



**PARAMOTOR DIGITAL TECHNOLOGY LIMITED**

**PARAMOTOR EMPLOYEES' STOCK OPTION SCHEME 2026**

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Paramotor Digital Technology Limited,  
(Formerly known as Paramotor Digital Technology Pvt. Ltd.)  
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CIN: U74999MH2016PLC287408

**Registered Office**

Paramotor Digital Technology Limited, (Formerly known as Paramotor Digital Technology Pvt. Ltd.)  
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## PARAMOTOR EMPLOYEES' STOCK OPTION SCHEME - 2026

### PREFACE

This Scheme shall be called “**Paramotor Employees’ Stock Option Scheme - 2026**”, hereinafter referred to as the “**Paramotor ESOP Scheme- 2026**” or the “**Scheme**”.

This Scheme has been formulated and approved by the Nomination and Remuneration Committee of Board of Directors of the Company (as defined herein below) at its meeting held on Saturday, 18<sup>th</sup> April , 2026 in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as may be amended, modified, varied or re-enacted, from time to time (“**SBEB Regulations**”), the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014, each as amended and other applicable rules, regulations and provisions of law for the time being in force and shall be subject to any modifications or amendments or re-enactments thereof, subject to the approval of the shareholders of the Company.

The Scheme is established with effect from 20<sup>th</sup> April, 2026 being the date of Shareholder’s approval. The Scheme, salient features of this Scheme, Grant (defined hereunder) of Options and consequent issue of new Shares (defined hereunder) by the Company have been approved by the shareholders (thorough a special resolution) of the Company at the Extra Ordinary General Meeting held on 20<sup>th</sup> April, 2026 and the Scheme shall continue to be in force until all Options are granted and have been exercised under the Scheme.

The objective of the Scheme is to retain and reward Employees of the Company by providing them with wealth creation opportunities. The Company intends to use this Scheme to attract, retain and motivate key talents working with the Company, by way of rewarding their high performance and motivate them to contribute to the overall growth and profitability of the Company.



## A. DEFINITIONS

Unless repugnant to the context or meaning hereof, the following terms as used in the Paramotor ESOP-Scheme-2026 shall have the following meanings:

1. **“Applicable Law”** means all the applicable laws, rules, regulations, guidelines or bye-laws relating to or governing share based employee benefits and other stock incentive scheme/plans, including, without limitation, the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules thereunder, the Securities and Exchange Board of India Act, 1992, the SBEB Regulations, the Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“LODR Regulations”**), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (**“ICDR Regulations”**), the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relation to Securities Market) Regulations 2003, the Income Tax Act 1961 and all the relevant tax, securities, exchange control or corporate laws, rules, regulations, guidelines or bye- laws of India or any relevant jurisdiction, or of any stock exchange on which the Equity Shares of the Company are to be listed or quoted and includes, any amendment, modification, alteration or re-enactment made to such laws, rules, regulations, guidelines or bye-laws.
2. **“Applicable Tax”** shall mean taxes (including perquisite taxes) or any other cess, duty, surcharge or any such amount by whatever name called in the nature thereof levied by the Authority from time to time, whether in existence now or in future.
3. **“Associate Company”** shall mean an ‘associate company’ of the Company as defined under Section 2(6) of the Companies Act, 2013, as amended from time to time.
4. **“Authority”** shall mean any Government of a country, nation, state, province, region, union territory, any division or political sub-division by whatever name, any entity, unit, department, local authorities (such as corporation, municipality, panchayat), ministry, commission, board, agency, executive authority, legislative authority, regulatory authority, instrumentality, court, tribunal or other judicial, quasi-judicial, or administrative authorities, or any self-regulatory authority, having jurisdiction over the matter or matters in question.
5. **“Board”** or **“Board of Directors”** shall mean the Board of Directors of Company.
6. **“Company”** shall mean Paramotor Digital Technology Limited (which expression unless it be repugnant to the context or meaning thereof, shall include its successors in interest or permitted assignees). Provided that where the context so requires, the term Company shall include the Subsidiary Company and Associate Company, as applicable.
7. **“Company Secretary”** shall mean the company secretary of the Company.



8. **“Corporate Action”** shall have the meaning ascribed to it in Clause B (xxvii).
9. **“Date of Vesting”** shall mean the date on which the Employee is given the right to apply for Equity Shares of the Company against the Options granted to him / her under this **Paramotor ESOP-Scheme - 2026**.
10. **“Date of Resignation” / “Date of Termination”** shall mean the day on which the Employee ceases to be in the employment of the Company.
11. **“Director”** means a member of the Board of the Company.
12. **“Employee”** shall mean:
- (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, and who is not a Promoter or member of the Promoter Group, but excluding an Independent Director; or
  - (iii) an employee in sub-clauses (i) or (ii) above, of a Subsidiary Company(ies) or Associate Company(ies), in India or outside India, and shall include any employee of the Company who has been transferred/ deputed / seconded by the Company to any company which is a Subsidiary or an Associate Company of the Company (subject to the requirements of Applicable Law and the relevant Subsidiary/ Associate Company).
- but does not include –
- (a) an employee who is a Promoter or a person belonging to the Promoter Group; or
  - (b) a Director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% (ten percent) of the outstanding Shares of the Company;
13. **“Employee Stock Option Scheme” / “Scheme” / “Paramotor ESOP Scheme-2026”** shall mean this scheme under which the Company grants Options to the Option Grantees and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.
14. **“ESOP Manager”** shall mean an official(s) of the Company, authorized as such by the **Company Secretary**, undertake various operational activities under the Scheme.
15. **“Exercise”** shall mean the making of an application by the Employee to the Company for issue of Equity Shares against the Options vested in the Employee in pursuance of **Paramotor ESOP Scheme-2026**.



16. **“Exercise Period”** shall mean the period from the Date of Vesting of the Options during which the Employees shall be entitled to Exercise the Options from time to time, and such period shall be 1 year from the Date of Vesting or 18 (eighteen) months from the Date of Vesting, as stipulated for the Options below from the date of the respective Vesting of the Options.

“Exercise **Period** for 40% of the Options granted” shall be:

| Sr. No. | % of the options eligible for exercise | Vesting Period/Date of Vesting  | Exercise Period                              |
|---------|----------------------------------------|---------------------------------|----------------------------------------------|
| 1       | 25%                                    | One year from the Grant Date    | One year from the respective Date of Vesting |
| 2       | 25%                                    | Two years from the Grant Date   | One year from the respective Date of Vesting |
| 3       | 25%                                    | Three years from the Grant Date | One year from the respective Date of Vesting |
| 4       | 25%                                    | Four years from the Grant Date  | One year from the respective Date of Vesting |
| Total   | 100%                                   |                                 |                                              |

“Exercise Period for 60% of the Options granted” shall be:-

| Sr. No. | % of the options eligible for exercise | Vesting Period/Date of Vesting | Exercise Period                                                            |
|---------|----------------------------------------|--------------------------------|----------------------------------------------------------------------------|
| 1       | 100%                                   | One year from the Grant Date   | Eighteen months, i.e., eighteen months from the respective Date of Vesting |
| Total   | 100%                                   |                                |                                                                            |

17. **“Exercise Price”** shall mean the price determined by the Nomination and Remuneration Committee and communicated to the Employee at the time of Grant of the Options payable by the Employee at the time of exercising the Option granted to him / her in pursuance of **Paramotor ESOP Scheme-2026** and shall be in compliance with the accounting standards specified under the SBEB Regulations, including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time.
18. **“Grade”** shall mean the job band, designation, position, etc. by whatever name called, in which an Employee is classified in the organizational structure of the Company from time to time.
19. **“Grant”** shall mean the issue of Options to Employees post Listing, under the **Paramotor ESOP Scheme-2026**.



20. **“Grant Date”** shall have the meaning assigned to the term in Clause [E] (Date of Grant of Options) below. Unless determined otherwise by the NRC on the date of Grant of 60% of the Options, 60% of the Options shall be granted after four years from the date of Grant of 40% of the Options.
21. **“HR Record”** shall mean the official records with the Human Resource (HR) department of the Company;
22. **“Market Price”** shall mean the latest available closing price, immediately preceding the date of the meeting of the NRC in which the Options are granted, on the recognised stock exchange, in India, on which the Equity Shares of the Company are listed. As the Equity Shares of the Company are listed on more than one stock exchange in India, the closing price on the recognised stock exchange where there is highest trading volume on the said date shall be considered.
23. **“Misconduct”** shall mean:
- (i) an Employee being convicted of an offence involving moral turpitude or unethical business conduct under Applicable Laws; or
  - (ii) Employee committing any breach of the obligations under the employment agreement or any other agreement with the Company or applicable policies of the Company (including sexual harassment policy); or
  - (iii) commission of fraud, misappropriation or embezzlement by an Employee; or
  - (iv) wilful dishonesty, gross misconduct; abandonment of employment by the Employee; or
  - (v) termination of employment of the Employee by the Company for reasons relating to performance of such Employee; or
  - (vi) Employee breaching any confidentiality or protection of intellectual property rights or non-compete or non-solicitation terms agreed with the Company; and/or
  - (vii) any other actions, as determined by the Board/NRC.
24. **“Nomination and Remuneration Committee”** or **“NRC”** shall mean the Nomination and Remuneration Committee in accordance with Regulation 19 of LODR Regulations and other Applicable Laws, which has been designated to be the ‘Compensation Committee’ in terms of and for the purposes of the SBEB Regulations and shall be entrusted inter alia with authority to formulate, implement and administer the **Paramotor ESOP Scheme-2026** in terms of the Applicable Laws and the resolution passed / that may be passed by the shareholders of the Company in this regard.
25. **“Option Grantee”** shall mean an Employee to whom Option is granted in pursuance of the **Paramotor ESOP Scheme -2026**.
26. **“Option”** shall mean a right but not an obligation entitling an Employee to apply for an **equivalent** number of Equity Shares of the Company at the Exercise Price and subject to the requirements of Vesting and Exercise as mentioned in this **Paramotor ESOP Scheme-2026**.



27. **"Promoter"** means promoter as defined in the ICDR Regulations.
28. **"Promoter Group"** shall mean promoter group as defined in the ICDR Regulations.
29. **"Shares" or "Equity Shares"** shall mean equity shares of the Company having a face value of Re. 10/- (Rupees Ten only) each per equity share.
30. **"Shareholders' Approval"** shall mean the approval of the shareholders of the Company by way of a special resolution, of this **Scheme**, in accordance with the Applicable Law, as more particularly defined in the Preface at the beginning of this Scheme.
31. **"Subsidiary"** shall mean any 'subsidiary company' of the Company as per Section 2 (87) of the **Companies Act, 2013**, as amended from time to time.
32. **"Vesting"** shall mean the process by which the Option Grantee is given the right to apply for **Equity Shares** in the Company against the Options granted to him/ her in pursuance of this **Paramotor ESOP Scheme-2026**.
33. **"Vesting Period"** shall mean the period as provided for in **Clause A** number [16] during which the Vesting of the Options granted to the **Option Grantee**, in pursuance of the **Paramotor ESOP Scheme-2026** takes place.
34. **"Vested Options"** shall mean the Options in respect of which the relevant Vesting Period has been completed and the Option Grantee has become eligible to Exercise the Options.
35. **"Unvested Options"** shall mean the Options in respect of which the relevant Vesting **Period** is not completed and as such, the ESOP Grantee has not become eligible to Exercise the Options.

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Companies Act, 2013 and rules made thereunder including any statutory modifications or re-enactments thereof, the Securities and Exchange Board of India Act, 1992, SBEB Regulations (read with applicable circulars, notifications etc.) as amended from time to time, LODR Regulations, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (**"Insider Trading Regulations"**), Securities Contracts (Regulation) Act 1956, or the ICDR Regulations (including statutory amendment(s), modification(s), enactment(s) thereof, for the time being in force as the case may be).

## **B. AUTHORITY AND POWERS OF THE NOMINATION AND REMUNERATION COMMITTEE (NRC)**

Notwithstanding anything stated herein, but subject to the terms of the Shareholders' Approval for approving the issue of Shares to the Employees under this Scheme and in accordance with the SBEB Regulations, the NRC is designated to be the 'Compensation Committee' in terms of and for the purposes



of the SBEB Regulations, and authorized to determine all the terms governing this Scheme and undertake, in relation to the Scheme, in its sole and absolute discretion the following:-

- (i) identification of the Employees amongst the different categories of Employees to whom the Options are to be Granted,
- (ii) criteria and eligibility for determination of the eligible Employee,
- (iii) the time when the Options would be granted,
- (iv) the number of tranches in which the Options would be granted and the number of Options to be granted in each tranche,
- (v) the quantum of Options to be granted at various points of time,
- (vi) the method for valuing the Options,
- (vii) the criteria for determining the number of Options to be granted to the eligible Employees,
- (viii) the period and date/s in relation to which the criteria are to be determined and fulfilment of conditions to be verified,
- (ix) the number of Options to be granted to each Employee and in aggregate, subject to the ceilings prescribed in Clause [C],
- (x) the terms and conditions subject to which the Options granted would vest in the Employee,
- (xi) the date and period of vesting of the Options granted,
- (xii) the grounds for cancellation of Options;
- (xiii) the terms and conditions subject to which the Options Vesting in the Employee would be exercisable by the Employee,
- (xiv) the Exercise Period within which the Options have to be Exercised by the Employee and that Options would lapse on failure to exercise the same within the Exercise Period;
- (xv) the number of Options to be apportioned/ allocated for various Grades of Employees,
- (xvi) assignment of weightage to length of service, grade, performance, merit, conduct, future potential contribution of the Employee,
- (xvii) the conditions under which Options Vesting in the Employees may lapse in case of termination of employment for misconduct or misdemeanor or abandonment of service,
- (xviii) the specified time period within which the Employee shall exercise the vested Options in the event of termination or resignation or retirement of such Employee,
- (xix) the right of an Employee to Exercise all the Options Vesting in him at one time or at various points of time within the Exercise Period,
- (xx) the Grant, Vesting and Exercise of Option(s) in case of Employees who are on Long Leave,
- (xxi) the procedure for funding the Exercise of Options,
- (xxii) approval of forms, writings and/or agreements for use in pursuance of the Scheme;
- (xxiii) conditions under which Options vested in Employees may lapse,
- (xxiv) subject to applicable law, repricing the Options granted under the Scheme which are not exercised (whether or not they have been vested),
- (xxv) giving of instructions and/or directions as may be necessary to give effect to any modifications, alteration, amendment, suspension, withdrawal or termination of the Options or the Scheme, as a whole, subject to Shareholder's Approval



- (xxvi) formulating and administering suitable policies and procedures as may be required for the implementation of the Scheme, including authorizing officials of the Company to act as ESOP Managers, from time to time, and undertake such actions as required in terms of the Applicable Law (including Part B of Schedule I of the SBEB Regulations),
- (xxvii) the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, splits, reverse-split, consolidations, buy-backs, merger, de-merger, amalgamation, reverse merger, or subsidiarisation, etc. (hereinafter collectively referred to as ["**Corporate Action**"]), In this regard, the following shall, inter alia, be taken into consideration by the NRC:
- i. the number and Exercise Price of Options shall be adjusted in a manner such that total value to the Employee of the Options remains the same after the Corporate Action;
  - ii. the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Employee(s) who is granted such Options.
- (xxviii) the procedure for buy-back of 'Specified Securities' issued under the SBEB Regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
- i. permissible sources of financing for buy-back;
  - ii. any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
  - iii. limits upon quantum of specified securities that the Company may buy-back in a financial year.
- Explanation, - 'Specified Securities' means as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

The Committee shall also frame suitable policies and systems to ensure that there is no violation of (a) the Insider Trading Regulations (b) the 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.

### C. ELIGIBLE EMPLOYEES

All Employees as defined in this Scheme, subject to Grade, performance, merit, length of service, future potential contribution, conduct of the Employee and such other relevant factors as may be deemed appropriate by NRC, are eligible for the Grant of the Options under the **ESOP Scheme-2026**. The total number of Options available for Grant under "**Paramotor ESOP Scheme-2026**" are [2,06,561], as per the Shareholders' Approval. The Employees to whom the NRC shall decide that the aforesaid Options be granted would be informed of the same by way of a separate communication. Further, no single Employee shall be granted Options under the **Paramotor ESOP Scheme-2026** exceeding [2.90]% of the total number of Options under the Scheme, i.e., [6000 Options] at the time of Grant. Provided that, prior approval of shareholders by way of special resolution shall be obtained in case the Grant of Options to any identified Employee, during any one year, is equal to or exceeds one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant. Further, post Listing, the Company shall not make any fresh Grant which involves issuance of shares to

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Employee(s) under the Scheme, unless the Scheme is ratified by its shareholders and complies with any other requirements prescribed under the SBEB Regulations. In case of any Grant to the Employees of the Subsidiary company (ies) or Associate Company (ies), as applicable, the Company shall obtain prior approval of the Shareholders of the Company by way of a special resolution.

#### D. CRITERIA FOR GRANT OF OPTIONS

While Granting the Options, the NRC would inter alia take into consideration the Grade, performance, merit, length of service, future potential contribution, conduct of the Employee and such other relevant factors as may be deemed appropriate by it. Subject to Clause [C], the NRC will determine the quantum/ proportion of Options that may be granted. Such Options shall be granted based on one or more of the pre-defined performance conditions as may be determined by the NRC on a case-to-case basis or otherwise as applicable for the function / role or such other conditions as may the NRC deem fit. The NRC may vary the conditions and the weightages assigned to each of such conditions. Subject to Clause [C], the number of Options made available to a particular class / cadre of Employees may vary at the discretion of the NRC.

#### E. DATE OF GRANT OF OPTIONS

The Options may be granted in tranches. The date of passing of the resolution by the NRC for Grant of Options to an Employee shall be the date of Grant of Options ("Grant Date").

#### F. PRICING

As per the Shareholders' Approval, the Exercise Price of the Options, post listing, shall be the [Market Price]. The Employee will also bear and pay the entire Applicable Tax in addition to the Exercise Price and shall accordingly be responsible to pay the Applicable Tax. Nothing herein shall prevent the NRC from changing the Exercise Price of the Options in accordance with the Applicable Laws provided that the change in Exercise Price is not detrimental to the interests of the Employees.

#### G. VESTING OF OPTIONS

1. Subject to Clause "H" below, the NRC shall determine the Vesting Period for the Options, provided that the Options granted to Employees pursuant to the **Paramotor ESOP Scheme-2026** shall vest within a maximum period of 5 (five) years from the Grant Date and there shall be a minimum period of 1 (one) year between the Grant Date and Date of Vesting of these Options, as provided in **Clause A** number **16**. Notwithstanding anything contained hereinabove, in case of death or permanent disability of an Options Grantee, the minimum vesting period of 1 (one) year shall not apply.
2. The Options may be granted in tranches and may vest in tranches.

#### H. THE EFFECT OF DEATH, PERMANENT DISABLEMENT, RETIREMENT, RESIGNATION, TERMINATION OF THE EMPLOYMENT, DISCIPLINARY PROCEEDINGS ETC. ON THE VESTING OF OPTIONS



### *1. Death of an Employee*

In case of a death of an Employee to whom the Options are Granted, all Options that have been Granted to the Employee but not vested as on the date of his / her death shall vest immediately as on the date of death, and shall be exercisable by his/her nominees as registered in HR Record of the Company and in the absence of any nominee, by the Employee's legal heirs and successors. All such Vested Options shall be exercisable by the legal heirs/ successors and/ or nominees, as the case may be, within the Exercise Period as determined by the NRC, which shall not exceed the Exercise Period for Options, as provided for in **Clause A** number **16**. In accordance with **Clause [J]** of the Scheme, if the Vested Options are not exercised by the legal heirs/ successors and/ or nominees within the Exercise Period determined by the NRC (not exceeding the Exercise Period for Options, as provided for in **Clause A** number **16**), such Options shall lapse upon the expiry of such Exercise Period.

### *2. Permanent incapacity*

In case an Employee suffers a permanent incapacity while in employment, all the Options granted to him / her as on the date of incurring permanent incapacity, shall vest in him / her as on the date of incurring permanent incapacity. All such Vested Options shall be exercisable by the Employee/nominee as registered in the HR Record of the Company, within the Exercise Period as determined by the NRC, which shall not exceed a the Exercise Period for Options, as provided for in **Clause A** number **16**. In accordance with **Clause [J]** of the Scheme, if the Vested Options are not exercised by the Employee/nominee as registered in the HR Record of the Company within the Exercise Period determined by the NRC (not exceeding the Exercise Period for Options, as provided for in **Clause A** number **16**), such Options shall lapse upon the expiry of such Exercise Period.

### *3. Resignation / Termination of employment / Disciplinary Proceedings*

- (i) In the event of resignation or termination of the employment (for reasons other than 'Misconduct') of the Employee with the Company, all Options not vested as on the Date of Resignation/ Date of Termination shall stand forfeited. The Vested Options shall be exercisable by the Employee within the Exercise Period as determined by the NRC, which shall not exceed the Exercise Period provided for in **Clause A** number **16**. In accordance with **Clause [J]** of the Scheme, if the Vested Options are not exercised by the Employee within the Exercise Period determined by the NRC (not exceeding the Exercise Period for Options, as provided for in **Clause A** number **16**), such Options shall lapse upon the expiry of such Exercise Period.
- (ii) The NRC shall have absolute discretion in determining whether there has been any 'Misconduct' or 'misdemeanor' on the part of the Employee as of/prior to the Date of Termination and the decision of the NRC shall be final and binding in this regard. If the resignation/ termination is on account of Misconduct or misdemeanor of the Employee, as above, all Options granted to such Employee, whether vested or unvested, shall lapse forthwith.



- (iii) In the event an Option Grantee is subject to any disciplinary proceedings of the Company, the NRC shall be the authority to determine the treatment of the Options granted to such Employee, including suspension or cancelling all Options granted as it may deem fit.

#### 4. Retirement of an Employee

In case the Employee, retires or vacates his/her office upon reaching the age of superannuation as per the Company's rules or upon expiry of any extension thereof or on account of any directives, statutory provisions, clarifications or guidelines of any Regulator (other than a directive, provision, clarification or guideline relating to the 'Misconduct' or misdemeanor of an Employee), then in such case, post listing, Vesting of Unvested Options shall take place as per the pre-defined schedule approved by the NRC at the time of Grant of Options, or as may be determined by the NRC. All such Vested Options shall be exercisable by the Employee, within the Exercise Period as determined by the NRC, which shall not exceed the Exercise Period provided for in **Clause A number 16**. In accordance with Clause [J] of the Scheme, if the Vested Options are not exercised by the Employee within the Exercise Period determined by the NRC (not exceeding the Exercise Period for Options, as provided for in **Clause A number 16**), such Options shall lapse upon the expiry of such Exercise Period.

#### 5. Merger and Amalgamation

The Options granted hereunder shall not be affected by any scheme of arrangement, takeover, merger or demerger, amalgamation of any other entity with the Company or vice versa, unless otherwise provided for in the scheme of arrangement/amalgamation. Provided that the treatment of Options specified in the scheme of arrangement, takeover, amalgamation, merger or demerger shall not be prejudicial to the interest of the Employees.

#### 6. 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 leave, earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the NRC.

### I. EXERCISING OF OPTIONS

Save and except as mentioned in Clause ["H"], Employees may exercise all the Vested Options at one or more time, before the expiry of the Exercise Period provided for in **Clause A number 16**.

At the time of exercising the Options, the Employees shall apply for a minimum of [100] Shares per application and in multiple of [100] Shares thereafter upto the maximum of the entire unexercised Vested Options held by the Employee on such date, whichever is less. However, in case the Vested Options are less than [100] Shares then the entire Option needs to be exercised as a minimum lot. There shall be no Exercise of fractional entitlements under the Scheme. The mode and manner of the Exercise of the Options shall be communicated separately to the Employees. On Exercise of the Options, the Employee shall forthwith pay to the Company the Exercise Price plus the Applicable Tax or any other amount which the Company has an



option to recover from such Employees under this Scheme. The Company shall have the right to withhold, deduct / recover from the Option Grantee's salary, or require the Option Grantee to remit to the Company, an amount sufficient to satisfy any of the Option Grantee's tax obligations arising in connection with the Options or the Shares acquired upon the Exercise thereof. 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. The Employee shall issue necessary authorisations to the Company in this regard. The Company shall accept the Exercise Price and the Applicable Taxes by such other means acceptable to the NRC / Company. It is hereby clarified that the Options can be exercised only after they are vested in the Employees and the allotment in respect thereof shall be made within 30 (thirty) days from the last date specified for the exercise of Options in each month / period. The data of Options exercised during a particular calendar month shall be computed and furnished to the stock exchanges for listing permission immediately thereafter or in accordance with the provisions of the regulations of the stock exchange then in force. Trading of such Shares shall be subject to the approval of the stock exchanges. Hence if an Option is exercised at any time between 1st of any month till the last date specified for exercise of Options for that month, the allotment shall be made within 30 days from the said last date specified for Exercise of Options for that month and for obtaining the listing and trading permission from the stock exchanges, Company shall take approximately 10 (ten) additional days. There shall be no lock-in period for the Shares issued pursuant to Exercise of Options, except as required under the Applicable Laws including (i) the ICDR Regulations; (ii) any code of conduct framed, if any, by the Company; and/or (iii) the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

The above period of the calendar month may at the discretion of the NRC be modified from time to time.

#### **J. LAPSE OF OPTIONS AND GRANTING THEREOF**

The Options vested in an Employee shall lapse upon the expiry of the Exercise Period provided in **Clause A** number **16** any other period determined by the NRC on cessation of employment, which shall not exceed the Exercise Period provided in **Clause A** number **16**. If the Options are not exercised by the concerned Employee within such period, the right of the Employee to apply for Equity Shares shall stand forfeited and such Options shall forthwith lapse. The amounts, in case, payable at the time of Grant of Option may be forfeited by the Company if the Option is not exercised by the Employee within the Exercise Period or may be refunded to the Employee if any conditions are not fulfilled in case of an Unvested Option as per the Scheme. In the event of any Options lapsed pursuant to the aforesaid provisions, the said lapsed Options shall be available to the NRC for Grant to such other Employees as the NRC may deem fit.

#### **K. OPTIONS FUNDING EXERCISE**

Notwithstanding anything contained in Clause ["I"], in case any Employee is desirous of Exercising Options vested in him / her, the Company may permit the empanelled stock brokers of the Company to fund the payment of the Exercise Price which shall be either adjusted against the sale proceeds of some or all the Shares that would be required to be sold / transferred. To enable the Employee to avail of this procedure of such funding exercise the NRC shall be entitled to frame such rules, regulations and guidelines in this regard from time to time.



## L. NON-TRANSFERABILITY OF THE OPTIONS

The Options granted to an Employee shall not be transferable by the Employee to any other person. Except in case of death of an Employee as mentioned in Clause ["H"] above, no other person shall be entitled to Exercise the Option in lieu of or on behalf of or in trust for the Employee. No person other than the Employee shall be entitled to the benefits arising out of the Options except in case of death of an Employee. The Option granted to an Employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

## M. TAX LIABILITY

The liability of paying Applicable Taxes, if any, on the Options Granted / Vested pursuant to this **Paramotor ESOP Scheme-2026**, shall be entirely on the Options Grantees and shall be in accordance with the provisions of the Income Tax, Act, 1961 and the rules framed there under as amended from time to time. The Company shall be entitled to collect the tax at source and recover any tax that may be levied on the Company from time to time by any regulatory authorities during Granting / Vesting of Options or otherwise from its past and present Employees who have been granted Options while being an Employee. The Company shall also be entitled to recover the tax amount whether by way of Perquisite Tax or any tax that may be levied on the Company from time to time by any regulatory authorities during Granting / Vesting / Exercising / allotting of Options or otherwise from its past and present Employees where the Options are exercised by the said Employee after his / her retirement, permanent disablement, resignation and from the legal heirs / successor / nominees, in the event of the death of the said Employee.

## N. APPLICABILITY OF MALUS AND CLAWBACK

The benefits accrued and/ or availed under this **ESOP Scheme-2026** including by virtue of Grant and Vesting of Options, shall be subject to the Malus and Clawback provisions under the Paramotor Digital Technology Limited Employee Manual on Policy & Procedures as may be amended, replaced, restated, substituted from time to time, or as may be communicated by the Company to the Employees, or as per the code of conduct of the Company or as per the employment contracts/terms, in accordance with the requirements of compensation of Whole Time Directors / Chief Executive Officers / Key Managerial Personnel laid down in the Applicable Laws.

## O. RIGHTS AS A SHAREHOLDER

The Employee shall not be able to exercise any rights including right to receive any dividend or vote at any meeting of the Company or in any manner enjoy the benefits as a shareholder in respect of the Options granted or vested in him/ her until he/ she is allotted the requisite Equity Shares upon exercising his/ her Options so granted in accordance with this **ESOP Scheme-2026**. All Equity Shares issued consequent to such Exercise shall rank pari passu with the then existing Equity Shares of the Company for all purposes.

## P. INTERPRETATION

Any dispute or disagreement which may arise under, or as a result of, or pursuant to, or in connection with



this **Paramotor ESOP Scheme-2026** shall be referred to the NRC for determination and any such determination / decision/ interpretation by the NRC shall be binding on all persons/parties concerned.

**Q. Certificate from Secretarial Auditors**

Post listing, the Board shall at each annual general meeting place before the shareholders a certificate from the secretarial auditors of the Company that the Scheme has been implemented in accordance with the SBEB Regulations and in accordance with the resolution of the Company in the general meeting.

**R. REGULATORY APPROVALS**

The Grant, Vesting and Exercise of Options under the **Paramotor ESOP Scheme-2026** shall be subject to such regulatory approvals as may be required from time to time.

**S. GOVERNING LAW AND JURISDICTION**

The terms and conditions of the **Paramotor ESOP Scheme-2026** shall be governed by and construed in accordance with the laws of India. 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 **Paramotor ESOP Scheme-2026**.

**GENERAL RISKS**

Participation in this **Paramotor ESOP Scheme-2026** 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 Shares and the risks associated with the investment shall be borne by the Employee alone.