



PREMCO GLOBAL LIMITED
EMPLOYEES STOCK OPTION SCHEME, 2017 (PGL ESOP 2017)

Preamble:

During the Extra Ordinary General Meeting of the Premco Global Limited (“**Company**”), held on 29th March 2017, members of the Company passed special resolution for introducing Stock Option Scheme called Premco Global Limited Employees Stock Option Plan, 2017 (PGL ESOP 2017), for the benefit of the Key Managerial Personnel of the Company including president and other senior level managerial personnel of the Company and its Subsidiaries. The resolutions also accorded approval, for the Board of Directors, to formulate the Scheme as per broad parameters outlined in the resolution, either directly or through a Committee. Accordingly, a Committee of Directors, called the Compensation Committee (herein after referred to as Compensation Committee or ESOP Compensation Committee) ie. ECC was constituted. The Committee, after due deliberations and after studying the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 as amended from time to time, has formulated the PGL ESOP 2017, details of which are furnished hereunder:

01. Definitions and Interpretation:

Definitions:

- i **“Applicable Law”** means every law relating to Employee Stock Purchase, including, without limitation to, the Companies Act, 2013, and all relevant tax, securities, exchange control or corporate laws in India.
- ii **“Allotment”** means allotment of Equity Shares having face value of Rs. 10/- each by the Company to an Employee.
- iii **“Board”** means the Board of Directors of the Company.
- iv **“Companies Act”** means The Companies Act, 2013 and includes any statutory modification or reenactments thereof.
- v **“Company”** means “Premco Global Limited”
- vi **“Company Policies / Terms of Employment”** means the Company’s policies for employees and the terms of employment as contained in the Employment Letter and the Company Handbook, which included provisions



- for securing Confidentiality, Non Compete and Non Poaching of other Employees and customers, code of conduct/ Guidelines on pre clearance of Trades and other policy directions issued from time to time.
- vii **“ESOP Compensation Committee”** or **“ECC”** means a Committee constituted by the Board of Directors from time to time to administer PGL ESOP 2017.
- 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 Board for granting the Equity Shares under the Employee Stock Purchase Scheme to the employees.
- x **“Employee”** means (i) a permanent employee of the Company working in India or out of India; or (ii) a director of the company , whether a whole time director or not; or (iii) an employee, as defined in sub-clauses (i) or (ii) in this Para, of a subsidiary, in India or out of India, or of a Holding Company of the Company, but excludes
- (a) an employee who is the 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 Equity Shares in the company.
- xi **“Employee Stock Option”** or **“Option”** means a right, but not an obligation given to an Employee, to purchase or subscribe the Equity Shares of the Company at a pre-determined price on the date of grant under the PGL ESOP 2017.
- xii **“Employee Stock Option Scheme”** or **“ESOP”** means a PGL ESOP 2017scheme under which the company offers Equity Shares to employees as a part of public issue or otherwise.
- xiii **“Exercise”** means expression of an intention by an Employee to the Company to purchase the Equity Shares granted to him, in pursuance of the PGL ESOP 2017, in accordance with the procedure laid down by the company for the allotment of Equity Shares.
- xiv **“Exercise Period”** means such time period after grant, within which the Employee should purchase the Equity shares Granted to him in pursuance of the PGL ESOP 2017.
- xv **“Exercise Price”** means the price payable by the Employee in order to purchase the Equity Shares granted to him in pursuance of PGL ESOP 2017.
- xvi **“Permanent Incapacity”** or **“Permanent Disability”** means any disability of whatsoever nature, be it physical, mental or otherwise, which in capabilities 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 Board based on a certificate of a medical expert identifies by the Board.

- xvii **“Recognized Stock Exchange”** means the BSE, NSE or any other Stock Exchange in India on which the Company’s Equity Shares are listed or to be listed.
- xviii **“Retirement”** means retirement as per the rules of the Company.
- xix **“SEBI Act”** means the Securities and Exchange Board of India Act, 1992 as amended, and includes all regulations and clarifications issued there under.
- xx **“SEBI Guidelines”** means the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended and included all regulations and clarifications issued there under.
- xxi **“Share(s)”** means Equity Shares of the Company arising out of Equity Shares under the PGL ESOP 2017.
- xxii **“Subsidiary Company”** as defined in The Companies Act, 2013.

Interpretation

In this Scheme, unless the contrary intentions appear:

- 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;

02. Purpose of the Scheme:

The Scheme envisages extending options to the employees to acquire shares of the Company at a **Market Price** as a way of employee compensation, in recognition of their contribution to the overall performance, making them owners of the Company, by virtue of such shareholding and as an incentive for higher performance levels.

PGL ESOP 2017 is established with effect from 29.03.2017 and shall continue to be in force until (i) its termination by the Board of Directors of the Company, or (ii) the date on which all of the options available for issuance under the scheme have been issued and exercised in the terms of the scheme, whichever is earlier. The decision of this Board in this regard shall be final provided it is in compliance with applicable laws and the Scheme.



03. Constitution, Role and Functions of ESOP Compensation Committee (ECC):

- a) The ECC is empowered to formulate detailed terms and conditions of the Scheme, administer and supervise the same. It shall be a Committee of the Board of Directors.
- b) The ECC shall meet as required for the purpose of administering the Scheme.
- c) The ECC shall select Employees to be offered Options.
- d) The ECC shall have powers to review the Scheme annually, or at other intervals as deemed necessary and recommend appropriate modifications in the terms and conditions of the Scheme, if any, to the Board of Directors. Changes would be recommended in cases such as:
 - the current Scheme does not fulfill the objectives set out for the scheme.
 - there are changes in legislation which need to be incorporated in the Scheme such modifications facilitate effective implementation or improvement of the Scheme.
 - such modifications are for the welfare of the Employees.
- e) The ECC shall ensure that the Scheme is implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time.
- f) No member of the ECC shall be liable for any decision or action made in good faith with respect to the Scheme of the Company.
- g) The ECC is empowered to constitute a working committee to assist the ECC in the selection and appraisal of Employees for the Participation in the Scheme and in the administration of the Scheme.

04. Administration of the Scheme:

Notwithstanding anything stated herein, but subject to the terms of the resolution passed by the Shareholders at the Extra Ordinary General Meeting of the Company held on 29.03.2017, approving the issue of Shares to Employees of specific categories under an Employees Stock Option Scheme and the regulations prescribed by the Securities and Exchange Board of India, the ECC, in its absolute discretion has been



authorized to determine all the terms governing the Scheme including any variation thereof and including, but not limited to:

- a) determining the quantum of Options to be granted under PGL ESOP 2017 subject to the cap in Clause 6 (i).
- b) determining the Employees amongst the categories of Employees to whom the Options are to be granted;
- c) the time when the Options are to be granted;
- d) the quantum of Options to be granted at various points in time;
- e) the number of tranches in which the Options are to be granted;
- f) the criteria for determining the number of Options to be granted to Employees;
- g) the number of Options to be apportioned / allocated for various grades of Employees;
- h) the number of Options to be granted to each Employee;
- i) determination of Exercise Price, on the basis of the latest available closing price, prior to the date of the meeting of the ECC in which options are granted, of the Company's Share on the Stock Exchange on which the Shares of the Company are listed and traded with the highest volume on the said trading date;
- j) the terms and conditions subject to which the Options granted would vest in the Employee;
- k) the date of vesting of the Options granted and whether any amount payable at time of grant.
- l) the terms and conditions subject to which the Options vested would be exercised by the Employee;
- m) the date within which the Options have to be exercised by the Employee;
- n) assignment of weightage to Company's performance, level / grade of Employee and such other criteria, for determining the grant of options including the quantum thereof;



- o) ECC may prescribe different set of criteria for each of the tranche of options / categories / the eligible employees, with respect to the tranches, performance benchmark, tenure of service, etc. in respect of the Scheme;
- p) the number of Options reserved, if any, for granting to new Employees who would join the services of the Company;
- q) deciding the treatment of unvested Options upon termination of employment or upon a Director ceasing to hold office or of options that have lapsed due to non-exercise by any Employee(s);
- r) deciding adjustments to Grant size and / or Exercise Price of Options in case of bonus issue or rights issue or Share split or Consolidation of Shares;
- s) obtaining permissions from and making periodic reports to regulatory authorities, as may be required and ensuring compliance with all guidelines applicable to the Scheme;
- t) framing suitable policies and systems to ensure that there is no violation of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003 , by any Employee;
- u) framing appropriate procedures for Granting, vesting and exercising of Options. The terms prescribed by the Compensation Committee shall be final and binding on all the Employees. The ECC may appoint a working Committee, consisting of one or more officers / directors of the Company, to assist the ECC in the administration of the Scheme.
- v) approving forms, writings and/or agreements for use in pursuance of PGL ESOP,2017

05. Coverage of the Scheme:

- (i) The Scheme shall extend to all permanent employees on the rolls of the Company and its subsidiaries, as may be determined by the ESOP Compensation Committee (ECC).



- (ii) The scheme shall extend to new recruits of the Company and its subsidiaries as may be determined by ECC from time to time.
- (iii) The Scheme shall not extend to any promoter or those belonging to the promoters group or to any director, who either by himself or through his relative(s) or through anybody corporate, directly or indirectly, hold more than 10% of the outstanding equity shares.

06. Ceiling on aggregate number of options:

- (i) The maximum number of options that may be granted pursuant to the Scheme shall not exceed 1,50,000 shares (face value of 10/- each) in number which shall be convertible into equal number of Equity Shares i.e. number of shares in the Scheme shall not exceed 5% of the total share capital of the Company as on 29.03.2017.

The Company reserves the right to increase or reduce such number of shares as it deems fit subject to the shareholders' approval, in accordance with Applicable Laws. Where Equity Shares are issued consequent to exercise of an option under the Scheme, the maximum number of Shares issued under the Scheme shall stand reduced to the extent of such Shares issued.

- (ii) Where granted Options, vested or unvested, lapse due to any reason, the ECC may issue / re-issue options to the eligible Employees as long as the aggregate number of options (including shares already allotted under the Scheme, but excluding any granted options that are lapsed) shall not represent more than 1,50,000 equity shares at any given point of time. The Options so issued shall be issued / re-issued shall be covered by the terms and conditions of the Scheme.
- (iii) Where equity shares are issued consequent to exercise of Options under PGL ESOP2017, the maximum number of equity shares that can be issued under PGL ESOP2017 as referred to hereinabove in Clause 6 (i), will stand reduced to the extent of such equity shares issued.
- (iv) In case of a share-split where the face value of the equity shares is reduced below Rs. 10/- (Rupees Ten only), the maximum number of equity shares



available for being granted under ESOP 2017 shall stand modified accordingly, so as to ensure that the cumulative face value (number of equity share x face value per share) prior to such split remains unchanged after the share split. Thus, for instance, if the face value of each share is reduced to Rs. 2/- (Rupees Two only), then the total number of equity shares available under ESOP 2017 would be (1×5) , i.e. 5 shares of Rs. 2/- (Rupees Two only) each.

07. Ceiling on number of options per employee:

No employee shall be granted options during any one year, equal to or exceeding 1% of the issued capital of the Company (excluding outstanding warrants and conversions) at the time of grant of such options, except with the specific approval of the members of the Company, accorded in a general body meeting.

08. Basis of grant of number of options to particular employees:

The ECC would determine the number of options to be granted to various employees, cadre-wise or on a case-by-case basis, based on broad parameters like past and current performance and potential of the individual and criticality of the position. As the Scheme is meant to attract and retain talented / experienced persons the criteria for eligibility, the number of options, vesting and exercise period, mode and frequency of exercise, etc., may be decided by the ECC, taking into account various aspects like role/designation of the employee, qualification, experience, past performance levels, future performance indicators, etc., of the employee, within the overall broad parameters.

Decision of the ECC with regard to eligibility criteria, the number of options granted to particular employees, nature of vesting, exercise, etc., shall be final and it shall not be disputed.

FOLLOWING ARE THE ILLUSTRATIVE LIST OF CRITERIA

1. tenure;
2. performance of the employee during the previous three financial years on the basis of the parameters decided by the management;
3. employee's HR grade as per the HR policy of the Company;
4. the present and potential contribution of the employee to the success of the Company;
5. high market value/difficulty in replacing the employee;
6. high risk of losing the employee to competition; and



7. value addition by the new entrant if any.

09. Grant procedure:

The Employee identified for grant of stock option shall be intimated about the same, by means of a written communication. The communication will be issued by a person, authorized in this behalf, by the ECC. The communication would contain details including the number of Options granted to the Employee, the Grant Date and the Exercise Price. The communication will be accompanied by

- (i) an Information Memorandum giving a broad picture about the performance of the company, including financial details,
- (ii) the salient features of the Scheme and
- (iii) an Application Form for exercising the option at the appropriate time.

10. Option Exercise Price:

Options granted to Employees under this Scheme shall be Market Price at the time of Grant of Options Initially or as decided by the ECC, based on the market price, as defined herein, of the equity shares of the Company and in accordance with the provisions of the relevant SEBI guidelines/regulations.

11. Agreement:

An agreement shall be entered into by and between the Company, represented by its Company Secretary or any other person authorized for the purpose by the ECC, and the Employee participating in the Scheme, containing the mutual rights and obligations of either party under the Scheme. The ECC would draft a suitable agreement for the purpose.

12. Tranches of Grant:

The Options will be granted in 3 tranches, spread over a period of 3 years, or as may be decided by the ECC.

13. Options:

13.1 Vesting Period & Exercise Period:

(a) There shall be a period of one year between grant of Options and the vesting of Options; provided that where Options are granted under PGL ESOP 2017 to an employee in lieu of options held by the said employee under an Employee Stock



Option Plan in another entity which has merged or amalgamated with the Company, the period during which the options granted by the merging/ amalgamating entity were held by the said employee shall be adjusted against the Vesting Period of one year hereinabove mentioned.

(b) Except as provided in Clause 14 herein, the continuation of the employee in the services of the Company / Subsidiary shall be primary requirement of the vesting.

(c) The Options granted by the ECC shall vest over a period of 3 years in the following manner:

- (i) 33% of the options at the end of one year from the date of grant.
- (ii) 33% of the options at the end of the two years from the date of grant.
- (iii) 34% of the Options at the end of the three years from the date of grant.

The Options other than those vested in the first lot, shall vest on a yearly basis. The options under the first lot shall vest at the end of one year from the date of grant.

(d) Subject to the provisions of sub clause (e) herein below, at the end of each Vesting Period, the employee has a period of 3years to the Options covered under the said Vesting Period.

(e) Options can be exercised in full in respect of the shares comprised in the each lot covered by such Options and not for part of any lot.

(f) Options not exercised during any particular exercise period, can be carried forward to the subsequent exercise period(s), provided however that all the Options, have to be exercised within a period 3 years from the date of the vesting period in respect of the final lot, after which any unexercised options will lapse.

(g) Accelerated Vesting – Subject to the provisions of 13.1(a), the ECC may at its discretion accelerate the vesting schedule of some or all of the Options granted to Employees in the event of a bonus or rights issue being declared by the Company or in the event of any other corporate action, which in the opinion of the ECC is appropriate case for acceleration of the Vesting Schedule.

(h) Vesting in the event of retirement: Where an Employee resigns / or his employment is terminated other than for misconduct of the Employee, incase of Options vested but not Exercised, the Employee shall have to compulsorily exercise



all the Options vested upto the completed year prior to such resignation / termination within a period of 30 days from the date of resignation / termination. In the event that the Options are not exercised within this period, the Options not so exercised would lapse.

(i) Vesting in the event of Permanent Incapacity/Disability: In the event of Permanent Disability of an Employee, all Options granted to him as on date of Permanent Disability would vest in him on that day. The Options would be exercisable at any time within the Exercise Period, as per the Scheme.

(j) Vesting in the event of Death: In the event of death of an Employee, all Options vested till that date can be exercised by the nominees, or in case of there being no nominee, by the legal heirs of the deceased Employee, during the Exercise Period, as per the scheme. Options granted but not vested till such date shall vest in the nominees, or in case of there being no nominee, on the legal heirs of the deceased employee, at the end of the respective vesting period(s) and can be exercised during the relevant Exercise Period, as per the Scheme. All other terms and conditions of the Scheme shall apply to such Options.

(k) Vesting for Employees on long leave: In the event of long term leave of any Employee the Vested and Unvested Options held by the Employee shall be treated as follows:

(i) in case of leave upto a period of three months, the Options will continue to vest as well as be exercisable by the Employee.

(ii) in case of leave for a period exceeding three months the vesting / exercise of Options will be through a duly constituted attorney of the Employee. In case the Employee does not name such constituted attorney, grant, vesting and exercise of the Option will be decided at the discretion of the ECC.

13.2 Exercising the Option:

a) Options convertible into shares only:

The Options issued to the Employees shall always be convertible into Shares, which would be issued either in physical form or electronic form, as required by the Option Grantee.



b) **Share in Employee name only:**

Except for the case arising under clause 14 herein, only the Employee may exercise the Options and apply for issue of shares in his own name. The Options shall not be transferable by the Employee to any third party.

c) **Exercise Procedure:**

The Employee shall exercise his Option(s) by submitting, during the Exercise Period, the "Exercise Application", in the format provided by the Company, along with a cheque / demand draft, favoring the Company, payable in Mumbai, for the total money payable by him in respect of the Exercise Price, calculated as the number of Options exercised multiplied by the Exercise Price per Option. If the day of exercise happens to be a holiday as per the Company's rules then the same will be presumed to be exercised on the previous working day of the Company.

13.3. Effect of dissociation from the Company and Lapse of Options:

a) In the event of an Option Grantee ceasing to be an Employee of the Company or its Subsidiary (as the case maybe because of resignation or termination of employment (other than due to reasons of misconduct of the Employee), the unvested Options held by the Employee shall forthwith lapse. This Clause shall not apply to cessation of employment due to (i) retirement (ii) death (iii) permanent incapacity/ disability.

b) Where an Employee has dissociated from the Company or its Subsidiary (as the case may be) and in the opinion of the Company is engaged in activities which are materially detrimental to the business or interests of the Company, its subsidiaries or its Employees, all the vested and unvested Options held by the Employee shall be cancelled partly or in full as a disciplinary measure at the sole discretion of the Compensation Committee.

c) In case of termination of service of the Employee for reason of misconduct/ fraud/ unauthorized disclosure of confidential data, all Options, Vested and unvested, shall lapse with immediate effect and all such Options shall revert to the Company on the said date of termination of service.

d) In the event of severance of employment of an Employee as a part of reconstitution / amalgamation / sell-off or otherwise all Options granted to him



would vest immediately and the Employee will have to exercise the Options within a period of 3 months from the date of severance. In the event that the Options are not exercised within this period, the Options would lapse.

e) In the event of an Employee being transferred to a Subsidiary / from a subsidiary / within the subsidiaries, at the instance of or with the consent of the Company the Employee will continue to hold all Vested Options and can exercise them anytime within the exercise period. All Unvested Options shall vest as per the vesting schedule and can be exercised at any time within the Exercise Period.

f) In the event of retirement of an Employee at the instance of or with consent of the Company, Employee will continue to hold all Vested Options and can exercise them anytime within the Exercise Period. All Unvested Options shall vest as per the Vesting Schedule and can be exercised at any time within the Exercise Period.

This is applicable provided the Employee does not enter into competition / is employed by a competitor.

j) In the event that the Company finds that such Employee has entered into competition/is employed by a competitor, the Compensation Committee may in its sole discretion cancel all Options, Vested or Unvested, not Exercised and held by the Employee.

k) All vested Options that have not been exercised within a period of 3months from the last date of employment with the Company or within a period of 3 years from the Grant Date, whichever is earlier, will lapse and revert to the Company. All options that revert to the Company for any reason shall become available for the subsequent Grant of Options by the ECC.

13.4 Consequence of failure to exercise option:

The amount paid by the Employee, if any, at the time of Grant of Option:

a) may be forfeited by the Company if the Option is not exercised by the Employee within the Exercise Period; or

b) the amount may be refunded to the Employee if the Options are not vested due to non-fulfillment of any condition relating to vesting of Option as per the Scheme.



14. Shares:

14.1 Issue of Shares:

- a) Only the Employee to whom options have been granted under the Scheme can exercise the particular Options and apply for issue of Shares. The shares would be issued in his/her own name only.
 - b) The Options issued to the Employees shall always be convertible into Shares.
 - c) Each Option entitles the Option Grantee to apply for and be allotted one equity share, of the face value of Rs. 10/- each.
 - d) The shares shall be issued in physical form or in electronic form, as required by the Employee in writing.
 - e) 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.
- 2) The exercise price of all Options granted on any given day shall be identical.

14.2 Ranking of Shares:

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

14.3 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.

14.4 Buy-back:

The Shares issued pursuant to any exercise of Options, along with other Shares issued by the Company may, pursuant to applicable laws and procedures are subject to an approved scheme of buy-back by the Company.

14.5 Company's Lien:

The Option Grantee agrees that the Company shall, at all times, have the first lien on all such shares which forms the subject matter of this agreement, whether allotted



consequent to exercise of original option granted or by way of bonus or rights issue, or in any other way resulting in grant of options, to recover any and all amounts, of any nature whatsoever, payable by the Option Grantee either to the Company (in discharge of any agreement with the Company) or to any statutory authority in discharge of any obligation with regard to the Scheme.

14.6 FEMA:

Where the Employee is or remains, at the time of the issue of Shares pursuant to the Scheme or at any time before the options are fully exercised, a Foreign Employee, the issue will be made according to applicable provisions of the Foreign Exchange Management Act, 1999 and the Rules made there under.

15. Benefits of Option holder:

a) Change in par value of the share:

Where the Options have vested (but not exercised) or not vested, should any changes be made to the par value of the equity Share of the Company by reason of consolidation, sub-division, or conversion of Shares into Stock, appropriate adjustments shall be made either to the number of Options or the Exercise Price of Options granted, to reflect such change without in any way affecting the rights of the said Option Grantee, and also prevent a dilution or enlargement of benefits of Scheme.

b) Bonus Issue:

Where the Options have vested (but not exercised) or not vested, should the equity share capital of the Company be increased by capitalization by bonus issue, appropriate adjustments shall be made either to the number of Options or the Exercise Price of Options granted, to reflect such change without in any way affecting the rights of the said Option Holder and also preventing any dilution or enlargement of benefits of the Scheme.

In the event of a bonus issue of shares during the Vesting Period, in relation to the Unvested Options only, the Option Holder would be entitled to apply for and be allotted proportionately higher number of Options, exercisable on the same terms as of the original Options except the Exercise Price. The per Option Exercise Price of



aggregate of original Options and bonus Options will be the aggregate Exercise Price of the number of Options eligible for Grant of bonus Options, divided by the aggregate number of original Options (eligible for bonus Options) and bonus Options. For the purpose of the Vesting Period and Exercise Period, the Bonus Options will be treated at par with the original Options on which the bonus Options have been issued. As regards vested but unexercised Options, in the event of a bonus issue, the Employee would be entitled to

Immediately exercise the Options irrespective of the stipulation regarding exercise as detailed out in clause 13. In case the Employee does not exercise the vested Options 2 weeks before the record date fixed by the Board of Directors for determining Shareholders eligible for bonus Shares, the Employee would not be eligible for the above said bonus Options.

c) **Rights Issue:**

In the event of a rights issue of securities being made by the Company during the Vesting Period, adjustment if any, to the Exercise Price and number of Options of the said Option Grantee would be decided by the ECC at its absolute discretion.

d) **Effect of merger etc., of the company:**

In the event of (1) a merger or amalgamation in which the Company is not the surviving entity or (2) a reverse merger in which the Company is the surviving entity but the Shares of the Company's un-issued Share capital immediately preceding the merger are converted by virtue of the merger in to other property, whether in the form of securities, cash or otherwise then to the extent permitted by the applicable law any surviving entity shall assume any Options outstanding under the Scheme or shall substitute similar Options for those outstanding under the Scheme. In the event any surviving entity refuses to assume or continue such Options or to substitute similar Options for those outstanding under the Scheme, then such Vested Options shall be terminated if not exercised prior to such event. In the event of a dissolution or liquidation of the Company, any vested Options outstanding under the Scheme shall be cancelled if not exercised prior to such event and no compensation shall be payable in respect of the Options so cancelled.



16. Obligations of an Option Grantee:

a) Confidentiality:

The Option Grantee / Option Holder shall not divulge the details of the Scheme and his holdings to any person except with the prior permission of the Company obtained in writing.

b) Insider Trading Regulations:

The Employee shall not utilize any unpublished information available at his disposal to indulge in insider trading as prohibited under the SEBI (Prohibition of Insider Trading) Regulations, 2015, and shall give an undertaking to this effect in a form prescribed by the Company.

c) Non-Transferability of Options:

The Options held by the Option Grantee / Holder are not transferable. The Option Grantee/Holder shall not pledge / hypothecate / charge / mortgage / assign or in any other manner alienate or dispose off the Options.

d) Tax Liability:

(i) In the event of any tax liability, including any tax liability due to change in the tax laws relating to PGL ESOP2017, arising on account of the issue of the Options / conversion into Shares / sale of Shares or any other event, to the Employee, such tax liability shall be that of the Employee alone.

(ii) In the event of any tax liability, including any tax liability due to change in the tax laws relating to ESOP, the Company on the advise of the ECC shall have the right to call upon the Employees to pay.

17. General Risks:

Participation in this Scheme shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the market price of the equity and the risks associated with the investments is that of the Employee alone. In addition, Options shall be subject o the following additional risks:

(a) Leverage: Any change in the value of the Shares can lead to a significantly larger change in the value of the Option, as an Option amounts to a leveraged position in the Share.



(b) Liquidity: The Options cannot be transferred to anybody, and therefore the Employees cannot mitigate their risks by selling the whole or part of their Options before they are exercised.

(c) Vesting: The Options will lapse if the employment is terminated prior to vesting. Even after the Options are vested, the unexercised Options maybe forfeited if the Employee's service is terminated for gross misconduct/fraud/unauthorized disclosure of confidential information.

18. Restrictions on the rights of Option Holders:

The Option Holders are not entitled to any rights which the Shareholders enjoy including voting rights and rights in the Company as to dividend prior to conversion of Options into Shares and ECC may also stipulate lock in period for the Shares issued pursuant to exercise of Options.

19. Appointment of Nominee:

The Employee may appoint in terms of the scheme, his spouse / parent(s) / child (ren) (in the case of minor children through a guardian) or any other person as nominee(s) for the purpose of exercising the rights subject to the obligations of the employee, in the event of death of the employee. The Employee concerned shall appoint such nominee(s) as per the Form prescribed. The Employee has the right to revoke such nomination at any time and a fresh nomination may be made on such revocation. If the Employee does not have a spouse / parent(s) / child(ren) surviving, any other person may be nominated. The nominee specified as aforesaid shall alone be entitled to exercise the rights of the Employee concerned and the Company shall not be liable in relation to any rights and obligations amongst the legal heir's inter-se of the Employee concerned. In the absence of nomination or in the event of death of the nominee before exercising the options under the Scheme, the legal heirs of the Employee shall have the right to exercise the options as vested on the Employee on his death, subject to such evidence being produced to the absolute satisfaction of the Board as may be required from time to time.



20. Government Regulations:

This Scheme shall be subject to all applicable laws, rules, regulations, notifications and to such approvals by any government agencies as may be required. The Grant of Options under the PGL ESOP2017 shall entitle the Company to require the participants in the Scheme to comply with such requirements of law, from time to time, as may be necessary in the opinion of the Company.

21. Governing Law and Jurisdiction:

- (i) The terms and conditions of PGL ESOP 2017 shall be governed by and construed in accordance with the laws of India.
- (ii) The Courts of Mumbai, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this PGL ESOP 2017.
- (iii) Nothing in this Clause will however limit the right of the company to bring proceedings against any Employee in connection with PGL ESOP 2017:
 - a) in any other court of competent jurisdiction.
 - b) concurrently in more than one jurisdiction.

22. Changes in terms and conditions of the Scheme:

The Company or the ECC, as the case may be, may, at any time, in exercise of the powers vested by the members of the Company in the general meeting approving the introduction of the Scheme, at its discretion, change the terms and conditions of the Scheme in order to comply with the SEBI Guidelines or any other laws / enactments, or amendments thereto, that have a bearing on the Scheme. Such change however will not be to the detriment of the Option Grantee / Holder.

23. Interpretation:

In the event of a conflict between the terms and conditions of the Scheme and the terms and conditions of the Agreement entered into by the Company and the Employee as relating to the Scheme, the terms and conditions of the Scheme shall prevail. Any dispute, discrepancy or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with the Scheme / agreement, shall be referred to the ECC and shall be determined by the ECC and any such determination / decision / interpretation by the ECC shall be binding on all persons affected



thereby. Any dispute that may arise as relating to any clause in the Scheme and / or this agreement shall be subject to the exclusive jurisdiction of the courts in Mumbai.

24. Period of the Scheme:

The maximum period within which the options shall be vested is upon the completion of 3 (Three) years from the date of Grant of Option and the Exercise Period shall expire not later than 3 (Three) years from the date of final vesting. Within the outer limits, the Compensation Committee may fix such vesting period and exercise period, as it may deem fit.

For PREMCO GLOBAL LIMITED

Hauska Kaur
Company Secretary

