) To decide upon the mode and manner of exercise.
19) To allot Shares to Trust.
20) To decide upon treatment of vested and unvested Options in cases of cessation of employment as specified in the Scheme.
21) To decide upon the treatment of vested and unvested Options in the event of Corporate Actions taking into consideration the following:

    a. the number and price of Options shall be adjusted in a manner such that the total value to the Grantee of the Options remains the same after the Corporate Action;
    b. the vesting period and the life of Options shall be left unaltered as far as possible to protect the rights of the Grantee who has been granted such Options.

22) To cancel all or any granted Options in accordance with the Scheme.
23) To accelerate the vesting of Options on a case to case basis, subject to completion of minimum 1 year of vesting from the date of grant.
24) To decide upon treatment of vested and unvested Options in cases of dispute between the Grantee and Company.
25) To finalize letters and other documents, if any, required to be issued under the Scheme.
26) To re price the Options which are not exercised, whether or not they have been vested, if the Options rendered unattractive due to fall in the price of the Shares in the market.
27) To establish, amend, suspend or waive such rules and regulations as it shall deem appropriate for the proper administration of the Scheme.
28) To terminate the Scheme.
29) To appoint such agents / consultants as it shall deem necessary for the proper administration of the Scheme.
30) To determine or impose other conditions to the grant of Options under the Scheme, as it may deem appropriate.
31) To frame suitable policies and procedure to ensure that there is no violation of securities laws, including the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 as amended, by the Company or the Employees.

32) To determine, if any buy-back of Vested Option(s) from the Eligible Employee(s) is to be undertaken by the Company, determining the terms and conditions of procedure for such buy-back including (i) permissible sources of financing for buy-back of such Vested Option(s); (ii) minimum financial thresholds to be maintained by the Company as per its last financial

statements; and (iii) limits upon the quantum of Vested Option(s) that the Company may buy-back in a financial year.

33) To determine the procedure for cashless exercise of Options, if deems fit.
34) To decide and determine any other matter which is necessary or expedient for the proper implementation of the Scheme.

The powers and functions of the Committee can be specified, varied, altered or modified from time to time by the Board of Directors, subject to the rules and regulations as may be in force. The Board of Directors may further provide that the Committee shall exercise certain powers only after consultation with the Board of Directors and in such case, the said powers shall be exercised accordingly.

e) Each Employee to participate in this Scheme shall be provided a copy of this Scheme and a copy of the Award Agreement.

f) The Company Secretary of the Company shall be the administrator of the Scheme (the "**Scheme Administrator**"), who shall maintain such records and data as may be required to administer the Scheme and support the Trustees with relevant Employee information and Scheme details

g) The Scheme Administrator shall provide each eligible Employee financial statements of the Company on annual basis. Such Employees shall have access to these statements through intranet and / or company website.

5. Creation of Trust

a) For fulfillment of the objects of this Plan, the Company shall settle and establish a Trust in accordance with the terms and conditions hereof. The Trust shall acquire Shares by way of fresh allotment from the Company or secondary sale from its existing shareholders.

b) The deed under which the Trust is settled would provide, inter alia, that the Trust would inter alia hold the funds, legal ownership of the Shares (the beneficial interest in which Shares would be held by the Employee Shareholders pursuant to the Exercise of the Options) and other assets of the Trust for the benefit of the Eligible Employees in accordance with this Plan from time to time, as may be approved by the Board.

c) The trust deed mentioned above will authorize the Trustees to borrow funds from the Company, outside lenders including banks, for the purpose of subscribing to or acquiring or purchasing the Shares.

d) The Trust shall maintain its accounts and shall appoint a Chartered Accountant (as instructed by the Nomination and Remuneration Committee) to conduct an audit and provide an annual report on the Trust's accounts.

e) No person shall be appointed as a Trustee, if he

- is a Director, Key Managerial Personnel or Promoter of the Company or its group company including its Holding, Subsidiary or Associate Company or any relative of such Director, Key Managerial Personnel or Promoter; or

- beneficially holds ten percent or more of the paid-up share capital or voting rights of the Company.

f) The Trustees shall for all securities having voting rights, including the Trust Shares, select and authorise any person, including but not limited to one of the Trustees, to be the authorised representative of the Trust to attend the shareholders meetings of the Settlor, and to cast his/her vote on behalf of the Trust in the manner directed by the Trustees.

g) The Trustee shall ensure that appropriate approval from the Shareholders has been obtained by the Company in order to enable the Trust to implement the Scheme(s) and undertake secondary acquisition for the purposes of the Scheme(s).

h) The Trust shall transfer the Shares to Grantees in the manner specified in the trust deed. The Trustee(s) of the Trust shall administer the transfer of Shares to the Grantee as per the directions of the Committee and as stipulated in the Scheme.

i) The amount of loan to be provided for implementation of the Scheme by the Company to the Trust Shall not exceed 5% of the paid up equity capital and free reserves as provided in companies Act, 2013. The tenure of such loan shall be the point where the objects of the Trust are accomplished or the repayment of loan is made, whichever is earlier. The utilization of such loan shall be for the objects of the Trust as mentioned in trust deed. The Trust shall repay the loan to the Company by utilising the proceeds realised from exercise of Options by the Grantees and the accruals of the Trust at the time of termination of the Scheme.

6. Effective Date

The shareholders have granted their approval for introduction of the ESOP 2021 by way of a resolution passed at the Extraordinary General Meeting of the Company held on 09th September, 2021 and the amendments to the scheme were approved by the shareholders in their EGM dated 18th April 2024.

Following the adoption of the Scheme by the Board, the Scheme shall become effective from the date, on which it is approved by the shareholders.

Thus, the effective date of the Scheme is 09th September, 2021.

7. Eligibility Criteria

7.1 The Committee may on the basis of all or any of the following criteria, decide on the Employees / Grantees who are eligible for the grant / vesting of Options under the Scheme and the terms and conditions thereof.

- Level and role of the Employee in the Company
- Loyalty: It will be determined on the basis of tenure of employment of an Employee / Grantee in the Company.
- Performance of Employee / Grantee: Employee's / Grantee's performance during the financial year on the basis of the parameters decided by the Board of Directors.
- Performance of Company: Performance of the Company as per the standards set by the Board of Directors.
- Designation: Employee's designation in the Career Group as per the HR Policy of the Company.
- The present and potential contribution of the Employee to the success of the Company.
- High market value/difficulty in replacing the Employee.
- High risk of losing the Employee to competition.
- Value addition by the new entrant, if any.
- Any other criteria as decided by the Committee in consultation with Board of Directors from time to time.

7.2 The Employees / Grantees satisfying the eligibility criteria shall be termed as eligible Employee / Grantee.

7.3 New employees can also participate in the Scheme and be granted Options based upon the discretion of the Committee.

7.4 Employees on probationary period shall not be eligible for grant in the Scheme.

7.5 Nothing in the Scheme or in any Option granted pursuant to the Scheme shall confer on any Employee, any right to continue in the employment of the Company or interfere in any way with the right of the Company to terminate the Employee's employment at any time.

7.6 Subject to availability of Options in the pool under the Scheme, the maximum number of Options that can be granted to any eligible

Employee during any one year shall not be equal to or exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant. The Committee may decide to grant such number of Options equal to or exceeding 1% of the issued capital to any eligible Employee as the case may be, subject to the separate approval of the Shareholders in a general meeting.

8. Grant of Options

The Committee may grant Options to the eligible Employees, under any of the following circumstances:

(a) At the time of joining employment of the Company; or
(b) At the time of regular performance reviews and depending upon the nature of review that an Employee obtains; or
(c) At any other time that the Committee may deem fit.

9. Terms and Conditions of Option

Options shall be subject to the following terms and conditions and to such other terms and conditions (not inconsistent with the Scheme) as shall from time to time be approved by the Committee and incorporated in the Scheme.

a) No Employee shall have any right to demand from the Company for Grant of Options, nor shall the Company have any such obligation to any Employee.

b) It is clearly understood that the Grant or Vesting of any Options to an Employee, per se, does not assure accrual of a benefit or profit.

c) Upon completion of the Vesting Period, the Employee shall have the right to exercise Shares equivalent to the number of Options held from the Company or the Trust. Even after the completion of the Vesting Period, the Employee will not be entitled to any dividends, rights issue or bonus Shares issued until such time as the Options are Exercised and Shares issued thereunder are allotted to the Employee.

10. Award Agreement

The Grant of Options shall be confirmed by an Award Agreement (in the form prescribed by the Committee) which shall be executed by the Committee and an Employee at the time of such Grant. The Award Agreement shall expressly state or incorporate by reference, the provisions of the Scheme.

11. Option Accounting

In respect of Options granted during any accounting period, the accounting value of the Options shall be treated as another form of Employee Compensation in the financial statements of the Company. The Company shall conform to the disclosures and the accounting policies specified under applicable regulations, including the disclosure requirements of the Accounting Standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time.

12. Vesting Period

Vesting of the Options granted under the ESOP 2021 shall be at least one year from the date of Grant and could be different for different Employees. The vesting period and schedule shall be provided in the Award Agreement with each Employee. Upon completion of the vesting period and subject to achievement of any performance conditions as may have been determined by the Committee, the Grantee shall have the right to Exercise his/her Vested Options

However, in the event of the death of an Employee while in employment, all the Options granted to his/her till such date shall, whether or not such Options were exercisable on the date of the Employee's death, forthwith vest in the legal heirs or nominees of the deceased employee on that date and can be exercisable by them within the time period stated in Clause 17. Similarly in the event of permanent incapacity while in employment, all the Options granted to such an Employee as on the date of such total permanent incapacity shall Vest, whether or not such Options were exercisable on the date of the Employee's permanent incapacity, forthwith in his/her or his/her legal heirs, or designated nominees on that date, and can be exercisable by his/her or by his/her legal heirs or designated nominees, as the case maybe, within the time period specified in Clause 17.

13. Exercise of Options

An Employee has the right to convert any number of his/her vested Options into Shares in full or in tranches at any time during the Exercise Period subject to the following conditions:

a) The Option may be Exercised during the continuance of an Employees' employment with the Company and / or Subsidiary(ies) subject to the provisions of Clause 12 and 17.
b) The Options may be Exercised by an Employee only by a written notice (in the form prescribed by under the Scheme) to the Scheme Administrator and / or Trust specifying the number of Options to be Exercised. The Option shall be

deemed to be Exercised when an Employee pays to the Company a consideration equal to the respective Exercise Price of the Option and upon the satisfaction of the tax liability set out in Clause 24.

c) As soon as practicable on receipt of the notice of Exercise of Options and receipt of consideration thereof, the Trust shall make the necessary arrangement for transfer of Shares in lieu thereof.

In case, the Employee does not Exercise the Options during the Exercise Period or such earlier date, they will lapse and no rights will accrue after that date.

Company or Trust may frame policies from time to time prescribing the method and window for Exercise of Options.

14. Non Resident Employees

Grant of Options under the Scheme to Employees who are non-residents shall be in compliance with the provisions of the prevailing laws of the jurisdiction of such Employees subject to the same being in accordance with the provisions of the Foreign Exchange Management Act, 1999, SEBI regulations and any other statutory provisions applicable under relevant Indian laws.

15. Lock-in period sale of shares exercised under the Scheme

The Shares allotted upon exercise of Options granted under the Scheme are not subject to any lock in period.

16. Variation of the terms of ESOP 2021 & Re Pricing

The Company shall not vary the terms of the ESOP 2021 in any manner, which may be detrimental to the interests of the Employees.

The Company may by special resolution in a general meeting vary the terms of ESOP 2021 offered pursuant to an earlier resolution of a general body but not yet exercised by an Employee provided such variation is not prejudicial to the interests of the Option holders.

The notice for passing special resolution for variation of terms of ESOP 2021 shall disclose full details of the variation, the rationale thereof, and the details of the Employees who are beneficiary of such variation.

The Company may re-price Options which are not Exercised, whether or not they have been Vested, if ESOP 2021 were rendered unattractive due to a fall in the price of Shares in the market; provided that the Company determines that such re-pricing shall not be detrimental to the interest of the Employees and the approval of shareholders in a general meeting has been obtained for such re-pricing.

17. Resignation or Termination of Employment

17.1 If an Employee's employment with the Company terminates for Cause, then the Options, to the extent not previously exercised, will lapse on the date of such termination of employment.

17.2 If an Employee's employment with the Company terminates due to voluntary resignation on the part of the Employee, then all Options not vested in the Employee as on the date of termination shall lapse forthwith. The vested Options can be exercised by an Employee prior to the expiry of Exercise Period or within 60 days of date of termination, whichever is earlier. If an Employee's employment with the Company terminates due to completion of his/her contract, then all Options which are not vested at the time of such termination shall lapse forthwith. The vested Options can be exercised by an Employee prior to the expiry of Exercise Period. For the purposes of this Clause 17.2, employment shall deemed to have terminated on the last day of such Employee's employment with the Company.

However, resignation on account of leaving the Company for joining any of the group company of the Company will be regarded as employment transfers within the Company and will not be regarded as resignation or termination under this clause.

17.3 If an Option recipient should die while in the employment of the Company, the Granted Options shall forthwith vest in his/her legal heirs or nominees; and if an Option recipient should or suffer permanently incapacity while in the employment of the Company, the Granted Options shall forthwith Vest in his/her or his/her legal heirs or designated nominees; and the Options must be exercised as below:

a. In case of death, within 1 (one) year from the date of death or such extended time provided by the Committee.

b. In case of permanent incapacity, within one year from the date of total and permanent incapacity or such extended time provided by the Committee.

17.4 In the event of a termination of employment for reasons other than those referred in Section 17.1, 17.2 or 17.3, all Options which have not vested will lapse forthwith. The vested Options can be exercised by the Employee prior to the expiry of Exercise Period or such extended period as determined by the Committee.

18. Vesting and Exercise of Options in case of Employees on long leave

The period of leave shall not be included in determining the Vesting Period in the event an Employee is on a sabbatical. In all other conditions, including earned leave, maternity leave and sick leave, the period of leave shall be included to calculate the Vesting Period.

An Employee on leave other than a sabbatical can Exercise his/her Options as per the terms of the Award Agreement.

19. Non-Transferability

Each Option granted under the Scheme shall by its terms be non-transferable by the Employee (except by will or the laws of descent and distribution), and each Option shall be exercisable during the Employee's lifetime only by the Employee subject to causes 12 and 17.

The Option granted to the Employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

20. Changes in Capital

(a) The existence of the Scheme and any Award Agreement hereunder shall not affect, in any way, the right or power of the Board or the shareholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or any merger or consolidation of the Company or its Subsidiary, any issue of debt, preferred or prior preference Shares ahead of or affecting Shares, the authorization or issuance of additional Shares, the dissolution or liquidation of the Company or its Subsidiaries, any sale or transfer of all or part of its assets or business or any other corporate act or proceeding.

(ii) Fractional Shares resulting from any adjustment in Options pursuant to [section 19(b)(i)] shall be aggregated until, and eliminated at, the time of Exercise of the affected Options. Notice of any adjustment shall be given by the Committee to each Employee whose Options have been adjusted and such adjustment (whether or not such notice is given) shall be effective and binding for all the purposes of the Scheme.

21. Corporate Action

Notwithstanding anything contained under this Scheme, the Committee shall, inter alia, be empowered to make a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others, subject to Applicable Laws.

In this regard following shall be taken into consideration by the Committee:

(i) the number and the price of the Options shall be adjusted in a manner such that total value of the Options remains the same after the corporate action;
(ii) for this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered;
(iii) the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the recipients.

22. Rights as a Shareholder

The Employees shall have no rights as a shareholder of the Company with respect to the Shares subject to an Award Agreement until such time as the Exercise Price relating to such Option has been paid and the Shares have been issued and delivered to him/her.

23. No Right of Employment

The Grant of Options under this Scheme does not create a right to continued employment with the Company or its Subsidiaries. Nothing in this Scheme or Award Agreement shall interfere with or limit in any way the right of the Company or Subsidiary to terminate the employment of the Employee at any time.

24. Tax Liability

(a) In the event of any tax liability, including any tax liability arising on account of change in the tax laws relating to the ESOP 2021, arising on account of the Grant of Options and /or allotment of the Shares to an Employee, the liability shall be that of the Employee alone and the Company or the appointed Trust shall be indemnified to the extent of applicable taxes, if any, levied at any point of time upon the Company or Trust in this regard.
(b) No Shares shall be issued to the Employee or beneficiary, on Exercise of the Options under this Scheme unless appropriate taxes as required under the applicable tax laws, are discharged. Such taxes may either be deducted from the Employee's salary and / or can be separately discharged by the Employee by giving a cheque / demand draft to the Company for the said amount.

(c) The Company shall have the right to deduct from the salary, for any obligation towards tax deduction arising in connection with the Option or the Shares acquired upon the Exercise thereof.
(d) The Company or the appointed Trust shall have no obligation to deliver Shares or to release Shares in pursuance of the Option until the tax deducting obligations, if any, have been satisfied by the Employee.
(e) All tax liabilities arising on disposal of the Shares after Exercise would be handled by the Employee.

25. Surrender / Buy-Back of Shares

Employees can approach the Trust [or a Private Equity Partner] to surrender his/her shares and take the amount equivalent to the value of shares as on the date of surrender. However in all cases, first right to refuse the surrender of shares, rests with the Trust / Committee, as the case may be. The Buyback/ Surrender price of the shares shall be the Fair Value of the shares determined by registered valuer or merchant banker as the case may be.

26. Interpretation and Amendments

The Committee may make such rules and regulations and establish such procedures for the administration of the Scheme, as it deems appropriate. In the event of a disagreement as to the interpretation of this Scheme or of any rule, regulation or procedure or as to any question, right or obligation arising from or related to the Scheme, the decision of the Committee shall be final.

The Committee may amend or terminate the Scheme from time to time in such respects as the Committee may deem advisable except that without approval of the holders of a majority of the outstanding equity shareholders no such revision or amendment shall change the number of Shares subject to the Scheme except in case of corporate actions which inter alia includes bonus issue, right issue, consolidation of Shares into Shares of larger denomination, split of Shares into Shares of smaller denomination etc., change the designation of the class of Employees eligible to receive Options, or add any material benefit to Employees under the Scheme. Any amendment shall not affect the benefits already secured for the existing beneficiaries under this Scheme. Any amendment proposed under this provision shall be in compliance with all applicable laws.

27. Notices

All notices under the Scheme shall be in writing, and if to the Company or to the Trust, shall be delivered to the Scheme Administrator of the Company or mailed to its principal office addressed to the attention of the Company Secretary and if to the Employee shall be delivered personally or mailed to the Employee at the address appearing in the payroll records of the Company. Such address may be changed at any time by a written notice to the other party.

28. Termination of the Scheme

The Scheme shall terminate upon the earliest to occur of the following:

a) The effective date adopted by the Committee terminating the Scheme;
b) The date all Shares subject to the Scheme are delivered pursuant to the Scheme's provisions; or
c) 10 years from the date the Scheme is approved by the Company's shareholders.

No Options may be granted under the Scheme after the earliest to occur of the events or dates described in the foregoing paragraphs (a) through (c) of this Section but Options granted heretofore shall continue in force beyond that date pursuant to these terms.

No such termination of the Scheme shall affect the previously accrued rights of any Employee hereunder and all Options previously granted hereunder shall continue in force and in operation after the termination of the Scheme, except as they may be otherwise terminated in accordance with the terms of the Scheme or the Award Agreement.

29. Other Terms

Options granted pursuant to the Scheme shall contain such other terms, provisions and conditions (which need not be identical) not inconsistent herewith as shall be determined by the Committee.

Notwithstanding anything to the contrary contained herein or in any Award Agreement, the Company or Trust shall not be required to issue Shares if the issuance violates any provision of any law or regulation of any government authority or SEBI or a stock exchange.

Participation in this Scheme shall not be construed as a guarantee of return on the Shares purchased from the Options. The risks associated with investment in Shares are that of the Employee alone.

30. Arbitration:

30.1 In the event of a dispute arising out of or in relation to the provisions of this Scheme (including a dispute relating to the construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such dispute 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 reasonable attempts, which attempt shall continue for not more than 30 days, gives 10 days' notice thereof to the other party in writing.

30.2 In case of such failure, either party may refer the dispute to a single arbitrator to be appointed by Managing Director of the Company. The arbitration proceedings shall be held in Hyderabad, India under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator shall give a reasoned award in writing. The arbitrator 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 Hyderabad, India.

31. Governing Law:

31.1 This Scheme and all related documents thereunder shall be governed by and construed in accordance with the Companies Act, 2013 and Income Tax Act 1961 and other applicable laws of India.

31.2 Any term / provision of the Scheme that is contrary to the requirement of the Companies Act, 2013, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 or Income Tax Act 1961 or any other applicable laws, shall not apply to the extent it is contrary.

31.3 The Courts at Hyderabad shall have exclusive jurisdiction on any matter arising out of this Scheme.

Premier Energies Limited