

INOX AIR PRODUCTS LIMITED

**INOX Air Products Limited - Employee Stock Option Plan
2026**

(“ESOP 2026”/ “Plan”)

Registered Office: A/2, TTC Industrial Area, Off Thane Belapur
Road, MIDC, Pawane, Navi Mumbai, Thane - 400710,
Maharashtra

CIN: U24999MH1963PLC012625

Approved by the Board of Directors on, 2026

Approved by the Shareholders on, 2026

TABLE OF CONTENTS

1.	NAME, OBJECTIVE AND TERM OF THE PLAN.....	3
2.	DEFINITIONS AND INTERPRETATION	3
3.	AUTHORITY AND CEILING	8
4.	ADMINISTRATION	9
5.	ELIGIBILITY AND APPLICABILITY	10
6.	GRANT AND ACCEPTANCE OF GRANT	11
7.	VESTING SCHEDULE AND VESTING CONDITIONS	11
8.	EXERCISE OF OPTIONS	12
9.	RANKING AND LISTING OF SHARES	14
10.	LOCK-IN OF SHARES.....	15
11.	RESTRICTION ON TRANSFER OF OPTIONS	15
12.	OTHER TERMS AND CONDITIONS.....	15
13.	DEDUCTION/RECOVERY OF TAX	15
14.	AUTHORITY TO VARY TERMS	16
15.	MISCELLANEOUS	16
16.	CERTIFICATE FROM SECRETARIAL AUDITORS.....	17
17.	NOTICES	17
18.	NOMINATION	17
19.	ACCOUNTING AND DISCLOSURES	17
20.	GOVERNING LAWS	18
21.	JURISDICTION	18
22.	SEVERABILITY	18
23.	CONFIDENTIALITY	18

1. Name, Objective and Term of the Plan

1.1 This employee stock option plan shall be called the '**INOX Air Products Limited - Employee Stock Option Plan 2026**' ("**ESOP 2026**"/ "**Plan**").

1.2 The objectives of the Plan are:

1. To **incentivize** the key employees for their association with the Company, with a focus on rewarding early Employees and long-term contributors in alignment with the sustained performance of the Company;
2. To **attract, retain, and reward** key talents of the Company, by recognizing high performance and motivating them to align their individual contributions with the Company's long-term business goals and vision, thereby contributing to overall corporate growth and profitability; and
3. To enable employees to become **co-owners**, thereby not only fostering a sense of ownership and alignment with shareholder interests but also allowing them to participate in and benefit from future wealth creation arising from the Company's success.

1.3 The Plan is established with effect from [●] on which the shareholders of the Company have approved the Plan, and it shall continue to be in force until

- (i) its termination by the Board as per provisions of Applicable Law, or
- (ii) the date on which all of the Options available for issuance under the Plan have been issued and exercised,

whichever is earlier.

1.4 The ESOP 2026 has been formulated in accordance with the provisions of the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014 issued thereunder, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SBEB Regulations**"), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**ICDR Regulations**"), each as amended and all other applicable regulations and provision of law for the time being in force and shall be subject to any modifications or amendments or re-enactments thereof.

2. Definitions and Interpretation

2.1 Definitions

- i. "**Applicable Law**" means every prevailing law relating to Employee Stock Options, to the extent applicable, including and without limitation to the Companies Act, all relevant regulations of the Securities and Exchange Board of India particularly in connection with or after Listing, including SBEB Regulations, ICDR Regulations, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"), Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 ("**SEBI PIT Regulations**"), Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, all relevant tax, securities, exchange control, corporate laws, or amendments thereof including any circular, notification, direction issued thereunder, of India or of any relevant jurisdiction or of any Stock Exchange on which the Shares may be listed or quoted.

- ii. **“Associate Company”** means any present or future associate company(ies) of the Company, as per the provisions of the Companies Act.
- iii. **“Board”** means the Board of Directors of the Company.
- iv. **“Company”** means INOX Air Products Limited, a company registered in India under the provisions of the erstwhile Companies Act, 1956 having CIN: U24999MH1963PLC012625 and having its registered office at A/2, TTC Industrial Area, Off Thane Belapur Road, MIDC, Pawane, Navi Mumbai, Thane - 400710, Maharashtra.
- v. **“Companies Act”** means the Companies Act, 2013 read with rules issued thereunder from time to time and includes any statutory modifications or re-enactments thereof.
- vi. **“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 among others.
- vii. **“Committee”** means the Nomination and Remuneration Committee of the Board, as constituted, or reconstituted from time to time under the provisions of Applicable Law entrusting supervision and administration of Plan.

Provided that post Listing, the Nomination and Remuneration Committee of the Board, as constituted or reconstituted from time to time under Regulation 19 of the SEBI LODR Regulations, as amended from time to time and having such powers as specified under the SBEB Regulations read with powers specified in this Plan.

- viii. **“Director”** means a director appointed to the Board of the Company.
- ix. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee for granting the Options to the Employees.
- x. **“Employee”** means
 - (i) a permanent employee of the Company working in India or out of India; or
 - (ii) a Director of the Company, whether a whole-time Director or not but at all times excluding an Independent Director;

but excludes

- 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 relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Shares of the Company.

Provided further that post Listing, the term “Employee” shall be defined as below in compliance with SBEB Regulations.

“Employee” shall mean -

- (i) an employee as designated by the Company, who is exclusively working in India or outside India; or

- (ii) a Director of the Company, whether a whole-time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group, but at all times excluding an Independent Director;

but does not include-

- a. an employee who is a Promoter or a person belonging to the Promoter Group; or
 - b. a Director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Shares of the Company.
- xi. **“Employee Stock Option” or “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.
- xii. **“ESOP 2026” or “Plan”** means the ‘INOX Air Products Limited - Employee Stock Option Plan 2026’ under which the Company is authorized to grant Options to the Employees.
- xiii. **“Exercise”** means making of an application in writing by an Option Grantee to the Company to issue of Shares underlying the Options vested in him/her, in pursuance of this Plan, in accordance with the procedure laid down by the Company for exercise of Options.
- xiv. **“Exercise Period”** means such time period after Vesting within which an Option Grantee shall have the right to Exercise the Options vested in him/her in pursuance of the Plan.
- xv. **“Exercise Price”** means the price payable by an Option Grantee in order to Exercise the Options granted to him in pursuance of the Plan.
- xvi. **“Fair Market Value”** means the value of a Share of the Company as determined by an independent valuer, as required by Applicable Law for the time being in force and appointed by the Company from time to time.
- Provided that** after Listing, the term ‘Fair Market Value’ shall refer to “Market Price” within the meaning of the SBEB Regulations.
- xvii. **“Grant”** means the process by which the Company issues Options to the Employees under the Plan.
- xviii. **“Grant Date”** means the date on which the Committee approves the grant.
- Explanation:** For accounting purposes, the Grant Date will be determined in accordance with applicable accounting standards.
- xix. **“Grant Letter”** means the formal communication in writing as regards to Grant made by the Company to the Employee containing specific details, terms and conditions of the Options.
- xx. **“Independent Director”** shall have the same meaning assigned to it under Section 149(6) of the Companies Act 2013 and the SEBI LODR Regulations.

- xxi. **“Listing”** means listing of the Company’s Shares on any recognized Stock Exchange in India which includes listing of Shares pursuant to initial public offering of Shares as per Applicable Law.
- xxii. **“Long Leave”** means such period of absence from active service as may be categorized as long leave under the Company Policies (including but not limited to sabbatical, study leave, or extended unpaid leave), or any other period as may be determined by the Committee, in its sole discretion.
- xxiii. **“Market Price”**, post Listing, shall mean the latest available closing price on the Stock Exchange on which the Shares of the Company are listed on the date immediately prior to the Relevant Date.

Explanation: In the case of Shares listed on more than one recognized Stock Exchange, then the closing price on the Stock Exchange where the highest trading volume on the said date shall be considered as the Market Price.

- xxiv. **“Misconduct”** means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or terms of employment amounting to violation or breach of terms of employment as determined by the Committee after giving the Employee an opportunity of being heard:
- (i) dishonest statements or acts of an Employee, with respect to the Company;
 - (ii) any misdemeanor involving moral turpitude, deceit, dishonesty, or fraud committed by the Employee;
 - (iii) gross negligence, misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company;
 - (iv) breach by the Employee of any terms of his employment agreement or the Company’s policies or other documents or directions of Company or any Applicable Law, regulations, or legal obligations;
 - (v) participating or abetting a strike in contravention of any law for the time being in force;
 - (vi) misconduct as provided under the labor laws after following the principles of natural justice; or
 - (vii) any other terms and conditions as notified by the Committee from time to time.
- xxv. **“Option Grantee”** means an Employee having a right but not an obligation to Exercise the Options and shall deem to include nominee/ legal heir of such Option Grantee in case of death of Option Grantee to the extent provisions of the Plan is applicable.
- xxvi. **“Permanent Incapacity”** means any disability/ incapacity of whatsoever nature, be it physical, mental, or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work, or task which the said Employee was capable of performing immediately before such disablement/ incapacity, as determined by the Committee based on a certificate of a medical expert identified by the Committee.
- xxvii. **“Promoter”** means a person:
- I. who has been named as such in a prospectus or is identified by the Company in the annual return in terms of Section 92 of the Companies Act;

- 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 upon filing of the draft red herring prospectus, the term 'Promoter' defined hereinabove shall mean such persons classified as a 'Promoter' in such draft red herring prospectus, red herring prospectus and prospectus, in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**ICDR Regulations**").

- xxviii. "**Promoter Group**" shall have meaning as defined in the ICDR Regulations.
- xxix. "**Relevant Date**" means any of the following dates as the context requires:
 - in the case of Grant, the Grant Date; or
 - in the case of Exercise, the date on which the notice of Exercise is given to the Company by the Option Grantee.
- xxx. "**Retirement**" means retirement or superannuation as per the human resource policy of the Company.
- xxxi. "**Secretarial Auditors**" means a company secretary in practice appointed by the Company under Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit pursuant to Regulation 24A of the SEBI LODR Regulations and Section 204 of the Companies Act.
- xxxii. "**Share(s)**" means equity shares of the Company of face value of **Re. 1/- (Rupee One only)** each fully paid-up including the equity shares arising out of the Exercise of Options granted under the Plan.
- xxxiii. "**Stock Exchange**" means the National Stock Exchange of India Limited, BSE Limited or any other recognized stock exchanges in India where the Company lists its Shares or might consider listing its Shares.
- xxxiv. "**Unvested Option**" means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to Exercise the Option.
- xxxv. "**Vested Option**" means an Option in respect of which the relevant Vesting Conditions have been satisfied, and the Option Grantee has become eligible to Exercise the Option.
- xxxvi. "**Vesting**" means the process by which the employee becomes entitled to receive the benefit of a Grant made to him/her in pursuance of the Plan.
- xxxvii. "**Vesting Condition(s)**" means any condition(s) subject to which the Options granted would vest in an Option Grantee.

xxxviii. “**Vesting Period**” means the period during which the Vesting of the Option granted to the Option Grantee, in pursuance of the Plan takes place.

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) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.
- f) 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 Applicable Law, as the context requires. Reference to any act, rules, statute or notification shall include any statutory modifications, substitution or re-enactment thereof.
- g) In the event of any inconsistency between the provisions of this Plan and the employment letter of the Employee, the provisions of this Plan shall prevail.
- h) In the event of any inconsistency between the provisions of this Plan and the Applicable Law, the provisions of Applicable Law shall prevail and be deemed to have been incorporated herein by reference.

3. Authority and Ceiling

- 3.1 The shareholders of the Company have vide their special resolution dated [●] approved the Plan authorizing the Committee to grant not exceeding **10,00,000 (Ten Lakh only)** Options to the eligible Employees under the Plan in one or more tranches, from time to time, which in aggregate shall be exercisable into not more than **10,00,000 (Ten Lakh only)** Shares, 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 Plan that may be granted to any Employee in any year and in aggregate shall not exceed 1% (one percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Options.
- 3.3 Prior approval of shareholders of the Company in the general meeting by passing special resolution shall be obtained in case the Grant of Options to any identified Employee, in any year, is equal to or exceeding 1% (one percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Options.
- 3.4 If an Option expires, lapses, gets cancelled, surrendered or becomes un-exercisable due to any reason(s), 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 the provisions of the Applicable Law.

- 3.5 Where Shares are issued pursuant to the exercise of Options under the Plan, the maximum number of Shares specified under sub-clause 3.1 shall be reduced by the number of Shares so issued.
- 3.6 In case of a Share split or consolidation, if the revised face value of the Share is less or more than the current face value as prevailing on the date of coming into force of this Plan, the maximum number of Shares available for being granted under the Plan as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (No. of Shares X Face value per Share) prior to such Share split or consolidation remains unchanged after such Share split or consolidation.
- 3.7 In case of fresh Grant of Options after Listing, the Company shall obtain prior approval from the shareholders of the Company by way of ratification of the Plan, by passing a special resolution in a general meeting.

4. Administration

- 4.1 The Plan shall be administered by the Committee. All questions of interpretation of the Plan or any Option granted thereunder shall be determined by the Committee and such determination shall be final and binding upon all people having an interest in the Plan or in any Option granted thereunder, subject to approval of the shareholders as may be required in accordance with the Applicable Law. The Committee may correct any defect, omission or reconcile any inconsistency in this Plan in the manner and to the extent the Committee deems necessary or desirable and to resolve any difficulty in relation to the implementation of this Plan and take any action which the Board is entitled to take in relation thereto. No member of the Committee may act upon matters under this Plan specifically relating to such member of the Committee.
- 4.2 The Committee shall, in accordance with this Plan and Applicable Law, determine the following:
- (a) The Employees eligible to participate under the Plan;
 - (b) The Eligibility Criteria for Grant of Option to the eligible Employees;
 - (c) The quantum of Options to be granted to the eligible Employees, subject to the ceilings as specified in sub-clauses 3.1 and 3.2 as well as Grant the Options to identified Employees and determine the Grant Date;
 - (d) The time when the Options are to be granted to eligible Employees by the Committee;
 - (e) Terms and conditions in respect of Grant, Vesting, and Exercise of Options per eligible Employee, which may be different for different eligible Employees or classes thereof falling into the same tranche of Grant of Options under the ESOP 2026;
 - (f) The Exercise Period within which Employees can Exercise their Vested Options and that the Options would lapse on failure to Exercise the same within the Exercise Period;
 - (g) 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;
 - (h) The procedure for making a fair and reasonable adjustment to the entitlement including 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. In this regard, the following shall, inter alia, be taken into consideration by the Committee:

- i. the number and price of Options shall be adjusted in a manner such that total value of the Options in the hands of the Option Grantee remains the same after such corporate action; and
 - ii. the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Option Grantees.
- (i) The procedure and terms for the Grant, Vesting and Exercise of Options in case of Option Grantees who are on Long Leave;
- (j) The procedure for buy-back of Options granted under the Plan if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
 - I. permissible sources of financing for buy-back;
 - II. any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
 - III. limits upon quantum of Options that the Company may buy-back in a financial year.
- (k) Formulate suitable policies and procedures to ensure that there is no violation of Applicable Law, in relation to this Plan by the Company and the Employees;
- (l) Approve forms, writings and/or agreements for use in pursuance of the Plan;
- (m) Whether an Employee has been terminated for Misconduct;
- (n) The procedure for funding the Exercise of Options, as permitted under the Applicable Law; and
- (o) Deal with all incidental and related matters in connection with the items (a) to (n) above and otherwise to ensure compliance with the requirements of Applicable Law.

Further the Committee shall, in accordance with this Plan and Applicable Law:

- (a) Refer to the Board for any decision to alter/amend the Plan subject to corporate actions, if any;
- (b) Construe and interpret the terms of the Plan, and the Options granted pursuant to the Plan;
- (c) Refer to the Board any issue arising as a result of any inconsistency in the Plan, unless such inconsistency is of administrative nature only;
- (d) Perform such other functions and duties as may be required under the Applicable Law.

- 4.3 Post Listing, the Committee shall frame suitable policies and procedures to ensure that there is no violation of any securities laws including SEBI PIT Regulations and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, as amended from time to time or any statutory modification or re-enactment of these regulations by the Company or any of its Employees, as applicable.

5. Eligibility and Applicability

- 5.1 Only Employees within the meaning of this Plan are eligible for being granted Options under the Plan. The specific Employees to whom the Option would be granted, and their Eligibility Criteria shall be determined by the Committee at its sole discretion.
- 5.2 The Plan shall be applicable to the Company and any successor Company thereof to the extent any of their Employees have been granted Options under the Plan, if allowed as per Applicable Law, and apply to each Option Grantee and may be granted to the Employees of the Company, as determined by the Committee at its sole discretion.

- 5.3 The broad criteria for review and selection may include parameters like designation, tenure with the Company, performance during the previous years, future potential, and contribution or impact towards strategic growth, etc. However, for new joiners, the broad criteria for selection shall be basis prior work experience, applicable skills, designated job role or such other factors as determined by the Committee.

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 Committee at its sole discretion.
- (b) Each Grant of Options under the Plan shall be made in writing by the Company to the eligible Employees by way of Grant Letter containing specific details of the Grant, and disclosure requirements, as prescribed under Applicable Law and will specify the number of Options to which the Option Grantee is entitled, the Exercise Price, method of payment, Vesting date(s), Vesting Condition(s) and such other details as the Committee may specify.

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**") as specified in the Grant Letter. On receipt of the signed acceptance by the Company, the eligible Employee will become an Option Grantee.

- 6.3 Any eligible Employee who fails to deliver the signed acceptance of the Grant Letter on or before the Closing Date shall be deemed to have rejected the Grant unless the Committee determines otherwise. No amount is payable by the Option Grantee to the Company at the time of Grant and Vesting of Options.

7. Vesting Schedule and Vesting Conditions

- 7.1 Options granted under the Plan shall vest not earlier than minimum period of **1 (One) year** and not later than maximum period of **4 (Four) years** from the date of Grant. The Committee at its discretion may grant Options specifying Vesting Period ranging between minimum and maximum period as afore stated.

Provided that in case where Options are granted by the Company under the Plan in lieu of Option held by a person under a similar plan in another company ("**Transferor Company**") which has merged, demerged, arranged or amalgamated with the Company, the period during which the Option granted by the Transferor Company were held by him shall be adjusted against the minimum Vesting Period required under this sub-clause.

Provided further that in the event of death or Permanent Incapacity of an Option Grantee, the minimum Vesting Period shall not be applicable and in such instances, all the Unvested Options shall vest with effect from date of the death or Permanent Incapacity, in the legal heirs or nominees of the deceased employee or the Option Grantee, as the case maybe.

- 7.2 Vesting of Option would be subject to the Employee's continued employment with the Company. In addition to this, the Committee shall have the power to prescribe achievement of performance condition(s)/target(s) being corporate or individual or

otherwise with a predefined threshold for Vesting as deemed appropriate for each Option Grantee, subject to satisfaction of which the Options would vest.

7.3 As a prerequisite 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 notice for termination of employment/ service, nor be subject to any disciplinary proceedings pending against him on such date of Vesting. In case of any disciplinary proceedings against any Option Grantee, the relevant Vesting shall be kept in abeyance until disposal of the proceedings, and such Vesting shall be determined accordingly. In case of termination from employment/ service due to Misconduct, the provisions given in sub-clause 8.2 of the Plan shall apply.

7.4 The Vesting dates, Vesting Schedule and Vesting Condition(s) in respect of the Options granted under the Plan shall be determined by the Committee and may vary from Employee to Employee or any class thereof and / or in respect of the number or percentage of Options to be vested and would be outlined in the Grant Letter. The Committee may vary, substitute or waive any Vesting Condition(s) if the Committee considers it appropriate, provided that such modification is not detrimental to the Option Grantee. In making such changes, the Committee shall ensure that the new Vesting Condition is reasonable and, in the reasonable opinion of the Committee, not materially less difficult to satisfy, except in cases where a waiver is expressly granted.

7.5 **Vesting of Options in case of Option Grantee on Long Leave**

The period of Long Leave shall not be considered in determining the Vesting Period in the event the Option Grantee 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 Committee.

8. Exercise of Options

8.1 **Exercise Price**

- (a) For Grants made before Listing, Exercise Price per Option shall be determined by the Committee which shall not be less than the face value of the Shares and shall not exceed the Fair Market Value of the Shares as on Grant Date. The Exercise Price shall comply with the accounting policies as prescribed under as set out under clause 19 of the Plan.
- (b) For Grants made post Listing, the Exercise Price per Option shall be determined by the Committee and shall not be less than the face value of the Shares and shall not exceed the Market Price of the Shares as on Grant Date.
- (c) The specific Exercise Price shall be intimated to the Option Grantee in the Grant Letter at the time of Grant.
- (d) Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company or by electronic mode through banking channels such as National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), Immediate Payment Service (IMPS) or in such other manner as the Committee may decide.

8.2 **Exercise Period**

- (a) **Exercise while in employment/ service:**

The Exercise Period in respect of a Vested Option shall be subject to a maximum period of **4 (Four) years** commencing from the date of completion of Vesting Period. The specific Exercise Period shall be intimated to the Option Grantee in the Grant Letter at the time of Grant. All the Vested Options may be exercised by the Option Grantee at once or at various points of time within the Exercise Period as per his discretion.

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

The Options can be exercised by the Option Grantee as under:

S. No.	Events of separation	Vested Options	Unvested Options
1	Resignation / termination (other than due to Misconduct)	All the Vested Options as on the date of resignation or termination shall be exercisable by the Option Grantee within 3 (Three) months from the date of notice of resignation / termination or before the end of the Exercise Period , whichever is earlier .	All the Unvested Options as on date of submission of resignation / termination shall stand cancelled with effect from date such resignation / termination.
2	Termination due to Misconduct	All the Vested Options at the time of such termination shall stand cancelled with effect from the date of such termination and shall be deemed to have been lapsed.	All the Unvested Options as on the date of such termination shall stand cancelled with effect from the date of such termination and shall be deemed to have been lapsed.
3	Retirement	All the Vested Options as on the date of Retirement shall be exercisable by the Option Grantee within 12 (Twelve) months from the date of Retirement or before the end of the Exercise Period , whichever is earlier .	All Unvested Options as on the date of Retirement would continue to vest in accordance with the original Vesting schedule even after Retirement unless otherwise determined by the Committee in accordance with the Company's Policies and provisions of the prevailing Applicable Law. All such aforesaid Options upon Vesting can be exercised within 12 (Twelve) months from the date of Vesting.
4	Death	All Vested Options may be exercised by the Option Grantee's nominee or legal heir within 12 (Twelve) months from the date of	All the Unvested Options as on the date of death shall be deemed to vest immediately in the nominee/ legal heir and

S. No.	Events of separation	Vested Options	Unvested Options
		death or before the end of the Exercise Period , whichever is earlier .	may be exercised as per provisions applicable for Vested Options.
5	Permanent Incapacity	All Vested Options may be exercised by the Option Grantee within 12 (Twelve) months from the date of incurring Permanent Incapacity or before the end of the Exercise Period , whichever is earlier .	All the Unvested Options as on the date of incurring such Permanent Incapacity shall be deemed to vest immediately in the Option Grantee and may be exercised as per provisions applicable for Vested Options.
6	Transfer / deputation from/ to the Associate Company	Exercise Period to remain the same as per the terms of the Grant. In case of subsequent separation, treatment of Vested Options shall be as per applicable circumstance mentioned in this table.	Vesting schedule and Exercise Period to remain same as per the terms of the Grant. In case of subsequent separation, treatment of Unvested Options shall be as per applicable circumstance mentioned in this table.
7	Termination due to reasons apart from those mentioned above	The Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of such termination shall stand cancelled unless otherwise required by Applicable Law.

8.3 Procedure of Exercise

The Options shall be validly exercised only when an Option Grantee makes an application in writing to the Company or by any other means as decided by the Committee including through any online portal / platform, for obtaining Shares against the Options vested in him, subject to payment of Exercise Price, applicable taxes and compliance of other requisite conditions of Exercise and upon subsequent allotment of Shares pursuant to such application.

The Options not exercised within the prescribed Exercise Period shall lapse and the Option Grantee shall have no right over such lapsed Options, which shall immediately get added back to the Options pool.

9. Ranking and Listing of Shares

9.1 The Shares issued on the Exercise of Vested Options shall rank pari-passu with all the existing Shares subject to such exceptions and restrictions as may be specified in the Articles of Association of the Company and this Plan.

9.2 Upon Listing, the Option Grantee or his nominee/ legal heir, wherever applicable, can sell Shares in the open market at any time in accordance with Applicable Law and policies of the Company, subject to any lock in period as per Applicable Law.

10. Lock-in of Shares

The Shares arising out of Exercise of Vested Options shall not be subject to any lock-in from the date of allotment of such Shares under the ESOP 2026.

Provided that post Listing, the Shares allotted on such Exercise cannot be sold, transferred or alienated for such further period or intermittently as required under the terms of Code of Conduct for Prevention of Insider Trading of the Company framed under SEBI PIT Regulations.

11. Restriction on transfer of Options

- 11.1 The Options shall not be directly or indirectly pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 11.2 The Options shall not be directly or indirectly 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.
- 11.3 No person other than the Option Grantee shall be entitled to Exercise the Option except in the event of the death of the Option Grantee holder, in which case provisions at sub-clause 8.2(b) would apply.
- 11.4 In the event that an Employee who has been granted benefits under a Plan, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing company, prior to the Vesting or Exercise, the treatment of Options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Employee.

12. Other Terms and Conditions

12.1 Listing of Shares

In case of Listing, the Board 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 Law prevailing at that time.

- 12.2 The Option Grantee 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 Option.
- 12.3 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 Option and becomes a registered holder of the Shares of the Company.
- 12.4 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 in accordance with sub-clause 4.2 (h) of the Plan.

13. Deduction/Recovery of Tax

- 13.1 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, 2025 read with rules issued thereunder and/or income tax laws of respective countries as applicable to eligible Employees of Company working abroad, if any.
- 13.2 The Company shall have the right to deduct from the Option Grantee's salary or recover any tax that is required to be deducted or recovered under the Applicable Law. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.
- 13.3 The Company shall have no obligation to allot Share(s) until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

14. Authority to vary terms

- 14.1 The Board may, if it deems necessary, vary the terms of the Options granted under the Plan not yet exercised by the Employees, subject to compliance with the requirements of the Applicable Law and approval of the shareholders by a special resolution in a general meeting in such manner that such variation is not detrimental or prejudicial to the interest of the Employees. The notice for passing special resolution for variation of terms of the Plan shall disclose full of the variation, the rationale therefore, and the details of the employees who are beneficiaries of such variation.

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

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

15. Miscellaneous

- 15.1 Government Regulations

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

- 15.2 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 Law, 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 such Shares.

- 15.3 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Option 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 an Option on any other occasion.

- 15.4 The rights granted to an Option Grantee upon the grant of an Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 15.5 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 Option in whole or in part.
- 15.6 Participation in the Plan shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the Market Price of the Shares and the risks associated with the investments are those of the Option Grantee alone.

16. Certificate from Secretarial Auditors

Upon Listing, 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 SBEB Regulations and in accordance with the resolution of the Company in the general meeting. The Board shall also make the requisite disclosures of the Plan, in the manner specified under the SBEB Regulations and Companies Act.

17. Notices

- 17.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this 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.
- 17.2 All notices of communication to be given by an Option Grantee to the Company in respect of Plan shall be sent to the address mentioned below:
- | | |
|-------------|-------|
| Designation | : [●] |
| Address | : [●] |
| E-mail | : [●] |

18. Nomination

The Option Grantee has to nominate a person as his nominee. The nominee in case of death or Permanent Incapacity of an Option Grantee shall be the legal representative recognized by the Company as the inheritor of the Option Grantee in respect of all rights and liabilities for the purposes of this Plan.

19. Accounting and Disclosures

- 19.1 The Company shall follow the rules/regulations applicable to accounting of Options with reference to fair value as on date of Grant.

19.2 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.

19.3 After Listing, the Company shall comply with the accounting and disclosure requirements as prescribed under Regulation 15 of the SBEB Regulations.

20. Governing Laws

20.1 The terms and conditions of the Plan shall be governed by and construed in accordance with the laws of India including the income tax laws and foreign exchange laws mentioned below.

20.2 Income Tax Laws

The provisions of the Income Tax Act, 2025 and rules made thereunder as amended and enacted from time to time shall be applicable in respect of taxability of Employees and the Company arising out of any transaction in the Options.

20.3 Foreign Exchange Laws

In case any Options are granted to any Employee being resident outside India belonging to the Company, the provisions of the Foreign Exchange Management Act, 1999 and rules or regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed in connection with grant, vest, Exercise of Options and allotment of Shares thereof.

21. Jurisdiction

21.1 The Courts in Maharashtra shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this Plan.

Nothing in this sub-clause will however limit the right of the Company to bring proceedings against any Employee in connection with this Plan:

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

22. Severability

In the event any one or more of the provisions contained in this Plan shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Plan in which case the Plan shall be construed as if such invalid, illegal, or unenforceable provisions had never been set forth herein, and the Plan shall be carried out as nearly as possible according to its original intent and terms.

23. Confidentiality

23.1 An Option Grantee must keep the details of the Plan and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peers, colleagues, co-employees or with any employee and/ or associate of the

Company or that of its affiliates. In case Option Grantee is found in breach of this confidentiality clause, the Company has undisputed right to terminate any agreement, and all unexercised Options shall be 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 Board shall have the authority to deal with such cases as it may deem fit.

- 23.2 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.
