Praveg's Employee Stock Option Plan 2024 (ESOP 2024)

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1. Name, Objective and Term of the Plan

1.1 This Employee Stock Option Plan shall be called Praveg's Employee Stock Option Plan 2024 (**"ESOP 2024" / "Plan"**).

1.2 The objective of the ESOP 2024 is to reward the Employees for association, dedication and contribution to the goals of the Company. The Company intends to use this Plan to attract and retain key talents working with the Company and its Subsidiary Companies by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The Company views Employee Stock Options as instruments that would enable the Employees to get a share in the value they create for the Company in the years to come.

1.3 ESOP 2024 is established with effect from _____ and shall continue to be in force until earlier of:

i. The date all the Options reserved under the Plan are granted and exercised; or
ii. The date of termination, if any, of the Plan.

Thus, all the Employees meeting the eligibility criteria as may be determined by the Nomination and Remuneration Committee from time to time.

1.4 The Board of Directors or the Nomination and Remuneration Committee of Board, as authorised, may, subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the ESOP 2024. The Nomination and Remuneration Committee of the Board of Directors of the Company (by whatever name called) duly constituted in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("**Listing Regulations**") shall act as the Compensation Committee for administration of ESOP 2024.

2. Definitions and Interpretation

2.1 Definitions

i. **"Agreement"** means the Employee Stock Option Agreement, if any, entered in to between the Company and Employee, evidencing the terms and conditions of Options granted under ESOP 2024. The Agreement is subject to the conditions of ESOP 2024.

ii. "**Applicable Law**" means every law relating to Employee Stock Options, to the extent applicable, including and without limitation to the Companies Act, Securities and Exchange Board of India Act, 1992, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and re-enacted from time to time and includes any clarifications or circulars issued there under ("**SEBI SBEB Regulations**"), and all relevant tax, securities, exchange control or corporate laws of India, or amendments thereof or of any relevant jurisdiction or of any Recognized Stock Exchange on which the Shares are listed or quoted.

iii. "**Board**" means the Board of Directors of the Company.

iv. "**Companies Act**" means the Companies Act, 2013 and rules made thereunder and include any statutory modifications or re-enactments thereof.

v. **"Company"** means "Praveg Limited (CIN: L24231GJ1995PLC024809), a company incorporated under the provisions of the Companies Act, 1956, having its registered office at 214, Athena Avenue, Behind Jaguar Showroom, S.G. Highway, Gota, Ahmedabad - 382481.

vi. **"Company Policies / Terms of Employment"** means the Company's policies for employees and the terms of employment as contained in the employment letter / contract / Company intranet and the Company handbook, which includes provisions for securing confidentiality, non-compete and non-poaching of other Employees and customers. Policies / Terms of Employment of the Subsidiary Company as regard an Option Grantee on the payrolls of such Subsidiary Company shall be deemed to be "Company Policies / Terms of Employment" for such Option Grantee.

vii. **"Compensation Committee"** means the Committee constituted / reconstituted by the Board of Directors of the Company from time to time, by whatever name called, as per the requirements of Applicable Laws, to administer and supervise the ESOP 2024 and other employee benefit plans, if any, comprising of such members of the Board as provided under Regulation 19 of the Listing Regulations, as amended from time to time, and having such powers as specified under the SEBI SBEB Regulations read with powers specified in this ESOP 2024 and is deemed to include the Nomination and Remuneration Committee authorised by the Board in this behalf. The Nomination and Remuneration Committee of the Board of Directors of the Company shall act as the Compensation Committee for the purposes of ESOP 2024.

viii. "**Director**" means a member of the Board of the Company.

ix. "**Eligibility Criteria**" means the criteria as may be determined from time to time by the Nomination and Remuneration Committee for granting the Employee Stock Options to the employees.

x. **"Eligible Employee(s) or Beneficiary (ies)**" means all Employees to whom an Option is granted under the ESOP 2024 or those Employees who satisfy the Eligibility Criteria for Grant of Options as the case may be.

xi. "**Employee**" means

(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 excluding an independent director, or

(iii) an employee as defined in sub-clauses (i) or (ii), of a group company including subsidiary or its associate company, in India or outside India, or of a holding company of the company

For the avoidance of doubt, it is clarified that permanent employees shall mean all employees who are on the payroll of the Company or of the subsidiary company or of the holding company, as the case may be, for a period not less than 5 years.

Further, in case of any merger/ takeover, the term "*employee*" will mean all the above specified employees of Transferor Company, wherein the period of employment in Transferor Company will also be considered.

xii. "**Employee Stock Option"** means the option granted to an Employee, which gives such Employee the right, but not an obligation, to purchase at a future date the Shares underlying the option at a pre-determined price.

xiii. **"Equity Shares"** means fully paid-up Equity Shares of the Company having a face value of Rs. 10/- (Rupees Ten Only) each.

xiv. "**ESOP 2024**" means the Employee Stock Option Plan 2024 under which the Company is authorised to grant Employee Stock Options to the Employees.

xv. "**Exercise**" means making of an application by an Employee to the Company for issue of Equity Shares, as the case may be, against Vested Options in pursuance of the ESOP 2024, in accordance with the procedure laid down by the Company for such exercise.

xvi. "**Exercise Period**" means such time period after Vesting within which the Employee should exercise the Options vested in him in pursuance of the ESOP 2024.

xvii. "**Exercise Price**" means the price payable by an Employee in order to exercise the Options granted to him in pursuance of the ESOP 2024.

xviii. "**Grant**" means issue of the Options to the Employees/ Directors under the ESOP 2024.

xix. **"Independent Director"** means a Director within the meaning of Section 149(6) of the Companies Act read with Regulation 16(1)(b) of the Listing Regulations.

xx. **"Misconduct"** means any of the following:

a. committing of any act of misconduct warranting summary termination under law; or
b. conduct which in the reasonable opinion of the Board amount to a serious breach by an Option Grantee of the obligation of trust and confidence to his employer; or
c. a finding by the Board that an Employee has committed any material or consistent breach of any of the terms or conditions of the Employment Agreement including any wilful negligence of the duties assigned by the Board; or
d. conviction of any criminal offence or having been charged with any criminal offence which, in the reasonable opinion of the Company will result in conviction.

xxi. **"Option"** means Employee Stock Option within the meaning of this Plan.

xxii. "**Option Grantee**" means an Employee who has been granted an Employee Stock Option in pursuance of the ESOP 2024 and deemed to include a beneficiary being the legal heir or nominee of such Option Grantee upon his eventual death while in employment or service.

xxiii. "**Permanent Incapacity**" means any 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, as determined by the Nomination and Remuneration Committee based on a certificate of a medical expert identified by the Company

xxiv. **"Promoter"** shall have the same meaning as assigned to the term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**SEBI ICDR Regulations**").

xxv. **"Promoter Group"** shall have the same meaning assigned to the term under the SEBI ICDR Regulations.

Provided that where the Promoter or Promoter Group of the Company is a body corporate, the Promoters of that body corporate shall also be deemed to be Promoters of the Company.

xxvi. "**Retirement**" means retirement as per the rules of the Company or any of its direct or indirect Subsidiary Company.

xxvii. "**Relative**" means as defined under section 2(77) of the Companies Act, 2013.

xxviii. **"Plan**" means ESOP 2024 within the meaning of this Employee Stock Option Plan 2024.

xxix. "**Shares**" means Equity Shares of the Company within the meaning of this Plan.

xxx. **"Recognised Stock Exchange"** means BSE Limited ("BSE"), wherein the Equity Shares of the Company are listed.

xxxi. **"Subsidiary Company"** means a company which is a subsidiary company of the Company within the meaning of the Companies Act.

xxxii. "**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.

xxxiii. **"Vesting"** means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of the ESOP 2024.

xxxiv. **"Vesting Condition"** means any condition subject to which the Options granted would vest in an Option Grantee.

xxxv. "**Vesting Period**" means the period during which the vesting of the Employee Stock Option granted to the Employee, in pursuance of ESOP 2024 takes place.

xxxvi. "**Vested Option"** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.

2.2 **Interpretation**

Words and expressions used and not defined herein but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Companies Act, and any statutory modification or re- enactment thereto, shall have the meanings respectively assigned to them in those legislation.

3. Authority

3.1 The Nomination and Remuneration Committee and the Board at their respective meetings held on Friday, January 12, 2024 read with approval of the Nomination and Remuneration Committee dated January 12, 2024 and the Shareholders at the Extra-Ordinary General Meeting held on _____ resolved to issue to the Employees under ESOP 2024, not exceeding 25,000 (Twenty-five Thousand) Employee Stock Options convertible in to not more than 25,000 (Twenty-five Thousand) Shares having a face value of Rs. 10/- (Rupees Ten Only) each fully paid-up, with each such Option conferring a right upon the Employee to

be issued one Share of the Company, in accordance with the terms and conditions of such issue.

3.2 The maximum number of Options that shall be granted to each Employee shall vary depending upon the designation and the appraisal / assessment process, however shall not exceed 2500 (Twenty Five Hundred) per eligible Employee, however the Nomination and Remuneration Committee reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to each Employee within this ceiling.

3.3 Where Shares are allotted consequent upon Exercise of an Employee Stock Option under the ESOP 2024, the maximum number of Shares that can be allotted under ESOP 2024 as referred to in sub-clause 3.1 above shall stand reduced to the extent of such Shares allotted.

3.4 If an Option expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the Options pool and shall become available for future grants, subject to compliance with the provisions of the Applicable Laws.

3.5 In case of a share split where the face value of the Shares of the Company is reduced below Rs. 10/-, the maximum number of Shares available for being granted under ESOP 2024 shall stand modified accordingly, so as to ensure that the cumulative face value (number of shares X face value per share) prior to such split remains unchanged after the share split. Thus, for instance, if the face value of each Equity Share is reduced to Re. 5/-, the total number of Shares available under ESOP 2024 would be 50,000 Equity Shares of Re. 5/- each.

3.6 Prior approval of the shareholders of the Company in the general meeting by passing special resolution shall be obtained in case the Grant of the Options to any identified Employee, in any one financial 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 the Option.

3.7 The Options granted herewith shall not be affected by any takeover by/of, merger with, or amalgamation of any other entity with the Company or in the event of restructuring of the capital of the Company. In such an event, the Compensation Committee would have the authority to alter all or any of the terms relating to the Grant and would also have the authority to do all such acts and deeds as it may deem fit in its absolute discretion and as permitted under the Applicable Law, so to ensure that the benefits under the Grant are passed on to the Employees.

4. Administration

4.1 The ESOP 2024 shall be administered by the Nomination and Remuneration Committee. All questions of interpretation of the ESOP 2024 shall be determined by the Nomination and Remuneration Committee and such determination shall be final and binding upon all persons having an interest in the ESOP 2024.

4.2 Neither the Nomination and Remuneration Committee nor any of its members shall be liable for any actions taken in good faith for the implementation of the ESOP 2024.

4.3 The Nomination and Remuneration Committee shall in accordance with this Plan and Applicable Laws determine the following:

a. The frequency/ number of times options are granted each year and the total quantum of

grants to be made each time;

b. The Eligibility Criteria for grant of Employee Stock Options to the Employees;
c. The quantum of Employee Stock Options to be granted under the ESOP 2024 per Employee subject to ceiling specified in sub-clause 3.2;
d. Terms and conditions in respect of grant to, vest in and exercise of Options (including determining exercise period) by the Employees which may be different for different class / classes of the Employees falling in the same tranche of grant of the Options issued under ESOP 2024 and that Option would lapse on failure to exercise the Option within the Exercise Period;
e. The procedure for making a fair and reasonable adjustment in case of corporate actions such as merger, sale of division, stock split, stock consolidation, rights issues, bonus issues and others.
f. The procedure and terms for the Grant, Vest and Exercise of Employee Stock Options in case of employees who are on long leave;
g. The procedure for Vesting in case of termination of employment or resignation, if required;
h. the procedure for buy-back of the Options granted under the ESOP 2024 if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
    - permissible sources of financing for buy-back,
    - any minimum financial thresholds to be maintained by the Company as per its last financial statements, and
    - limits upon quantum of Options that the Company may buy-back in a financial year;
i. the procedure for funding for Exercise of Options, as permitted under the Applicable Laws; and
j. Approve forms, writings and / or agreements for use in pursuance of the ESOP 2024.

4.4 The Company has framed policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company, Subsidiary Company, and the Employees, as applicable. The Option Grantees shall adhere to such policies and procedures in respect to exercise of options under the Scheme.

5. Eligibility and Applicability

5.1 Only the Employees within the meaning of this Plan are eligible for being granted Stock Options under ESOP 2024. The specific Employees to whom the Stock Options would be granted and their Eligibility Criteria would be determined by the Nomination and Remuneration Committee.

5.2 The Plan shall be applicable to the Company, its Subsidiary Companies in India or outside India, and any resulting company thereof and may be granted to the Employees and Directors of the Company, that of its Subsidiary Companies, as determined by the Compensation Committee at its own discretion.

5.3 Appraisal process for determining the eligibility of the Employees will be based on designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Committee at its sole discretion, from time to time.

5.4 In event of any merger/ acquisition, the employees of Transferor Company will be eligible for ESOP, provided that they meet the criteria laid down by NRC for eligible employees. The

term of employment at the transferor company will also be considered while calculating the term of employment of such employees.

6. Grant and Acceptance of Grant

6.1 Grant of Options

Each Grant under this ESOP 2024 shall be made in writing by the Company to the eligible Employees fulfilling the Eligibility Criteria in a **letter of Grant**, containing, among other things, the following details:

(i) Number of Options being offered.
(ii) Vesting period.
(iii) Exercise Period.
(iv) Exercise Price.

6.2 Acceptance of the Grant

a. Any Employee who wishes to accept the Grant made under this ESOP 2024 must deliver to the Company a duly signed acceptance of the letter of Grant on or before the date ("Closing Date") which shall not be more than 60 (Sixty) days from the date of the Grant, as specified in the letter of Grant. On receipt by the Company of the signed acceptance, the Employee will become an Option Grantee.

b. Any Employee who fails to deliver the signed acceptance of the letter of Grant on or before the Closing Date stated above shall be deemed to have rejected the Grant unless the Nomination and Remuneration Committee determines otherwise.

c. Upon acceptance of the Grant in the manner described above, the Employee henceforth as a Grantee, shall be bound by the terms, conditions and restrictions of the ESOP 2024 and the Grant document. The Grantee's acceptance of the Grant of Options under the ESOP 2024, within the time period provided, shall constitute an agreement between the Grantee and the Company as to the terms of this ESOP 2024 and the Grant document.

7. Vesting Schedule and Vesting Conditions

7.1 Options granted under this Plan would Vest not earlier than minimum Vesting Period of 1 (One) year and not later than maximum Vesting Period of 4 (Four) years from the date of the Grant of such Options.

7.2 Options granted under ESOP 2024 would vest as under:

- 33% Options would vest at the end of first year from the date of the Grant of such Options;
- 33% Options would vest at the end of second year from the date of the Grant of such Options; and
- Balance 34% Options would vest at the end of third year from the date of the Grant of such Options.

Provided further that in the event of death or Permanent Incapacity, the minimum vesting period of 1 (One) years shall not be applicable and in such instances, the Options shall vest on the date of death or Permanent Incapacity.

7.3 Vesting of the Options would be subject to continued employment with the Company, Subsidiary Company and if the Employee has not served any notice of resignation. Thus the Options would vest on completion of the vesting period. In addition to the continuation of employment / services, the Options shall vest subject to the achievement of the Vesting Conditions which shall be similar as disclosed in the explanatory statement to the notice of the general meeting of the Company. Apart from that, the Nomination and Remuneration Committee may also specify certain performance parameters, detailed terms and conditions relating to such performance based vesting, the proportion in which the options granted would vest and / or lock in period subject to which the Options would vest.

7.4 The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the document(s) given to the Option Grantee at the time of grant of Options.

7.5 **Vesting of the Options in case of Employees on long leave**

The period of leave shall not be considered in determining the Vesting Period in the event the Employee is on a sabbatical. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Nomination and Remuneration Committee.

8. Exercise

8.1 **Exercise Price:**

a. In case of first grant, the Exercise Price shall be equal to or lower than the issue price under the proposed Rights Issue of the Company as may be decided by the Nomination and Remuneration Committee. And in case the Rights Issue does not happen and / or in case of second and subsequent grants and / or otherwise, the Exercise price shall be at such discount to the closing market price on the BSE on the date of the grant as may be decided by the Nomination and Remuneration Committee at its discretion from time to time. However, the Exercise Price shall not be less than the face value of the Shares.

b. Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company or by way of electronic payment like NEFT, RTGS, IMPS, etc., or in such other manner and subject to such procedures as the Nomination and Remuneration Committee may decide but not in cash.

8.2 **Exercise Period:**

a. While in employment:

i. The Exercise period would commence from the date of vesting and will expire on completion of **1 (One) year** from the date of respective vesting or such other period as may be decided by the Nomination and Remuneration Committee, from time to time. (exercise window)

ii. For the duly completed and valid exercise applications received up to the end of each month, the Company shall allot Equity Shares in a dematerialised mode, by the end of the subsequent month.

b. Exercise Period in case of separations:

Subject to the maximum Exercise Period approved by the Shareholders of the Company from

the date of vesting of the Options, the Options can be exercised as per provisions outlined below:

S. No.	Separations	Vested Options	Unvested Options
1.	**Resignation / termination (other than due to Misconduct)**	All the Vested Options as on the date of submission of resignation may be exercised by the Option Grantee on or before last working day	All Unvested Options on the date of submission of resignation / termination shall stand cancelled with effect from that date.
2.	**Termination due to Misconduct**	All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3.	**Retirement / Early Retirement as approved by the Company**	All Vested Options can be exercised by the Option Grantee immediately after, but in no event later than 2 (Two) years from the date of Retirement unless otherwise determined by the Nomination and Remuneration Committee.	All Unvested Options as on the date of Retirement would continue to vest in accordance with the original vesting schedules even after the Retirement unless otherwise determined by the Nomination and Remuneration Committee in accordance with the Company's Policies and provisions of the then prevailing Applicable Law. Such aforesaid Options can be exercised within a period of 2 (Two) years from the date of Vesting.
4.	**Death**	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 2 (Two) years 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 or legal heir immediately after, but in no event later than 2 (Two) years from the date of Death.
5.	**Permanent Incapacity**	All Vested Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such incapacity, the nominee or legal heir, immediately after, but in no event later than 2 (Two) years 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, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after,

			but in no event later than 2 (Two) years from the date of such incapacity.
6.	**Other reasons apart from those mentioned above in case of separation**	The Nomination and Remuneration 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 separation shall stand cancelled with effect from that date.

8.3 The Options shall be deemed to have been exercised when an Employee makes an application in writing to the Company or by any other means as decided by the Nomination and Remuneration Committee, for the issuance of the Equity Shares against the Options vested in him, subject to the Applicable Laws.

8.4 The Options not exercised within the Exercise Period shall lapse and the Employee shall have no right over such lapsed or cancelled Options.

8.5 In the event of transfer of an Option Grantee from the Company to the Subsidiary Company, the Unvested Options as on the date of transfer, will continue to vest as per the original vesting schedule and capable of being exercised by the Option Grantee subject to the compliance with the Applicable Laws.

9. Issue of Shares and Lock in:

9.1 After the Options are converted into Shares pursuant to exercise of the Options, the Shares issued to the Employee shall be subject to the terms and conditions as mentioned below.

Ranking of Shares
The Shares issued on the exercise of Options shall rank pari-passu with all the existing equity shares of the Company and shall be eligible for full year's dividend.

Issue of Shares in Demat Form Only:
The exercise of Options shall entail issuance of Shares by the Company in electronic form only in favour of the Option Grantee. Option grantee shall be required to provide his/her Depository Participant (D.P.) Code Number and Client I.D.

Listing of Shares
The Shares issued on exercise of the Options shall be listed on all the stock exchanges where the Company's Equity Shares are listed and will be subject to terms and conditions of the listing agreements with the stock exchanges in addition to the terms and conditions of the Scheme.

9.2 The Shares issued on exercise of the Options would be subject to lock-in period of one year from the date of allotment.

Provided that the Shares allotted on such Exercise cannot be sold, transferred or alienated in any manner during such period as required under the terms of Code of Conduct for Prevention of Insider Trading of the Company framed under Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

10. Exit route in case of de-listing

10.1 If the Company gets de-listed from all the Recognised Stock Exchanges, then the Board shall have the powers to set out the terms and conditions for the treatment of the Vested Options and the Unvested Options in due compliance of the Applicable Laws.

11. Other Terms and Conditions

11.1 The Employee shall not have a right to receive any dividend or to vote or in any manner enjoy the benefits of a Shareholder in respect of the Employee Stock Options granted, till Shares underlying such Employee Stock Options are allotted by the Company on exercise of such Employee Stock Options.

11.2 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 Options / 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.

11.3 If the Company issues bonus shares or rights shares, the Option Grantee shall not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, the procedure for making a fair and reasonable adjustment to the number of Option 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 following shall be taken into consideration by the Committee:

(i) the number and the price of Option shall be adjusted in a manner such that total value of the Option remains the same after the corporate action; and
(ii) the Vesting Period and the life of the Option shall be left unaltered as far as possible to protect the rights of the Option Grantees.

11.4 The Board shall, within 60 (sixty) days of receipt of subscription money, allot the Shares to the Employees.

11.5 Employee Stock Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case the provisions in table under sub-clause 8.2(b) would apply. Option granted to and/or vested in an Eligible Employee shall not be sold, pledged, hypothecated, assigned, mortgaged or otherwise disposed off or alienated in any other manner.

11.6 No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option except in the event of the death of the Option Grantee, in which case the provisions in table under sub-clause 8.2(b) would apply.

12. Taxation

12.1 The liability of paying taxes, if any, in respect of the Employee Stock Options granted pursuant to this Plan and the Shares issued pursuant to exercise thereof shall be entirely on the Option Grantee and shall be in accordance with the provisions of the Income Tax Act, 1961 read with rules issued thereunder and / or Income Tax Laws of respective countries as applicable to the eligible Employees of the Company's Subsidiary Companies abroad.

12.2 The Company shall have the right to deduct from the Employee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.

12.3 The Company shall have no obligation to deliver the Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

13. Authority to vary terms

13.1 Subject to prior approval of the shareholders' of the Company by way of a special resolution and the Applicable Laws, the Nomination and Remuneration Committee may at any time amend, alter, vary the terms of the Plan subject to the condition that such amendment, alteration, or variation, as the case may be is not detrimental to the interest of the Employees.

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

13.2 The Company may also re-price the Options which are not exercised, whether or not they have vested, if the 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.

13.3 Any variation, modification, etc. under this clause shall be subject to obtaining of approvals from concerned authorities or shareholders, as may be required and so long as otherwise, such change, etc. will be in accordance with the Applicable Laws, rules, regulations, notifications as amended and in force.

14. Miscellaneous

14.1 Government Regulations

The ESOP 2024 shall be subject to all Applicable Laws to the extent applicable. The Grant of the Options and allotment of the Shares to the Employees under ESOP 2024 shall be subject to the Company requiring the Employees to comply with all Applicable Laws.

14.2 Inability to obtain authority

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

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

14.4 The rights granted to an Option Grantee upon the grant of an Employee Stock 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).

14.5 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 Employee Stock Option in whole or in part.

14.6 Participation in ESOP 2024 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 that of the Employee alone.

14.7 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.

14.8 Insider Trading, etc:

The Employee shall ensure that there is no violation of:

a. SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time; and

b. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and

c. Any other regulations to prevent fraudulent or harmful practices relating to the Securities Market.

The Employee shall keep the Company, the Board, the Committee fully indemnified in respect of any liability arising for violation of the above provisions.

15. Accounting and Disclosures

15.1 The Company shall follow the laws / regulations applicable to accounting and disclosure related to the Employee Stock Options and Accounting Standard IND AS 102 on Share-based payments and / or any relevant accounting standards as may be prescribed by the Central Government in terms of Section 133 of the Companies Act and / or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India ("ICAI") from time to time, including the disclosure requirements prescribed therein, in compliance with relevant provisions of Regulation 15 of SEBI SBEB Regulations.

15.2 The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features of the ESOP 2024 in a format as prescribed under SEBI SBEB Regulations.

15.3 The Company shall disclose details of Grant, Vest, Exercise and lapse of the Employee Stock Options in the Directors' Report or in an annexure thereof as prescribed under SEBI SBEB Regulations or any other Applicable Laws as in force.

16. Certificate from Secretarial Auditors

16.1 The Board shall at each annual general meeting place before the Shareholders a certificate from the Secretarial Auditors of the Company that the Plan has been implemented in accordance with the SEBI SBEB Regulations and in accordance with the resolution of the Company in the general meeting.

17. Governing Laws

17.1 The terms and conditions of the ESOP 2024 shall be governed by and construed in accordance with the Applicable Laws including the Foreign Exchange Laws mentioned below.

17.2 **Foreign Exchange Laws**

In case any Employee Stock Options are granted to any Employee being resident outside India belonging to the Company or to any Subsidiary Company/ies of the Company set- up outside India, 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 from time to time in connection with Grant, Vest, Exercise of Employee Stock Options and allotment of Equity Shares thereof.

18. Notices

18.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of the ESOP 2024 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; or
(ii) Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or
(iii) Emailing the communication(s) to the Option Grantee at the official email address provided, if any, by the Company to the existing / prospective Option Grantee during the continuance of the employment or at the email address provided by the Option Grantee after cessation of employment.

18.2 Any communication to be given by an Option Grantee to the Company in respect of ESOP 2024 shall be sent to the person at the address mentioned below or by email:

Contact Person **:** Mr. Himalay Dudharejiya, Company Secretary
Contact Number **:** +91 9712928420
Email **:** cs@praveg.com

19. Jurisdiction

19.1 The Courts in Ahmedabad, Gujarat, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2024.

19.2 Nothing in this Clause shall however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP 2024:

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

20. Severability

20.1 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.

21. Confidentiality

21.1 An Option Grantee must keep the details of the ESOP 2024 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 clause on confidentiality, the Company has undisputed right to terminate any Agreement and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this clause on confidentiality shall be final, binding and cannot be questioned by the 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.

21.2 On acceptance of the Grant of the Option offered by the Company, it shall be deemed that the Option Grantee has authorised 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.

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