

A hand holding a magnifying glass over a document, symbolizing investigation or scrutiny.

GMM Pfaudler Employee Stock Option Plan 2021

GMM Pfaudler Limited

GMM Pfaudler Limited

CIN: L29199GJ1962PLC001171

Regd. Office: Vithal Udyognagar Karamsad Gujarat 388325 India

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	10
7.	VESTING SCHEDULE AND VESTING CONDITIONS	11
8.	EXERCISE	12
9.	LOCK-IN	14
10.	EXIT ROUTE IN CASE OF DE-LISTING	14
11.	RESTRICTION ON TRANSFER OF OPTIONS	14
12.	RIGHTS AS A SHAREHOLDER	14
13.	DEDUCTION/RECOVERY OF TAX	15
14.	AUTHORITY TO VARY TERMS.....	15
15.	MISCELLANEOUS.....	15
16.	ACCOUNTING AND DISCLOSURES	16
17.	CERTIFICATE FROM SECRETARIAL AUDITORS	16
18.	GOVERNING LAWS.....	16
19.	NOTICES	17
20.	NOMINATION	17
21.	JURISDICTION	17
22.	LISTING OF THE SHARES	17
23.	SEVERABILITY	18
24.	CONFIDENTIALITY	18

GMM Pfaudler Limited

CIN: L29199GJ1962PLC001171

Regd. Office: Vithal Udyognagar Karamsad Gujarat 388325 India

1. Name, Objective and Term of the Plan

- 1.1 This Employee Stock Option Plan shall be called ‘**GMM Pfaudler Employee Stock Option Plan 2021**’ (“**ESOP 2021**”/ “**Plan**”).
- 1.2 The objectives of the Plan are to reward the Employees for their association with the Company, their performance as well as to attract, retain and reward Employees to contribute to the growth and profitability of the Company. The Company views Employee Stock Options as an instrument that would enable the Employees to get a share in the value, they create for the Company in the years to come.
- 1.3 The Plan is established with effect from December 2, 2021 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 Company as per provisions of Applicable Laws, or (ii) the date on which all the Options available for issuance under the Plan have been issued and exercised, whichever is earlier.

2. Definitions and Interpretation

2.1 Definitions

- i. “**Applicable Law**” means every law relating to Options, employee stock options by whatever name called, including and without limitation to the Companies Act, 2013 and the rules framed thereunder, Securities and Exchange Board of India Act 1992, SEBI SBEB & SE Regulations and includes any statutory modifications or re-enactments thereof and all relevant tax, securities, exchange control or corporate laws of India or of any relevant jurisdiction or of any Recognized Stock Exchange on which the Shares are listed or quoted.
- ii. “**Associate Company**” shall have the same meaning as defined under section 2(6) of the Companies Act, 2013
- iii. “**Board**” means the Board of Directors of the Company.
- iv. “**Committee**” means the nomination and remuneration committee constituted by the Board from time to time, to administer and supervise the Plan and other employee benefit plan/schemes, if any, comprising of such members of the Board as provided under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and having such powers as specified under the SEBI SBEB & SE Regulations read with powers specified in this Plan.
- v. “**Companies Act**” means the Companies Act, 2013 read with rules issued thereunder from time to time and includes any statutory modifications or reenactments thereof.
- vi. “**Company**” means “GMM Pfaudler Limited.”, a company registered in India under the provisions of the Companies Act, 1956 and subsisting under the Companies Act, 2013, having CIN: L29199GJ1962PLC001171 and having its registered office at Vithal Udyognagar Karamsad Gujarat 388325 India.
- vii. “**Company Policies/Terms of Employment**” means the Company’s Policies for Employees and the Terms of Employment as contained in the employment letter

GMM Pfaudler Limited

CIN: L29199GJ1962PLC001171

Regd. Office: Vithal Udyognagar Karamsad Gujarat 388325 India

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.

- viii. **“Death”** for the purpose of this Plan shall mean Death of an Employee during the continuance of employment or service, which shall not include Death due to suicide and any other reason(s) specified, if any, under the human resource policy of the Company
- ix. **“Director”** means a member of the Board of the Company.
- x. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee for granting the Options to the Employees.
- xi. **“Employee”** except in relation to issue of sweat equity shares 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 whole time or not including a non-executive director who is not a Promoter or member of the Promoter Group,
 - (iii) an employee as defined in sub clause (i) or (ii), of a Group Company including Subsidiary Company or its Associate Company, in India or outside India, or of a Holding Company

but excludes

- a. an Employee who is a Promoter or belongs to the Promoter Group;
 - b. a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company; and
 - c. a Director being an Independent Director.
- xii. **“Employee Stock 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.
- xiii. **“ESOP 2021”** means the ‘GMM Pfaudler Employee Stock Option Plan 2021’ under which the Company is authorized to grant Options to the Employees.
- xiv. **“Exercise”** of an Option means expression of an intention by an Employee to the Company to purchase the Shares underlying the Options vested in him, in pursuance of the Plan, in accordance with the procedure laid down by the Company for Exercise of Options.
- xv. **“Exercise Period”** means such time period after Vesting within which the Employee should exercise the Options vested in him in pursuance of the Plan.
- xvi. **“Exercise Price”** means the price payable by an Employee in order to exercise the Options granted to him in pursuance of the Plan.
- xvii. **“Grant”** means issue of Options to the Employees under the Plan.

GMM Pfaudler Limited

CIN: L29199GJ1962PLC001171

Regd. Office: Vithal Udyognagar Karamsad Gujarat 388325 India

Explanation, —For accounting purposes, the Grant Date will be determined in accordance with applicable accounting standards.

- xviii. **“Grant Letter”** means the formal communication in writing as regards Grant made by the Company to the Employee containing specific details, terms and conditions of the Options.
- xix. **“Group” or “Group Company”** means two or more companies which, directly or indirectly, are in position to-
- i. Exercise twenty-six percent, or more of the voting rights in the other company; or
 - ii. Appoint more than fifty percent, of the members of the board of directors in the other company; or
 - iii. Control the management or affairs of the other company
- xx. **“Holding Company”** means any present or future holding Company of the Company, as per the provisions of the Companies Act.
- xxi. **“Independent Director”** means a Director within the meaning of the Companies Act read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- xxii. **“Market Price”** means the latest available closing price on the Stock Exchange on which the Shares of the Company are listed, immediately prior to the Relevant Date.
- Explanation-** If Shares are listed on more than one Stock Exchange, then the closing price of the Shares on the Stock Exchange having higher trading volume shall be considered as the Market Price.
- xxiii. **“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 and opportunity of being heard:
- a. committing of any act warranting summary termination under law; or
 - b. conduct which in the reasonable opinion of the Committee amounts to a serious breach by an option Grantee of the obligation of trust and confidence to his employer; or
 - c. a finding by the Committee that an Employee has committed any material or consistent breach of any of the terms or conditions of Employee service agreement including any willful neglect of or refusal to carry out any of his duties or to comply with any instruction given to him by the Committee; or
 - d. being convicted of any criminal offence; or
 - e. being disqualified from holding office in the Company or any other company under any legislation or being disqualified or disbarred from membership of, or being subject to any serious disciplinary action by, any regulatory body within the industry, which undermines the confidence of the Committee in the individual’s continued employment; or

GMM Pfaudler Limited

CIN: L29199GJ1962PLC001171

Regd. Office: Vithal Udyognagar Karamsad Gujarat 388325 India

-
- f. having acted or attempted to act in any way which in the opinion of the Committee has brought or could bring the Company or any other Group member into disrepute or discredit;
- g. breach or violation of any Company Policies/ Terms of Employment; and
- h. Any other reason not included above but defined as misconduct in the Company's rules or Employee handbook and / or employment agreement and/or appointment letter.
- xxiv. **"Option"** means Employee Stock Options within the meaning of the Plan.
- xxv. **"Option Grantee"** means an Employee who has been granted an Option and has accepted such Grant as required under the Plan and shall deem to include nominee/ legal heir of an Option Grantee in case of his/her Death or Permanent Incapacity to the extent provisions of the Plan are applicable to such nominee/ legal heir.
- xxvi. **"Permanent Incapacity"** means any disability 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 Committee based on a certificate of a medical expert identified by the Company.
- xxvii. **"Plan"** means and refers to ESOP 2021 defined hereof.
- xxviii. **"Promoter"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended.
- xxix. **"Promoter Group"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended.
- xxx. **"Recognized Stock Exchange"** means the National Stock Exchange of India, BSE Limited (BSE) or any other recognized stock exchanges in India on which the Company's Shares are listed or to be listed
- xxxi. **"Relevant Date"** means any of the following dates as the context requires:
- (i) in the case of Grant, the date of the meeting of the Committee on which the Grant is made; or
- (ii) in the case of Exercise, the date on which the notice of Exercise is given to the Company by the Option Grantee
- xxxii. **"Retirement"** means retirement as per the rules of the Company.
- xxxiii. **"SEBI SBEB & SE Regulations"** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and reenacted from time to time, and includes any clarifications or circulars issued thereunder.
- xxxiv. **"Secretarial Auditor"** means a company secretary in practice appointed by a 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 Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- xxxv. **“Shares”** means equity shares of the Company of face value of Rs. 2 (Two) each fully paid-up including the equity shares arising out of the Exercise of Options granted under Plan.
- xxxvi. **“Subsidiary Company”** means any present or future subsidiary of the Company, as per the provisions of the Companies Act.
- xxxvii. **“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.
- xxxviii. **“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.
- xxxix. **“Vesting”** means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of the Plan.
- xl. **“Vesting Condition”** means any condition subject to which the Options granted would vest in an Option Grantee.
- xli. **“Vesting Period”** means the period during which the vesting of the Option granted to the Employee, 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; and
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

Words and expressions used and not defined here but defined in the SEBI SBEB & SE Regulations, 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, as the context requires.

3. Authority and Ceiling

- 3.1 The shareholders of the Company by way of special resolution dated December 2, 2021 approved the Plan authorizing the Committee to grant not exceeding **51,161 (Fifty One Thousand One Hundred Sixty One Only)** Options to the eligible Employees in one or more tranches, from time to time, which in aggregate exercisable into not more than **51,161 (Fifty One Thousand One Hundred Sixty One Only)** Shares of face value of **Rs. 2** each fully paid up, 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 by the Committee in accordance with the provisions of this Plan, SEBI SBEB & SE Regulations and in due compliance with other Applicable Laws 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 **5,116 (Five Thousand One Hundred and Sixteen Only)** Options at the time of Grant of Option under the Plan.
- 3.3 If the number of Options that may be offered to any specific Employee shall be equal to or more than 1% (one percent) of the issued equity Share capital (excluding outstanding warrants & conversion) of the Company at the time of Grant of Options, then the Company shall take prior approval of members of the Company by way of a special resolution.
- 3.4 If an Option expires, lapses or becomes un-exercisable due to any reason, 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 all Applicable Laws.
- 3.5 Where Shares are issued consequent upon exercise of an Option under the Plan, the maximum number of Shares that can be issued under Plan as referred to in Clause 3.1 above shall stand reduced to the extent of such Shares issued.
- 3.6 In case of a consolidation, if the revised face value of the Share is 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 consolidation remains unchanged after such consolidation. Thus, for example, if the prevailing face value of each Share is Re.1 per Share and the revised face value after the Share consolidation is Rs.2 per Share, the total number of Shares available under the Plan would be (Shares reserved at Sub-Clause 3.1/ 2) Shares of Rs.2 each.
- 3.7 In case of a Share split, if the revised face value of the Share is less 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 remains unchanged after such Share split. Thus, for example, if the prevailing face value of each Share is Rs. 10 per Share and the revised face value after the Share split is Rs. 5 per Share, the total number of Shares available under the Plan would be (Shares reserved at Sub-Clause 3.1 x 2) Shares of Rs. 5 each.
- 3.8 In case of Bonus issue by the Company, the number of Options issued to the Option Grantee shall get adjusted. For example, if a company issues bonus in the ratio of 3:2, then each Option Grantee is entitled to receive 3 Options for every 2 Options held by them. An Option Grantee with 1,000 Options receives 1,500 bonus shares ($1000 \times 3 / 2 = 1500$).

3.9 Prior approval of shareholders in the general meeting by passing special resolution shall be obtained in case Options shall be granted to any Employee of the Group Company(ies) including its Subsidiary Company(ies), Associate Company(ies) or Holding Company.

4. Administration

4.1 The Plan shall be administered by the Committee. All questions of interpretation of the Plan or any Option shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Plan or in any Option issued thereunder.

4.2 The Committee shall in accordance with this Plan and Applicable Laws determine the following:

- (a) The quantum of the Option to be granted under the Plan per Employee, subject to the ceiling as specified in Para 3.1;
- (b) the Eligibility Criteria for Grant of Option to the Employees;
- (c) the specific Exercise Period within which the Employee should Exercise the Option and that Option would lapse on failure to Exercise the Option within the Exercise Period;
- (d) the specified time period within which the Employee shall Exercise the Vested Option in the event of termination or resignation of an Employee;
- (e) 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;
- (f) 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.
- (g) the procedure and terms for the Grant, Vesting and Exercise of Option in case of Employees who are on long leave;
- (h) the conditions under which Option vested in Employees may lapse in case of termination of employment for Misconduct;
- (i) Determine 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:
 - 1. permissible sources of financing for buy-back;
 - 2. any minimum financial thresholds to be maintained by the Company as per its last financial statements; and

3. limits upon quantum of Options that the Company may buy-back in a financial year;
 - (j) Formulate suitable policies and procedures to ensure that there is no violation of Applicable Laws, in relation to this Plan by the Company and the Employees
 - (k) The procedure for funding for Exercise of Options, as permitted under the Applicable Laws; and
 - (l) approve forms, writings and/or agreements for use in pursuance of the Plan.
- 4.3 The Committee shall also frame suitable policies and systems to ensure that there is no violation of (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 (as amended from time to time) and (c) any other regulation as may be notified by the Securities and Exchange Board of India or any other authority from time to time, by the Company and any Employee.
- 5. Eligibility and Applicability**
 - 5.1 Only Employees within the meaning of this Plan are eligible for being granted Option under Plan. The specific Employees to whom the Option would be granted, and their Eligibility Criteria shall be determined by the Committee.
 - 5.2 The Plan shall be applicable to the Company, its Group Company including its Subsidiary Company(ies), Associate Company and its Holding Company within or outside India and any successor company thereof and Options may be granted to the Employees of the Company, its Group Company including Subsidiary Company(ies), Associate Company and its Holding Company as determined by the Committee at its sole discretion.
 - 5.3 Appraisal process for determining the eligibility of the Employees will be based on designation, criticality, high potential, 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.
- 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 discretion.
 - (b) Each Grant of Option 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 Laws.
 - 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 letter of Grant on or before the date ("**Closing Date**") which shall not be more than **30 days** from the date of the Grant, as specified in the

letter of Grant. On receipt by the Company of the signed acceptance, the eligible Employee will become an Option Grantee.

- 6.3 Any eligible 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 Committee determines otherwise.

7. Vesting Schedule and Vesting Conditions

- 7.1 Option granted under the Plan shall vest not earlier than minimum period of 1 (one) year and not later than maximum period of **3 (three)** years from the date of Grant.

Provided that in case where Options are granted by the Company under the Plan in lieu of options held by a person under a similar Plan in another company (“Transferor Company”) which has merged or amalgamated with the Company, the period during which the options granted by the Transferor Company were held by him may be adjusted against the minimum Vesting Period required under this Sub-clause in due compliance with the provisions of SEBI SBEB & SE Regulations.

Provided further that in the event of Death or Permanent Incapacity of an Employee, 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.

- 7.2 Vesting of Option would be subject to continued employment with the Company. In addition to this, the Committee may also specify certain performance criteria 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.

- 7.4 The Vesting schedule and specific Vesting Conditions subject to which Vesting would take place shall be specified in the letter issued to the Option Grantee at the time of Grant.

7.5 Vesting of 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 Committee.

7.6 Acceleration of Vesting in certain cases

Subject to elapse of minimum Vesting Period of 1 (One) year from the date of Grant:

- (i) The Committee shall have the power to accelerate Vesting of any or all Unvested Options with effect from such date as the Committee may determine at its discretion.
- (ii) In case, after approval of acceleration of Vesting of Unvested Options by the Committee, there occurs no such specific event, on consideration of which Committee would have approved such acceleration, such non-occurrence shall lead to automatic

GMM Pfaudler Limited

CIN: L29199GJ1962PLC001171

Regd. Office: Vithal Udyognagar Karamsad Gujarat 388325 India

cancellation of such acceleration as if such proposal was never considered nor approved by the Committee as a result of which such Unvested Options shall be subject to normal Vesting schedule as defined in the Grant Letter.

8. Exercise

8.1 Exercise Price

The Exercise Price shall be decided by the Committee which shall in no case be lesser than the 90% of the average of the last six months of the closing share price of the Company on the date of grant of Options. The specific Exercise Price shall be intimated to the Option Grantee in the Grant Letter issued at the time of Grant.

Explanation: In case the Shares are listed on more than one Recognized Stock Exchange, then the Recognized Stock Exchange where the highest trading volume on the said date shall be considered for the purpose of determining the Exercise Price.

Payment of the Exercise Price shall be made by a crossed cheque, or a demand draft drawn in favor of the Company or in such other manner as the Committee may decide from time to time.

8.2 Exercise Period

(a) Exercise while in employment:

The Exercise Period in respect of the Vested Options shall be as under

Vesting	Vesting Percentage	Exercise Period
1 st Vesting	0%	-
2 nd Vesting	33% of the total Options granted	2 years from the date of vesting
3 rd Vesting	67% of the total Options granted	1 year from the date of vesting

(b) Exercise in case of separation from employment:

Subject to maximum Exercise Period stated above, the Vested Options can be exercised as under:

GMM Pfaudler Limited

CIN: L29199GJ1962PLC001171

Regd. Office: Vithal Udyognagar Karamsad Gujarat 388325 India

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 submission of resignation/termination shall be exercisable by the Option Grantee by his/her last working day in the Company.	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.	All the Unvested Options at the time of such termination shall stand cancelled with effect from the date of such termination.
3	Retirement	All the Vested Options as on the date of Retirement shall be exercisable by the Option Grantee by his/her last working day in the Company.	All the Unvested Options shall continue to vest as per Vesting schedule as originally prescribed even after date of Retirement unless otherwise decided by the Committee.
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 12 (twelve) months from the date of Death of the Option Grantee.	All the Unvested Options as on date of Death shall vest immediately in the Option Grantee's nominee or legal heir and can be exercised in the manner defined for Vested Options.
5	Permanent Incapacity	All Vested Options may be exercised by the Option Grantee or his nominee, immediately after, but in no event later than 12 (twelve) months from the date of such Permanent Incapacity.	All the Unvested Options as on date of incurring of such incapacity shall vest immediately in the Option Grantee or his nominee and can be exercised in the manner defined for Vested Options.
6	Abandonment of employment	All the Vested Options shall stand cancelled with effect from such date as determined by the Committee.	All Unvested Options shall stand cancelled with effect from such date as determined by the Committee.

GMM Pfaudler Limited

CIN: L29199GJ1962PLC001171

Regd. Office: Vithal Udyognagar Karamsad Gujarat 388325 India

S. No.	Events of separation	Vested Options	Unvested Options
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 Laws.

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 Committee, for the issue of Shares against the Options vested in him, subject to payment of Exercise Price and compliance of other requisite conditions of Exercise.

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.

9. Lock-in

The Shares issued upon Exercise shall be freely transferable and shall not be subject to any lock-in period restriction after such issue except as required under the Applicable Laws including that under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, or code of conduct framed, if any, by the Company after Listing under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

10. Exit route in case of de-listing

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

11. Restriction on transfer of Options

11.1 The Option shall not be pledged, hypothecated, mortgaged, or otherwise alienated in any other manner.

11.2 Options shall not be 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 Employee to whom the Option is granted shall be entitled to Exercise the Option except in the event of the Death of the Option Grantee, in which case provisions at sub-clause 8.2(b) would apply.

12. Rights as a shareholder

12.1 The Employee shall not have a right to receive any dividend or to vote or in any manner or enjoy the benefits of a shareholder in respect of Options granted, till Shares underlying such Options are issued by the Company up on Exercise of such Option.

GMM Pfaudler Limited

CIN: L29199GJ1962PLC001171

Regd. Office: Vithal Udyognagar Karamsad Gujarat 388325 India

12.2 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 Shares covered by the Grant unless the Option Grantee exercises the Option and becomes a registered holder of the Shares of the Company.

12.3 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, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with sub-clause 4.2 (f) 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, 1961 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 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.

13.3 The Company shall have no obligation to deliver Shares 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 For the purpose of efficient implementation and administration of the Plan but subject to the Applicable Laws and approval of the shareholders of the Company by way of a special resolution, Committee may revise any of the terms and conditions in respect of existing or any new grant of Options provided that the variation is not prejudicial to the interest of the Employees.

14.2 The Committee 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 price of the Shares.

15. Miscellaneous

15.1 Government Regulations

This Plan shall be subject to all Applicable Laws, 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 Laws.

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 Laws, 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 or sell 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 **General Risks**
Participation in the Plan shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the equity and the risks associated with the investments is that of the Option Grantee alone.

16. Accounting and Disclosures

The Company shall follow the requirements including the disclosure requirements and 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, 2013 or any other appropriate authority, from time to time, including any guidance note on Accounting for employee share-based payments issued in that regard from time to time and the disclosure requirements prescribed therein, in compliance with relevant provisions of Regulation 15 of SEBI SBEB & SE Regulations.

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

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

17. Certificate from Secretarial Auditors

The Committee 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 & SE Regulations and in accordance with the resolution of the Company in the general meeting.

18. Governing Laws

- 18.1 The terms and conditions of the Plan shall be governed by and construed in accordance with the Applicable Laws including the Foreign Exchange Laws mentioned below.
- 18.2 **Foreign Exchange Laws**
In case any Options are granted to any Employee being resident outside India belonging to the Company working 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 Options and issue of Shares thereof.

19. Notices

19.1 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.

19.2 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:

Name: Ms. Geetanjali Barretto

Designation: General Manager – Human Resource

Address: GMM Pfaudler Limited, 902 Lodha Excelus, New Cuffe Parade, Sewri-Chembur Road, Mumbai 400 022

E-mail: geetanjali.barretto@gmmpfaudler.com

20. Nomination

The Employee has to nominate a person as his/her nominee. The nominee in case of death or legal incapacity of Employee shall be the legal representative recognized by the Company as the inheritor of the Employee in respect of all rights and liabilities for the purposes of this Plan.

21. Jurisdiction

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

21.2 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. Listing of the Shares

For listing of shares pursuant to the Plan, the company shall obtain the in-principle approval of the Recognized Stock Exchanges where it proposes to list the said shares prior to the grant of ESOPs.

Further, subject to the approval of the Stock Exchange(s), the Shares issued and allotted on Exercise of the Options shall be listed on the Recognized Stock Exchange(s) on which the Shares of the Company are listed or proposed to be additionally listed.

GMM Pfaudler Limited

CIN: L29199GJ1962PLC001171

Regd. Office: Vithal Udyognagar Karamsad Gujarat 388325 India

23. 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, but the Plan shall be construed as if such invalid, illegal, or unenforceable provision had never been set forth herein, and the Plan shall be carried out as nearly as possible according to its original intent and terms.

24. Confidentiality

- 24.1 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 peer, 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 stand 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 Committee shall have the authority to deal with such cases as it may deem fit.
- 24.2 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.

-----End of Plan-----