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**PDS MULTINATIONAL FASHIONS LIMITED  
PDS VALUE CREATION INCENTIVE PLAN 2021**

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## **1. NAME, PURPOSE AND TERM**

- 1.1. This incentive plan shall be called the “PDS Multinational Fashions Limited – PDS Value Creation Incentive Plan 2021” (“**PDS Incentive Plan**”).
- 1.2. The purpose of the PDS Incentive Plan is to reward key employees of the Company and its subsidiaries for their performance and their contribution in delivering strong returns and creating value with respect to the investments made by the shareholders in the Company and to incentivize them in the future growth and profitability of the Company.
- 1.3. The PDS Incentive Plan shall remain in effect until the date on which all payments required to be paid hereunder have been made.

## **2. DEFINITIONS AND INTERPRETATIONS**

### **2.1. Definitions**

“**Affiliate**” means, in respect of any specified Person, any other Person, directly or indirectly through one or more intermediaries, Controlling or Controlled by or under direct or indirect common Control with such specified Person. In case of natural Persons, Relatives shall be deemed to be Affiliates of such a Person.

“**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 Incentive Plan or at any time thereafter.

“**Board**” means the Board of Directors of the Company.

“**CEO**” means the Chief Executive Officer or CEO of the Company.

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

“**Company**” means PDS Multinational Fashions Limited, a company having its registered office at No. 758 & 759, 2nd Floor, 19th Main, Sector-2, HSR Layout, Bangalore-560102, Karnataka, India.

“**Control**” in respect of any specified Person, means the beneficial ownership, directly or indirectly, of more than 50% (Fifty Percent) of the voting securities of such Person, or directly or indirectly, the power to direct or influence the management or policies of such Person, whether through the ownership of more than 50% (Fifty Percent) of the voting securities, or by contract or otherwise, or by the right or power (whether or not such right or power is actually exercised) to appoint or nominate the majority of composition of the board of directors or the

governing body or otherwise and the terms “Controlling”, “Controlled”, “Controls” and / or related cognate expressions shall have meanings correlative to the foregoing.

“**Eligible Participant**” has the meaning ascribed to such term in Clause 3.3.

“**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).

“**Equity Shares**” means the equity shares of the Company having a face value of INR 10 each.

“**Force Majeure Event**” means fire, flood, earthquakes, acts of God, acts of war, terrorism, riots, rebellions or revolutions, civil disorders and/or the outbreak of a pandemic and includes other events of a similar nature, which prevents or materially adversely affects the ability of the parties to consummate an Offer.

“**Governmental Authority**” shall mean any national, regional or local government or governmental, statutory, administrative, fiscal, regulatory, or department, instrumentality, commission, authority, clearing corporation, agency or entity government-owned body, or central bank, (or any Person whether or not government owned and howsoever constituted or called, that exercises the functions of a central bank), or any court, tribunal, arbitrator, judicial, quasi-judicial or arbitral body or any other entity or agency (including in India) authorised to make laws or exercise executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and shall include without limitation any recognised stock exchange(s) or body or authority regulating such securities exchange.

“**Grant Date**” means the date on which an Eligible Participant is issued the PDS Incentive Grant Letter.

“**Identified Buyer**” means any Person of repute, including any financial or strategic investors, financial investors, banks, financial institutions or other institutional investors.

“**Incentive Bonus**” means the amount to be paid pursuant to this PDS Incentive Plan to the relevant Eligible Participant.

“**Incentive Bonus Pool**” means the aggregate amount payable under this PDS Incentive Plan to the Eligible Participants, which shall be equal to 15% (fifteen percent) of the Offer Value. It is clarified that the Incentive Bonus Pool shall be payable in cash, irrespective of how the Offer Value is payable.

“**Nominated Employee**” has the meaning ascribed to such term in Clause 3.2.

“**Offer**” means any binding offer by an Identified Buyer, which enables the Promoter Group to monetize or leverage through a transaction or a series of transactions, upto 15% (fifteen percent)

of the share capital of the Company (on a fully diluted basis), it being clarified that an offer which is subject to the fulfilment of customary conditions precedent shall be considered to be a binding offer for the purposes of this clause.

**“Offer Value”** means the gross aggregate consideration (whether cash or non-cash) receivable by, or payable to, the Promoter Group and their Affiliates in connection with the Offer.

**“PDS Incentive Grant Letter”** has the meaning ascribed to such term in Clause 4.3(a).

**“PDS Incentive Plan”** means this PDS Multinational Fashions Limited–Value Creation Incentive Plan 2021.

**“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 mean Payel Seth, Deepak Kumar Seth and Pallak Seth.

**“Promoter Group”** shall mean the promoter group of the Company (as understood under Applicable Law).

**“SEBI LODR Regulations”** means the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, and includes all regulations and clarifications issued there under.

**“Relative”** has the meaning ascribed to such term in the Companies Act.

**“Trigger Event”** means an Offer having been made, communicated or delivered to any one of the Promoters.

## 2.2. Interpretations

In this PDS Incentive Plan:

- (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 Incentive Plan and not to any particular clause, article or section of this PDS Incentive Plan;

- (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 Incentive Plan and shall be ignored for the purpose of interpretation of this PDS Incentive Plan;
- (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 Incentive Plan, 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. ELIGIBILITY CRITERIA**

- 3.1. Only Employees are eligible for being granted Incentive Bonus under the PDS Incentive Plan.
- 3.2. The eligibility criteria for the Employees who would be eligible to receive the Incentive Bonus shall be determined by the CEO, and the CEO shall have the right to identify, nominate and recommend specific Employees to whom the Incentive Bonus may be granted under this PDS Incentive Plan ("**Nominated Employees**").
- 3.3. Based on the recommendations received from the CEO, the Nomination and Remuneration Committee of the Company and the Board shall within 7 days of receipt of such recommendation, approve the grant of the Incentive Bonus to the Nominated Employees ("**Eligible Participants**").

### **4. INCENTIVE BONUS**

- 4.1. Upon occurrence of a Trigger Event, the Promoters shall be jointly and severally liable to pay the Incentive Bonus to the relevant Eligible Participants in the manner as set out under this PDS Incentive Plan and the applicable PDS Incentive Grant Letters.
- 4.2. It is clarified that the aggregate Incentive Bonus payable to the Eligible Participants under this PDS Incentive Plan shall not exceed the Incentive Bonus Pool.

#### 4.3. Grant of Incentive Bonus.

- (a) On the approval of the Board pursuant to Clause 3.3, the Promoters and the Company shall issue a letter to the relevant Eligible Participant in the form set out in Annexure I hereto granting the Eligible Participants the right to receive the Incentive Bonus and specifying the amount of Incentive Bonus payable to the relevant Eligible Participant (“**PDS Incentive Grant Letter**”). The inter-se allocation of the Incentive Bonus Pool within the Eligible Participants shall be determined by the CEO in his sole discretion, and the Promoters shall adopt and incorporate such determination while notifying the relevant Eligible Participant of his/her Incentive Bonus entitlement as part of the PDS Incentive Grant Letter.
- (b) The Eligible Participant to whom the PDS Incentive Grant Letter has been issued, shall communicate his acceptance within 30 (thirty) days from the Grant Date.
- (c) If the acceptance of the Eligible Participant is not received within the aforesaid period, then the right to receive the Incentive Bonus shall be deemed to have been declined for the purpose of this PDS Incentive Plan.

#### 4.4. Vesting of Incentive Bonus. The Incentive Bonus shall vest to the Eligible Participants on the Grant Date but shall not be payable until the occurrence of the Trigger Event.

#### 4.5. Payment of the Incentive Bonus.

- (a) The Promoters shall be jointly and severally liable to make the Incentive Bonus payments (as set out in the applicable PDS Incentive Grant Letter) to the relevant Eligible Participants by transferring such amounts to the bank accounts of the Eligible Participants.
- (b) If the Promoters do not convey their acceptance to an Offer in writing within 15 (fifteen) days of the occurrence of a Trigger Event, then, such payments shall be made within 60 (sixty) days of the Trigger Event.
- (c) If the Promoters convey their acceptance to an Offer in writing, then, such payments shall be made on the earlier of (i) 90 days of the date they convey their acceptance to the Offer in writing; and (ii) consummation of the transaction contemplated under the Offer, provided that if such Offer is not consummated solely on account of the occurrence of a Force Majeure Event, then, no such payments shall be required to be made.

#### 4.6. Termination of Employment. In the event of termination, resignation or retirement of an Eligible Participant, the relevant Eligible Participant shall continue to remain entitled to receive the Incentive Bonus in respect of Trigger Events which occur during the term of his/her employment or which occur at any time until 1 (one) year after the date of termination, resignation or retirement of such Eligible Participant.

### 5. **MISCELLANEOUS**

#### 5.1. The Company and the Promoters agree and undertake to co-operate and render all assistance necessary and take all necessary steps, as may be required or desirable to procure or facilitate

an Offer, including by: (i) notifying the CEO of any Offers received (whether solicited or unsolicited) and keeping the CEO informed of any discussions in connection therewith;(ii) co-operating and facilitating any due diligence conducted or to be conducted by the Identified Buyer and providing all necessary information relating to the Company and its business; (iii) participating in discussions with any Identified Buyer on a good faith basis; (iv) obtaining all approvals required to be obtained by the Company and/or the Promoters to give effect to the Offer; and (v) providing a comprehensive set of representations, warranties, covenants and indemnities as are customary in transactions of such nature. The Company and the Promoters undertake and agree that they shall not take any action or omit to take any action that could have reasonably have the effect of restricting, defeating or circumventing the provisions of this PDS Incentive Plan or the applicable PDS Incentive Grant Letter or the entitlements of the respective Eligible Participants.

- 5.2. Without prejudice to the foregoing, it is agreed that on and from the time the Company reaches a market capitalization of INR 3000,00,00,000 (Rupees Three Thousand Crores), the CEO and/or the management team of the Company shall be entitled to take steps to find an Identified Buyer and initiate a sale process in connection with an Offer, and the Promoters and the Company shall take all steps as may be necessary or desirable to facilitate such sale process, including appointing a merchant banker of repute, co-operating and facilitating any due diligence and participating in discussions on a good-faith basis.
- 5.3. In the event any Promoter propose to transfer all or part of his/her/its direct or indirect shareholding in the Company to any Person (“**Proposed Purchaser**”) prior to the occurrence of a Trigger Event, then the Promoters shall cause such Proposed Purchaser, to execute a deed of adherence, prior to or simultaneously with such transfer, which would require the Proposed Purchaser to comply and be bound by the rights and obligations as set out under this PDS Incentive Plan and the PDS Incentive Grant Letters.
- 5.4. Any sums paid under the PDS Incentive Plan and the PDS Incentive Grant Letter shall be regarded as an incentive arising in connection with his/her employment with the Company. It is agreed that (i) the entitlements of the Eligible Participants shall be paid net of all indirect taxes; (ii) the responsibility of paying taxes due on such sums under the Income tax Act, 1961, shall be that of the relevant Eligible Participant, and the Promoters may deduct applicable TDS prior to or at the time of remitting such amounts to the Eligible Participants.
- 5.5. Any notice or other communication under or in connection with the PDS Incentive Plan 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.
- 5.6. The rights or obligations of an Eligible Participant may not transferred, assigned, charged or otherwise disposed of (except on death to his successors).
- 5.7. The PDS Incentive Plan and the applicable PDS Incentive Grant Letters shall be governed by the laws of India. Subject to Clause 5.8, the courts of Mumbai shall have the exclusive

jurisdiction in respect of all disputes arising out of or in connection with the PDS Incentive Plan and the applicable PDS Incentive Grant Letters.

- 5.8. Any dispute arising out of or in connection with PDS Incentive Plan and the applicable PDS Incentive Grant Letters 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.
- 5.9. The Promoters, the Company and the Eligible Participant must keep the details of the PDS Incentive Plan and all other documents in connection thereto strictly confidential, 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 to professional 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 relevant counterparty; (d) is disclosed to any Identified Buyer as part of the process of due diligence; and (e) is disclosed for purposes of exercising or enforcing any right under this PDS Incentive Plan and the PDS Incentive Grant Letters.



## Annexure 1 - Form of Grant Letter

[insert date]

To,

[Insert name and address of Eligible Participant]

Dear [Insert name of Eligible Participant],

You are an important member of PDS Multinational Fashions Limited (“**Company**”). We all are committed to build a formidable company and in the process, create value for all our stakeholders. While you help create this value, we would like you to share this value too.

It gives me great pleasure to inform you that further to your appointment as [insert designation of the Eligible Participant] of the Company, you have also been identified as an ‘Eligible Participant’ by the Board of Directors of the Company (“**Board**”) under the PDS Multinational Fashions Limited – PDS Value Creation Incentive Plan 2021 (“**PDS Incentive Plan**”). As an Eligible Participant under the PDS Incentive Plan, you are entitled to receive an Incentive Bonus (as defined under the PDS Incentive Plan) from the Promoters (as defined under the PDS Incentive Plan), in accordance with the terms of the PDS Incentive Plan. All capitalized terms used in this letter, unless otherwise defined, shall have the meaning set out under the PDS Incentive Plan.

The right to receive an Incentive Bonus granted would vest as specified in **Annexure A** of this letter (“**Notice of Grant**”). This letter along with the Notice of Grant is referred to and would deem to be the ‘PDS Incentive Grant Letter’ for the purposes of the PDS Incentive Plan. A copy of the PDS Incentive Plan is attached hereto as **Annexure B**.

[This PDS Incentive Grant Letter shall come into effect from the date that the shareholders of the Company have approved the PDS Incentive Plan and the participation of employees of the Company and its subsidiaries in such plan under Regulation 26(6) of the SEBI LODR Regulations (“**Effective Date**”).] [Note: Need not be retained for letters issued after the date of shareholder approval.]

Upon occurrence of a Trigger Event, you would be entitled to receive an Incentive Bonus for an amount as identified in the Notice of Grant. The Incentive Bonus, once payable in accordance with the terms of the PDS Incentive Plan, shall be paid jointly and severally by the Promoters.

In this regard, the Company and the Promoters agree and acknowledge to you:

- (a) You have been identified as an Eligible Participant for the purposes of the PDS Incentive Plan and meet all the necessary and requisite eligibility criteria as may be specified by the Board for this purpose;
- (b) You have an irrevocable right to receive, and the Promoters hereby agree, jointly and severally, to pay to you, the Incentive Bonus, as identified under the Notice of Grant, upon occurrence of a Trigger Event; and

- (c) We agree to be bound by the terms and conditions as set out under the PDS Incentive Plan and as enclosed as Annexure B to this PDS Incentive Grant Letter.

The amounts payable to you pursuant to the PDS Incentive Plan and this PDS Incentive Grant Letter are in addition to any other amounts, compensation, benefit or incentive available or granted to you in terms of your employment with the Company and any documents executed / issued thereunder.

This PDS Incentive Grant Letter may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

This grant is a token of our appreciation and gratitude for believing in PDS Multinational Fashions Limited team and helping it reach its current height. However, we believe this is just the beginning and hope you would continue to extend your support in the years to come.

Once again, we congratulate you on your engagement with the Company and look forward to creating a great future for all stakeholders.

With best wishes,

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Authorised Signatory, PDS Multinational Fashions Limited

The Promoters:

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Payel Seth

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Deepak Kumar Seth

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Pallak Seth

**Acknowledged and accepted by:**

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*[Insert name of Eligible Participant]*

**ANNEXURE A**  
**NOTICE OF GRANT**

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Name of the Grantee: [●]

We are pleased to grant you the right to receive the Incentive Bonus, subject to the terms and conditions of PDS Multinational Fashions Limited – **PDS Value Creation Incentive Plan 2021** (“**PDS Incentive Plan**”). All capitalized terms used in this Notice of Grant, unless otherwise defined, shall have the meaning set out under the PDS Incentive Plan. The details of the grant are as follows:

<b>Date of Grant</b>	[●]
<b>Incentive Bonus</b>	[●] % ([●] percent) of the Incentive Bonus Pool
<b>Vesting Period</b>	[●]