
**PDS LIMITED - EMPLOYEE STOCK
OPTION PLAN 2021**

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1. Name, Objective and Term of the PDS ESOP 2021

1.1 This Scheme shall be called the “PDS Limited– Employee Stock Option Plan 2021” or “PDS ESOP 2021”.

1.2 The objective of the PDS ESOP 2021 is to reward key employees of the Company and its subsidiaries for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company views the PDS ESOP 2021 as an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share-based compensation scheme/plan.

1.3 The PDS ESOP 2021 shall continue to be in force until (i) all Options which have been Granted have either been Exercised or have lapsed in accordance with the terms herein; or (ii) all of the Options available for issuance under the PDS ESOP 2021 have been issued and Exercised.

2. Definitions and Interpretation

2.1 Definitions

“**Applicable Law**” means any statute, law, regulation, treaties, enactments, ordinance, rule, judgment, order, decree, bye-law or approval, order, rule of common law or judgment of any authority, directive, guideline, policy, requirement, tax directions and tax treaties, listing agreement executed with stock exchanges, authorisation of, from or to any Governmental Authority or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing by, any Governmental Authority having jurisdiction over the matter in question, whether in effect as of the date of this PDS ESOP 2021 or at any time thereafter.

“**Board**” means the Board of Directors of PDS Limited.

“**Cause**” means events, in respect of termination of employment of an Employee, as identified in the Terms of Engagement.

“**Companies Act**” means the Companies Act, 2013 along with the rules thereto and includes any statutory modifications or re-enactments thereof.

“**Company**” means PDS Limited, a company having its registered office at Unit No. 791, Solitarie Corporate Park, Ghatkopar Andheri Road, Andheri East-93.

“**Company Policies**” means the policies and procedures established and adopted by the Company in respect of an Employee and this PDS ESOP 2021.

“**Compensation Committee**” means the Nomination and Remuneration Committee of the Board.

“**Director**” means a member of the Board of the Company.

“Eligibility Criteria” means the criteria as may be determined, from time to time, by the Compensation Committee, for granting the Employee Stock Options to the Employees.

“Employee” means (i) a permanent employee of the Company working in India or out of India; (ii) a director of the Company or (iii) an employee, as defined in sub-clauses (i) or (ii) of a subsidiary, in India or out of India, but excludes – (a) an individual who is a Promoter or belongs to the Promoter Group; (b) a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares; and (c) an independent director (within the meaning of the Companies Act and SEBI LODR Regulations, as applicable).

“Employee Stock Option” or **“Option”** means the option granted to an Employee, which gives such Employee the benefit or right, but not an obligation, to purchase or subscribe at a future date to the Shares of the Company at a pre-determined price.

“Exercise” of Option means the exercise of right by an Employee to purchase the Shares underlying the Options vested in him, in pursuance of the PDS ESOP 2021.

“Exercise Period” means such time period after Vesting within which the Employee must Exercise the Options vested in him/her, pursuant to the PDS ESOP 2021.

“Exercise Price” means the price payable by the Employee in order to exercise the Options granted to him, pursuant to the PDS ESOP 2021.

“Grant” means the process by which the Company issues Options to the Employees, pursuant to the PDS ESOP 2021.

“Date of grant” means the date on which the Compensation Committee approves the Grant.

“Market Price” means the latest available closing price, on a Recognized Stock Exchange on the date immediately prior to the Grant Date. It is clarified that if the Shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume on the said date shall be considered as the market price.

“Grant Letter” means a letter of grant issued by the Company to the Option Grantee notifying it regarding the terms and conditions governing the Grant of Options to such Option Grantee.

“Option Grantee” means an Employee who has been granted an Employee Stock Option, pursuant to the PDS ESOP 2021.

“PDS ESOP 2021” means this PDS Limited - Employee Stock Option Plan 2021.

“Permanent Incapacity” means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Option Grantee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined in accordance with Company Policies and Terms of Engagement.

“Person” means any natural person, limited or unlimited liability company, body corporate, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as a person under Applicable Law.

“Promoter” shall have the meaning assigned to it under the Securities and Exchange board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018.

“Promoter Group” shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018.

“Recognized Stock Exchange” means the National Stock Exchange of India Limited (NSE), BSE Limited (BSE), or any other Stock Exchange in India on which the Shares of the Company are listed.

“Retirement” means retirement from employment of the Company, in accordance with the Company Policies or the Terms of Engagement of an Employee.

“SEBI ESOP Regulations” means the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended and includes all regulations and clarifications issued there under.

“Shares” or **“Equity Shares”** means equity shares of the Company of a face value of INR 2 each.

“Terms of Engagement” means the terms and conditions applicable in respect of appointment and/or engagement of an Employee with the Company, as set out in the agreements executed with and/or letters issued to the relevant Employee.

“Vest” or **“Vesting”** means the process by which the Employee becomes entitled to receive the benefit of a Grant made to him under the PDS ESOP 2021.

“Vesting Condition” means the conditions subject to which the Options Granted would Vest in an Option Grantee.

“Vesting Period” means the period, during which the Vesting of the Employee Stock Option granted to the Option Grantee takes place.

“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.

“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.

2.2 Interpretation

In this PDS ESOP 2021:

- (a) the words and phrases “other”, “including” and “in particular” shall not limit the generality of any preceding words or be construed as being limited to the same class as the preceding words where a wider construction is possible, in each case irrespective of whether the words “without limitation” or similar are contained or not in the relevant phrase;
- (b) words of any gender include all genders and words using the singular or plural number also include the plural or singular number, respectively;
- (c) the terms “hereof,” “herein,” “hereby” and derivative or similar words refer to this entire PDS ESOP 2021 and not to any particular clause, article or section of this PDS ESOP 2021;
- (d) headings, sub-headings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this PDS ESOP 2021 and shall be ignored for the purpose of interpretation of this PDS ESOP 2021;
- (e) unless otherwise specified, references to days, months and years are references to calendar days, calendar months and calendar years, respectively;
- (f) when any number of days is prescribed in this PDS ESOP 2021, the same shall be reckoned exclusive of the first and inclusive of the last day. For instance, if the number of days prescribed is 30 (thirty) days from 1 July then the computation of 30 (thirty) days shall commence from 2 July and end on 31 July;
- (g) any grammatical form or variation of a defined term herein shall have the same meaning as that of such term;
- (h) any reference to Applicable Law or any statute or statutory provision shall include: (i) all subordinate legislation made from time to time under such provision or Applicable Law (whether or not amended, modified, re-enacted or consolidated); and (ii) such Applicable Law, statute or provision as may be amended, modified, re-enacted, replaced or consolidated; and
- (i) any reference to ‘writing’ shall include printing, typing, transmissions by facsimile or in electronic form (including e-mail) and other means of reproducing words in visible and legible form, but excluding text messaging via mobile phones, social media platforms and messenger applications.

3. Authority and Ceiling

- 3.1 Under this PDS ESOP 2021, the Employees may be issued upto 5,31,565 (Five Lakh Thirty One Thousand Five Hundred and Sixty Five) Employee Stock Options, with 1 (one) Employee Stock Option being exercisable into 1 (one) fully paid-up Equity Share each i.e. 5,31,565 (Five Lakh

Thirty One Thousand Five Hundred and Sixty Five) Employee Stock Options being exercisable into 5,31,565 (Five Lakh Thirty One Thousand Five Hundred and Sixty Five) fully paid-up Equity Shares each to be issued and allotted by the Company (hereinafter referred as “**Aggregate Primary Shares**”) to the Option Grantees, as may be determined by the Compensation Committee.

- 3.2 If an Employee Stock Option expires or becomes un-exercisable in accordance with the terms of this PDS ESOP 2021, it shall become available for future Grants, subject to compliance with all Applicable Laws. The Compensation Committee will have powers to re-Grant such Options.
- 3.3 Where Shares are issued upon Exercise of an Employee Stock Option pursuant to the PDS ESOP 2021, the Aggregate Primary Shares available for issuance under this PDS ESOP 2021 shall stand reduced to the extent of such Shares issued.
- 3.4 In case of a share-split where the face value of the Shares is reduced below INR10, the maximum number of Shares available for being Granted under PDS ESOP 2021 shall stand modified accordingly, so as to ensure that the cumulative face value (i.e. number of shares multiplied by face value per share) prior to such split remains unchanged after the share split.
- 3.5 In case of a consolidation where the face value of the Shares is increased above INR 10, the maximum number of Shares available for being granted under PDS ESOP 2021 shall stand modified accordingly, so as to ensure that the cumulative face value (i.e. number of shares multiplied by face value per share) prior to such consolidation remains unchanged after the share consolidation.

4. Administration

- 4.1 The PDS ESOP 2021 shall be administered by the Compensation Committee.
- 4.2 The Compensation Committee shall in accordance with this PDS ESOP 2021 Plan and Applicable Laws determine the following:
 - (a) the quantum of Employee Stock Options to be granted under the PDS ESOP 2021 per Employee, subject to the ceiling as specified under Section 3.1;
 - (b) the Eligibility Criteria;
 - (c) the procedure for making a fair and reasonable adjustment in case of corporate actions such as merger, sale of division, stock split / consolidation, rights issues, bonus issues and other corporate actions;
 - (d) the procedure and terms for the Grant, Vesting and Exercise of Employee Stock Option in case of Option Grantees;
 - (e) the procedure for cashless exercise of Employee Stock Options, if required;
 - (f) the forms, writings and/or agreements for use in pursuance of the PDS ESOP 2021; and

- (g) suitable policies and procedures to ensure that there is no violation of Applicable Law by the either the Company or any of its Employees, as applicable, in respect of the PDS ESOP 2021.

5. Eligibility and Applicability

- 5.1 Only Employees are eligible for being granted Employee Stock Options under PDS ESOP 2021. The specific Employees to whom the Options would be Granted and their eligibility criteria would be determined by the Compensation Committee.
- 5.2 The Option shall be Granted to the relevant eligible Employee through the Grant Letter, which would identify, *inter alia*, the number of Options Granted, the number of Equity Shares to be issued upon Exercise of the Option, Vesting period, the Vesting Conditions, the Exercise Price and the Exercise Period.

6. Vesting Schedule / Conditions

- 6.1 Options granted under PDS ESOP 2021 would Vest, no earlier than 1 (one) year from the Date of Grant (or such shorter period as permitted under Applicable Law) and no later than 4 (four) years from the Date of Grant of such Options.
- 6.2 The Compensation Committee may also specify certain Vesting Conditions pursuant to which the Options may Vest with the relevant Employee. The specific Vesting schedule and Vesting Conditions would be determined by the Compensation Committee and identified in the Grant Letter issued to the Option Grantee.

7. Exercise

- 7.1 The Exercise Price in respect of the Option shall be determined by the Compensation Committee and shall be notified to the Option Grantee in the Grant Letter. The Exercise Price may be equal to or less than the Market Price of the Equity Shares of the Company, as determined by the Compensation Committee from time to time but shall not be less than the face value of the underlying Equity Share.
- 7.2 Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn or through electronic funds transfer in favour of the Company, or in such other manner as the Compensation Committee may permit. On payment of the Exercise Price, the Company shall issue and allot to the relevant Employee, the fully-paid Equity Shares (corresponding to the number of Options being Exercised), and take all other steps may be necessary to obtain listing and trading approvals for such Shares.
- 7.3 The Exercise Period in respect of the Employee Stock Options shall be determined by the Compensation Committee and shall not be more than 3 (three) years from the date of Vesting of the Options.
- 7.4 Subject to Applicable Law, the Shares issued upon Exercise of Options shall be freely transferable and will not be subject to any lock - in restrictions.

7.5 The Options shall Vest and be Exercised in accordance with the provisions highlighted below:

<i>Event</i>	<i>Vested</i>	<i>Unvested</i>
While in employment	Can be exercised within 3 (three) years from the date of Vesting of Options.	The Options would Vest as per the vesting schedule set out in the Grant Letter.
Resignation / Termination of employment other than due to Cause / Termination due to Cause	All the Vested Options as on the date of submission of resignation / termination shall be exercisable by the Option Grantee on or prior to expiry of 6 (six) months from his last working day with the Company.	All Unvested Options on the date of submission of resignation / termination shall stand cancelled with effect from that date.
Retirement	All Vested Options can be exercised by the Option Grantee immediately after, but in no event later than 6 (six) months from the date of such retirement.	All Unvested Options will stand cancelled as on the date of such retirement.
Death	All Vested Options may be Exercised by the Option Grantee's nominee immediately after, but in no event later than 6 (six) months from the date of Death.	All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee immediately after, but in no event later than 6 (six) months from the date of Death.
Termination due to Permanent Incapacity	All Vested Options may be Exercised by the Option Grantee or, in case of his death, or inability to exercise due to such incapacity, the nominee immediately after, but in no event later than 6 (six) months from the date of such incapacity.	All the Unvested Options as on the date of such permanent incapacity shall vest immediately and can be exercised by the Option Grantee or, in case of his death, or inability to exercise due to such incapacity, the nominee immediately after, but in no event later than 6 (six) months from the date of termination of employment of the Option Grantee.
Other Reasons Apart	The Compensation Committee	All Unvested Option's on the

<i>Event</i>	<i>Vested</i>	<i>Unvested</i>
from those mentioned above	will decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	date of separation shall stand cancelled with effect from that date.

- 7.6 The Options not exercised within the Exercise Period prescribed above shall lapse and the Option Grantee shall have no right over such lapsed or cancelled options.

8. Other Terms and Conditions

- 8.1 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 Employee Stock Option and becomes a registered holder of the Shares of the Company.
- 8.2 The Employee Stock Option shall not be pledged, hypothecated or mortgaged to any person. It is clarified that any Shares issued on Exercise of an Employee Stock Option shall be freely transferable and may be pledged, hypothecated, mortgaged or otherwise dealt with by the holder thereof.
- 8.3 Subject to Clause 7.5, Employee Stock Options shall not be transferable to any person.
- 8.4 Subject to Clause 7.5, no person other than the Option Grantee to whom the Employee Stock Option is Granted shall be entitled to Exercise the Employee Stock Option.
- 8.5 This PDS ESOP 2021 shall be subject to all Applicable Laws including any statutory modification(s) or re-enactment(s) thereof, and approvals from governmental authorities, if any and to the extent required.

9. Taxation

- 9.1 The liability of paying taxes if any, on the Employee Stock Option Granted pursuant to this Scheme and the Shares issued pursuant to Exercise of rights shall be entirely on Option Grantee and shall be in accordance with Applicable Law.
- 9.2 The Company shall have the right (and cause its relevant subsidiary) to deduct from the Option Grantee's salary, any of the Option Grantee's tax obligations arising in connection with the Employee Stock Options or the Shares acquired upon the Exercise thereof.

10. Authority to vary terms

The Company shall not vary the terms of the PDS ESOP 2021 in any manner, which may be detrimental to the interests of the Employees or Option Grantees, provided that the Company shall be entitled to vary the terms of the PDS ESOP 2021 to comply with Applicable Law.

11. Accounting Policy

- 11.1 The Company shall follow the '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 from time to time, including the disclosure requirements prescribed therein, in compliance with relevant provisions of SEBI ESOP Regulations.
- 11.2 The Board shall at each annual general meeting place before the shareholders of the Company a certificate from the auditors of the Company that the PDS ESOP 2021 has been implemented in accordance with the SEBI ESOP Regulations and in accordance with the resolution of the Company in the general meeting.

12. Re-pricing

- 12.1 The Compensation Committee is authorised, as set out under the SEBI ESOP Regulations, to re-price the Options which are not Exercised, whether or not they have been Vested, if the Options are rendered unattractive due to a fall in the price of the Shares in the market.
- 12.2 Such re-pricing shall be applicable to all outstanding Options which are Granted on the specific Date of Grant.
- 12.3 Such re-pricing shall not be detrimental to the interests of the Employees, and shall not in any case be more than the then prevailing Market Price, or the Exercise Price as set out in the Grant Letter.

13. Miscellaneous

- 13.1 Any notice or other communication under or in connection with the PDS ESOP 2021 may be given: (a) by personal delivery, in the case of the Company to its registered office, and in the case of an individual at its address as maybe notified by such Person (in writing) from time to time; (b) in an electronic communication to its address as notified by such Person (in writing) from time to time; and (c) by pre-paid registered mail with acknowledgment due or through an internationally recognised courier service addressed to the relevant Person at its address as maybe notified by such Person (in writing) from time to time.
- 13.2 The PDS ESOP 2021 and the Grant Letter shall be governed by the laws of India. Subject to Section 13.3, the courts of Mumbai shall have the exclusive jurisdiction in respect of all disputes arising out of or in connection with the PDS ESOP 2021 and the Grant Letter.
- 13.3 Any dispute arising out of or in connection with PDS ESOP 2021 and the Grant Letter including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in accordance with the arbitration rules of the Mumbai International Arbitration

Centre (“**MCIA Rules**”) in force at the date of applying for arbitration, which rules are deemed incorporated by reference in this clause. The number of arbitrators shall be one and shall be appointed in accordance with the MCIA Rules. The language of the arbitration shall be English. The seat and venue of arbitration shall be Mumbai.

- 13.4 The Option Grantee must keep the details of the PDS ESOP 2021 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, provided that, the aforesaid restrictions shall not apply in case of information which: (a) is required to be disclosed under Applicable Law, (b) is disclosed by any Option Grantee to his/her advisors strictly on a need-to-know basis and provided all such Persons are bound by confidentiality provisions; (c) is disclosed after obtaining the consent of the Company; (d) is disclosed by any Option Grantee to any Person(s) for purposes of exercising or enforcing any right under this PDS ESOP 2021 and the Grant Letter; and (e) is in the public domain or is non-confidential in nature.
- 13.5 In the event any one or more of the provisions contained in this PDS ESOP 2021 shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this PDS ESOP 2021, but this PDS ESOP 2021 shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein, and the PDS ESOP 2021 shall be carried out as nearly as possible according to its original terms and intent.