

EMPLOYEE STOCK OPTION SCHEME 2020

**PB FINTECH LIMITED (FORMERLY KNOWN AS PB FINTECH PRIVATE LIMITED/
ETECHACES MARKETING AND CONSULTING PRIVATE LIMITED)**

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1. Name, Objective and Term of the Plan

1.1 This Plan shall be called the “Employee Stock Option Plan 2020” or “ESOP 2020” or “Scheme” or “Plan”.

1.2 The ESOP 2020 has been formulated and approved on October 30, 2020 by the Board of Directors (“**Board**”) and approved on November 24, 2020 by the shareholders of PB Fintech Limited (formerly known as PB Fintech Private Limited / Etechaces Marketing and Consulting Private Limited), a company limited by shares, incorporated and registered under the Companies Act, 1956 and, having its registered office at Plot No. 119, Sector 44, Gurgaon, Haryana-122001 (“**Company**”). The ESOP 2020 shall be effective from December 01, 2020 and shall continue to be in force until - (i) its termination by the Board / Nomination and Remuneration Committee; or (ii) the date on which all of the options available for issuance under the ESOP 2020 have been Exercised (*as defined hereinafter*). The Scheme has been amended in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 and approved on June 28, 2021 by the Board and approved on July 05, 2021 by the shareholders of the Company.

Further, the Securities and Exchange Board of India on 13th August, 2021 approved the consolidation of SEBI (Issue of Sweat Equity) Regulations, 2002 (“Sweat Equity Regulations”) and SEBI (Share Based Employee Benefits) Regulations, 2014 (“SBEB Regulations”) into a single regulation to be called as Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred as “SEBI SBEB Regulations, 2021”). The provisions of SEBI SBEB Regulations, 2021 was made effective on 13th August, 2021. In order to ensure the compliances with the provisions of the SEBI SBEB Regulations, 2021, the shareholders of the Company approved the amendment in ESOP 2020 vide their meeting held on September 17, 2020

1.3 The objective of the ESOP 2020 is to:

- (a) reward employees for their performance and association with the Company;
- (b) to retain and reward talent in the organization and motivate the employees to contribute to the growth and profitability of the Company;
- (c) to attract and retain talent in the organization;
- (d) to foster ownership and financial motivation;
- (e) to link interests of employees with the Company and strengthen interdependence between the employee and the Company’s prosperity; and
- (f) to achieve inclusive growth by making the employees as stakeholders of the Company.

These objectives are sought to be achieved through the ESOP 2020.

1.4 The Board / Nomination and Remuneration Committee may, subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the ESOP 2020.

2. Definitions and Interpretation

2.1 Definitions

In this ESOP 2020, except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against:

- (a) **“Agreement”** means the Employee Stock Option Agreement between the Company and the Eligible Employee, evidencing the terms and conditions of an individual Employee Stock Option, subject to the conditions of the ESOP 2020.
- (b) **“Applicable Law”** means the applicable laws relating to Employee Stock Options, including, without limitation, the Companies Act, read with the Companies (Share Capital and Debenture Rules), 2014, as amended, the SEBI SBEB Regulations, 2021 and includes any statutory modifications or re-enactments thereof, and all relevant tax, securities, exchange control or corporate laws of India including any enactment, re-enactment, amendment, modification or alteration thereof.
- (c) **“Board”** means the Board of Directors of the Company, including any duly constituted committee, as the context may require.
- (d) **“Cause”** includes (i) the act of willful or gross misconduct or negligence; (ii) the commission of felony, fraud, misappropriation, embezzlement, breach of trust or an offence involving moral turpitude, (iii) gross or willful insubordination; or (iv) any other act detrimental to the interest of the Company.
- (e) **“Class A Employees”** means the Founders.
- (f) **“Class A Options”** shall mean the Options Granted to Class A Employees.
- (g) **“Closing Date”** shall have the same meaning as ascribed to it in Clause 8.5.
- (h) **“Companies Act”** means the Companies Act, 2013 as amended from time to time, and shall include any statutory modification(s) or re-enactment(s) thereof.
- (i) **“Company”** means PB Fintech Limited (formerly known as PB Fintech Private Limited / Etechaces Marketing and Consulting Private Limited).
- (j) **“Director”** shall mean a director on the Board of the Company, duly appointed in terms of the provisions of the Companies Act.
- (k) **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Board / Nomination and Remuneration Committee for Granting the Employee Stock Options to the Eligible Employees.
- (l) **“Eligible Employee”** means the Class A Employees and such other Employees as may be determined to be eligible to be Granted Employee Stock Options under this ESOP 2020 by the Board / Nomination and Remuneration Committee.
- (m) **“Employee”** means an employee as defined under the SEBI SBEB Regulations, 2021.

- (n) **“Employee Stock Option” or “Option”** means the option Granted to an Eligible Employee, which gives such Eligible Employee the right to purchase or subscribe to (directly or indirectly) at a future date/period, the Shares underlying the option at a pre-determined price.
- (o) **“Equity Shares”** means the equity shares of the Company.
- (p) **“Exercise”** of an Option means making of an application by an Eligible Employee to the Company / Nomination and Remuneration Committee to purchase the Shares underlying the Options vested in him, in accordance with the procedure laid down in the ESOP 2020.
- (q) **“Exercise Period”** means such time period after vesting, within which the Eligible Employee is entitled to Exercise the right to apply for Equity Shares against the Vested Options in pursuance of the ESOP 2020.
- (r) **“Exercise Price”** means the price payable by an Eligible Employee in order to Exercise the Option Granted to him in pursuance of the ESOP 2020.
- (s) **“ESOP Trust”** means Etechaces Employees Stock Option Plan Trust, established by the Company for the benefit of the employees of the Company and which may from time to time in accordance with the directions of the Board/Nomination Remuneration Committee, Grant Options and hold cash, shares or other securities of the Company for the purposes of any of the Employee Stock Option Plans of the Company.
- (t) **“Fair Market Value”** shall mean: (i) for grants prior to the IPO, value as determined by an independent valuer, appointed by the Board / Nomination and Remuneration Committee; (ii) for grants post IPO, the latest available closing price, prior to the date of the Board meeting, in which Options are granted, on the stock exchange on which the Equity Shares of the Company are listed; and (iii) in case of Exercise of Options post IPO, the date on which the notice of Exercise is given to the Company or the ESOP Trust by the Employee. It is clarified that in case the Equity Shares of the Company are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered.
- (u) **“Founders”** means collectively, Mr. Alok Bansal and Mr. Yashish Dahiya.
- (v) **“Grant”** means issue of Options to the Eligible Employees, and the terms **“Granting”** and **“Granted”** shall be construed accordingly.
- (w) **“Grantee”** means an Eligible Employee, identified by the Board / Nomination and Remuneration Committee, in its sole discretion, for Grant of Options in accordance with the terms of the ESOP 2020.
- (x) **“Grant Date”** means the date on which the Options are issued to an Eligible Employee by the Company.
- (y) **“Initial Public Offering” or “IPO”** means an initial public offering of the Equity Shares by the Company on any recognized stock exchange(s).

- (z) **“Letter of Grant”** means the letter issued by the Company by which Grant of Option(s) is communicated or have been communicated to the Eligible Employee for acquiring a specified number of Shares at the Exercise Price.
- (aa) **“Liquidation Event”** shall mean any transaction resulting in a change in control of the Company or any sale, lease, license or other transfer of a majority assets or undertakings of the Company, as determined by the Board / Nomination and Remuneration Committee, but shall not include any restructuring between the Company and its Subsidiary on account of any statutory or regulatory compliance requirements.
- (bb) **“Permanent Incapacity”** means any disability of whatsoever nature be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Eligible Employee from performing any specific job, work or task which the said Eligible Employee was capable of performing immediately before such disablement, as determined by the Board / Nomination and Remuneration Committee based on a certificate of a medical expert identified by the Board / Nomination and Remuneration Committee.
- (cc) **“Pre-IPO scheme”** means ESOP 2020 formulated prior to the initial public offer of the company and prior to the listing of its equity shares on a recognised stock exchange.
- (dd) **“Nomination and Remuneration Committee”** means the committee constituted by the Board for administration and superintendence of ESOP, and to Grant options to Eligible Employees on such terms as it deems fit, in accordance with the ESOP schemes adopted by the Company from time to time.
- (ee) **“Relative”** means a relative as defined under the SEBI SBEB Regulations, 2021.
- (ff) **“Retirement”** means retirement of an Eligible Employee as per the rules of the Company.
- (gg) **“Scheme / Plan / ESOP 2020”** means this Employee Stock Option Scheme 2020 under which the Company is authorised to Grant Employee Stock Options to the Eligible Employees.
- (hh) **“SEBI SBEB Regulations”** shall mean Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time.
- (ii) **“Shareholders”** means the holders, of the record, of any shares of the Company from time to time. **“Shares”** means fully paid up Equity Shares arising out of the Exercise of the Options.
- (jj) **“Subsidiary”** means any present or future subsidiary company of the Company, as defined in the Companies Act.

- (kk) “**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, as may be applicable, including any statutory modification(s) or re-enactments thereof.
- (ll) “**Trustee**” means trustees of the Etechaces Employees Stock Option Plan Trust or ESOP Trust.
- (mm) “**Unvested Option**” means an Option in respect of which the relevant conditions relating to Vesting have not been satisfied and as such the Eligible Employee, has not become eligible to Exercise the Option.
- (nn) “**Vesting**” shall mean the process by which the Grantee, becomes entitled to receive benefit of the Grant made, but does not have an obligation to Exercise the Options granted to him/her in pursuance of the ESOP 2020.
- (oo) “**Vesting Period**” means the period during which the Stock Option Granted to the Eligible Employee vests.
- (pp) “**Vested Option**” means an Option in respect of which the relevant conditions relating to Vesting have been satisfied and the Eligible Employee has become eligible to Exercise the Option

All other terms referred to in this Scheme shall have the meaning as defined in the SEBI SBEB Regulations.

2.2 Interpretation

In this ESOP 2020, unless the context otherwise requires:

- (a) the headings / sub headings / titles / subtitles are for ease of reference and for the sake of convenience only and shall not be interpreted to restrict or otherwise affect the meaning or import of the clauses, which shall be interpreted solely in light of the contents thereof;
- (b) where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings;
- (c) the term ‘including’ shall mean ‘including without limitation’, unless otherwise specified;
- (d) reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof;
- (e) words denoting the masculine gender shall include the feminine gender, and words denoting the singular shall include the plural, and vice versa;
- (f) a reference to a clause is a reference to the clauses of this ESOP 2020;

- (g) a reference to a clause number is a reference to its sub-clauses; and
- (h) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

3. Authority and Ceiling

The Shareholders had, in an extra-ordinary general meeting held on August 24, 2020 approved the allotment of 7,612 (Seven Thousand Six Hundred and Twelve) employee stock options through the ESOP Trust to eligible employees of the Company, exercisable into fully paid up Equity Shares, in accordance with the terms and conditions set forth in the Company's Employee Stock Option Plan 2014. Subsequently, the Shareholders in an Extra-Ordinary General Meeting held on November 24, 2020 approved the sub-division of Equity Shares from face value of Rs. 10/- (Rupees Ten Only) per Equity Share to face value of Rs. 2/- (Rupees Two Only) per Equity Share. Thereafter, upon approval of the ESOP 2020 by the Shareholders in an Extra-Ordinary General Meeting held on November 24, 2020, the 7,612 (Seven Thousand Six Hundred and Twelve) (after sub-division of Equity Shares now 38,060 (Thirty Eight Thousand and Sixty)) Employee Stock Options allotted through the ESOP Trust to the Eligible Employees shall be governed by the terms of the ESOP 2020 and shall be exercisable by the Eligible Employees into fully paid up Equity Shares of a face value of Rs. 2/- (Rupees Two Only) each, with each such Option conferring a right upon the Eligible Employee to apply for 1 (one) Equity Share of the Company, in accordance with the terms and conditions of such issue.

- 3.1 Of the 38,060 (Thirty Eight Thousand and Sixty) Employee Stock Options, a total of 30,450 (Thirty Thousand Four Hundred and Fifty) Employee Stock Options will be reserved and issued to the Class A Employees and the remaining 7,610 (Seven Thousand Six Hundred and Ten) will be reserved and issued to such other Eligible Employees as may be determined by the Board / Nomination and Remuneration Committee under the ESOP 2020.
- 3.2 In case of a share-split where the face value of the Equity Shares is reduced below Rs. 2/- (Rupees Two Only), the maximum number of Equity Shares available for being Granted under ESOP 2020 shall stand modified accordingly, so as to ensure that the paid-up value (number of Equity Shares multiplied by the face value per Equity Share) of the total Equity Shares that can be issued remains unchanged.
- 3.3 In case of a consolidation where the face value of the Equity Shares is increased, the maximum number of Equity Shares available for being granted under ESOP 2020 shall stand modified accordingly, so as to ensure that the cumulative face value (No. of Equity Shares multiplied by the face value per Equity Share) prior to such consolidation remains unchanged after the share consolidation.
- 3.4 In case of exercise of Options resulting into fraction of Equity Shares, it shall be on the discretion of the Board / Nomination and Remuneration Committee, to round off to the higher number of Equity Shares or settle such fraction in cash.
- 3.5 In case of grant of option, stock appreciation rights ("SAR"), shares or benefits, as the case may be, to Employees, during any one year, equal to or exceeding one per cent. of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of option, SAR, shares or incentive, as the case may be, approval of shareholders of the

Company by way of separate resolution in the general meeting shall be obtained by the Company. Further, the Company shall not issue sweat equity shares for more than fifteen percent of the existing paid up equity share capital in a year.

4. Implementation and Administration

- 4.1 The ESOP 2020 shall be implemented through trust route, and administered and supervised by the Board / Nomination and Remuneration Committee (subject to compliance with Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time) working under the power delegated by the Board. The Board / Nomination and Remuneration Committee is authorized to interpret the ESOP 2020, to establish, amend and rescind any rules and regulations relation to the ESOP 2020 and to make any other determinations as it may deem necessary or desirable for the administration and implementation of the ESOP 2020. The Board / Nomination and Remuneration Committee may correct any defect, omission or reconcile any inconsistency in the ESOP 2020 in the manner and to the extent the Board / Nomination and Remuneration Committee deems necessary or desirable and to resolve any difficulty in relation to the implementation of the ESOP 2020 and take any action which the Board / Nomination and Remuneration Committee is entitled to take with respect to the ESOP 2020. The acts of a majority of the members of the Board / Nomination and Remuneration Committee present at any meeting (at which a valid quorum is present) or acts approved in writing by a majority of the entire Board / Nomination and Remuneration Committee shall be acts of the Board / Nomination and Remuneration Committee for the purpose of the ESOP 2020. No member of the Board / Nomination and Remuneration Committee may act upon matters under the ESOP 2020 specifically relating to such member. Determination of all questions of interpretation of the ESOP 2020 determined by the Board / Nomination and Remuneration Committee shall be final and binding upon all Employees/ persons having beneficial interest in the ESOP 2020 or such Employee Stock Option.
- 4.2 Subject to Applicable Laws, the Board or Nomination and Remuneration Committee or ESOP Trust shall, in its absolute discretion have the right to modify / amend / revoke / alter the ESOP 2020 in such manner and at such time or times as it may deem fit or to meet regulatory requirements. Provided however that any such modification / amendment shall not be detrimental to the interest of the Employee to whom an Option has been Granted. The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the employees who are beneficiaries of such variation.
- 4.3 Any decision of the Board / Nomination and Remuneration Committee in the interpretation and administration of this ESOP 2020 as described herein, shall lie within the absolute discretion of the Board / Nomination and Remuneration Committee and shall be final, conclusive and binding on all parties concerned (including but not limited to Employee, Grantee, beneficiaries or successors). Neither the Company, the Board, the ESOP Trust, the trustees nor the Nomination and Remuneration Committee, shall be liable for any action or determination made in good faith with respect to the ESOP 2020 or any Option Granted hereunder.
- 4.4 The Board / Nomination and Remuneration Committee shall in accordance with this ESOP 2020 and Applicable Laws, at its discretion, *inter alia*, determine/prepare the following:

- (a) the quantum of Options to be Granted under the ESOP 2020 per Eligible Employee and in aggregate;
- (b) the Eligibility Criteria for Eligible Employees (other than Class A Employees) and the determination and evaluation whether an Employee (other than the Class A Employees) is an Eligible Employee;
- (c) the procedure for making a fair and reasonable adjustment in case of a stock split / consolidation, rights issues and bonus issues;
- (d) the procedure and terms for the Grant, Vesting and Exercise of Employee Stock Options;
- (e) the procedure for cashless Exercise of Employee Stock Options, if required;
- (f) approve forms, writings and/or agreements for use in pursuance of the ESOP 2020.
- (g) recommend for modification / cancellation of the terms of Options;
- (h) construe and interpret the terms of the ESOP 2020 and Options Granted pursuant to the ESOP 2020;
- (i) the specified time period within which the Employees shall Exercise the Options Vested in him/her in the event of his/her termination (including for misconduct) or resignation;
- (j) the procedure for funding the exercise of Options;
- (k) the procedure for buy-back of specified securities;
- (l) suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended from time to time by the trust, the Company and its employees, as applicable;
- (m) take all decisions for or in connection with the administration of the ESOP 2020.

5. Eligibility and Applicability

- 5.1 Only the Eligible Employee(s) as defined in this ESOP 2020 will be eligible for being Granted Employee Stock Options under ESOP 2020. The specific Employees to whom the options would be Granted would be determined by the Board / Nomination and Remuneration Committee, at its discretion. The Board / Nomination and Remuneration Committee, at its discretion, will further decide which Employees or class of Employees should be regarded as Eligible Employees under the ESOP 2020 and accordingly the Board / Nomination and Remuneration Committee would offer Options to the Eligible Employees under the ESOP 2020.

- 5.2 The ESOP 2020 shall be applicable to the Company, its Subsidiary or its holding company and any successor company thereof and may be Granted to the Eligible Employees of the Company, Subsidiary or its holding company, as determined by the Board / Nomination and Remuneration Committee in its discretion.
- 5.3 In accordance with Regulation 4 of the SEBI SBEB Regulations, an employee shall be eligible to participate in ESOP 2020 as determined by the Board/Nomination Remuneration Committee. Where such employee is a director nominated by an institution as its representative on the Board of the Company –
- (i) The contract or agreement entered into between the institution nominating its employee as the director of the Company, and the director so appointed shall, *inter alia*, specify the following:
 - (a) whether the grants by the Company under ESOP 2020 and other scheme(s) can be accepted by the said employee in his capacity as director of the Company;
 - (b) that grant if made to the director, shall not be renounced in favour of the nominating institution; and
 - (c) the conditions subject to which fees, commissions, other incentives, etc. can be accepted by the director from the Company;
 - (ii) the institution nominating its employee as a director of the Company shall file a copy of the contract or agreement with the said company, which shall, in turn file the copy with all the stock exchanges on which its shares are listed; and
 - (iii) the director so appointed shall furnish a copy of the contract or agreement at the first board meeting of the Company attended by him after his nomination.

6. Vesting Schedule / Conditions

- 6.1 The options Granted under the ESOP 2020 would vest as per the schedule determined by the Board / Nomination and Remuneration Committee. In accordance with Applicable Law, the minimum Vesting Period shall be 1 (One) year. Vesting of Options would be subject to: (a) continued / uninterrupted employment with the Company and thus the Options would Vest on passage of time, and continued employment of the Eligible Employee with the Company, subject to completion of a minimum period of 1 (One) year from the date of the Grant of Option; and / or (b) the Company achieving such valuation, to the extent applicable and as may be set out in the Letter of Grant and the Agreement. The specific vesting schedule and conditions subject to which Vesting would take place would be outlined in the Letter of Grant and the Agreement. In accordance with the proviso to Regulation 18(1) of the SEBI SBEB Regulations, in a scenario, where options are granted by the Company under the ESOP 2020 in lieu of options held by a person under the employee stock option scheme/plan in another company which has merged or amalgamated with the Company, the period during which the options granted by the transferor company were held by him shall be adjusted against the minimum vesting period required under Regulation 18 (1) of the SEBI SBEB Regulations.

7. Terms of Options

7.1 Without prejudice to any terms that may be specified by the Board / Nomination and Remuneration Committee with respect to the Options and subject to Applicable Law, the following terms shall be applicable to all Options Granted by the Company:

- (a) an Option may only be Granted to an Eligible Employee;
- (b) an Option, once Granted shall not be transferable by the Eligible Employee;
- (c) except as mentioned otherwise in this ESOP 2020, an Option may be Exercised only after the expiry of the Vesting Period and during such Exercise Period, subject to the Eligible Employee fulfilling all conditions as may be prescribed by the Board / Nomination and Remuneration Committee (whether in the Letter of Grant, the Agreement or otherwise) and the terms of this ESOP 2020 with regard to the Vesting and / or Exercise of such Option including that the Eligible Employee has remained in the continuous and uninterrupted employment of the Company until the date of such Exercise;
- (d) an Option (whether Vested or Unvested) shall not on its own carry any voting rights, dividend rights or other rights in the Company;
- (e) an Unvested Option that does not, due to any reason, vest in an Eligible Employee, shall lapse irrevocably, without any further action by the Company, Board, Nomination and Remuneration Committee or the Eligible Employee and without any liability to the Company, the Board and / or the Nomination and Remuneration Committee, and all rights of the Eligible Employee there under shall stand extinguished;
- (f) a Vested Option that is not Exercised by an Eligible Employee, within the applicable Exercise Period, shall lapse irrevocably on the date of expiry of the Exercise Period, without any further action by the Company, Board, Nomination and Remuneration Committee or the Eligible Employee, and without any liability to the Company and / or the Board and / or the Nomination and Remuneration Committee. All rights of the Eligible Employee there under shall stand extinguished; and
- (g) Options (whether vested or unvested) held by an Eligible Employee are personal to the Eligible Employee, and cannot be transferred or assigned in any manner whatsoever. An Eligible Employee, shall not, directly or indirectly, pledge, hypothecate, gift, mortgage, charge, assign or in any other manner alienate, dispose off or create any encumbrance over any Options Granted to him / her.

8. Grant of Options and Acceptance / Rejection of Grant

8.1 The Board / Nomination and Remuneration Committee shall have the discretion to Grant Options to an Eligible Employee as it may deem fit and shall, in its discretion, decide upon the number of Options that may be Granted to an Eligible Employee, the Exercise Price of such Options, the terms per which such Option will vest in the Eligible Employee and the Shares to be offered to such person in connection with such Options. The Board / Nomination and Remuneration Committee has the discretion, but no obligation, to Grant Options to an Eligible

Employee. In the event that the Company intends to make a fresh grant under ESOP 2020, post the IPO, in terms of the provisions of the Regulation 12 of the SEBI SBEB Regulations, the ESOP 2020 would need to be ratified by the Shareholders, subsequent to the IPO.

- 8.2 The Grant of the Options to the Eligible Employee shall be made by way of a Letter of Grant, which shall *inter alia* state the number of Options Granted to the Eligible Employee, the Vesting Period in respect of such Options, the Exercise Price of such Options, the Exercise Period of such Options and the Equity Shares that the Eligible Employee will be entitled to upon exercise of such Options. The terms of this ESOP 2020 shall be deemed to constitute a part of each Letter of Grant and all Options Granted to an Eligible Employee vide a Letter of Grant shall be subject to the terms of this ESOP 2020.
- 8.3 Each Option will entitle the Eligible Employee to equal number of Equity Shares of the Company.
- 8.4 An Eligible Employee who wishes to accept the Grant must deliver an executed Agreement, duly signed and completed, as required therein to the Board / Nomination and Remuneration Committee on or before the Closing Date stated in the Letter of Grant.
- 8.5 Any Eligible Employee who fails to enter into the Agreement on or before the Closing Date shall, unless the Board / Nomination and Remuneration Committee determines otherwise, be deemed to have rejected the Grant. Any Agreement received after March 31, 2030 (the “**Closing Date**”) shall not be valid.
- 8.6 Upon receipt of a duly completed and signed Agreement from the Eligible Employee in respect of the Grant, the Board / Nomination and Remuneration Committee may then issue to the Eligible Employee a statement, in such form as it deems appropriate, showing the number of Options to which the Eligible Employee is entitled pursuant to the acceptance of such Grant and the number of Equity Shares for which the Eligible Employee will be entitled to subscribe pursuant to such Grant.
- 8.7 Subject to the terms contained herein, the acceptance of a Grant made to an Eligible Employee, shall conclude a contract between the Eligible Employee and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option.
- 8.8 Subject to the Eligible Employee meeting the criteria set forth in Clause 6.1 above, all the Unvested Options shall automatically vest with the Eligible Employee on the Closing Date. Upon Vesting, the Vested Options shall be exercisable in accordance with the terms and conditions set forth under this ESOP 2020.

9. Vesting of Options

- 9.1 Unless the Board / Nomination and Remuneration Committee, in their discretion decide otherwise, and subject to Clause 9.2, Options will vest in an Eligible Employee after the expiry of the Vesting Period in the manner specified in the Letter of Grant and the Agreement. Provided however that, the Eligible Employee, must fulfill all other conditions for vesting, if any, contained in Clause 6.1 above and as may be prescribed by the Board / Nomination and Remuneration Committee, including that the Eligible Employee has been in the continuous and uninterrupted employment of the Company from the Grant Date of the Options until the date

of such vesting, subject to completion of a minimum period of at least 1 (One) year from the date of Grant of the Option.

- 9.2 Class A Options shall vest in such Class A Employees in accordance with the vesting schedule issued to such Class A Employees, as set forth in the Letter of Grant issued to such Class A Employee.
- 9.3 In the event of death of the Eligible Employee while in employment, all the Options, SAR or any other benefit Granted to him under the ESOP 2020 till such date shall Vest, with effect from the date of his/her death, in the legal heirs or nominees of the deceased Eligible Employee, as the case may be.
- 9.4 In case the Eligible Employee suffers a permanent incapacity while in employment, all the Options, SAR or any other benefit Granted to him under the ESOP 2020 as on the date of permanent incapacitation, shall vest in him on that day.
- 9.5 In the event of resignation or termination of an Eligible Employee, all the Options, SAR or any other benefit which are Granted and yet not Vested as on that day, shall expire:

Provided that an Eligible Employee shall, subject to the terms and conditions formulated by the Board / Nomination and Remuneration Committee, be entitled to retain all the Vested Options, SAR or any other benefit covered by SEBI SBEB Regulations, 2021. Provided that nothing in this Clause 9.5 shall apply in case of termination or cessation of employment due to retirement or superannuation, and any Unvested Options would continue to vest and Vested Options may be exercised in accordance with the respective vesting schedules under this scheme even after retirement or superannuation in accordance with the Company's policies and Applicable Law.

- 9.6 In the event that an Eligible Employee, who has been Granted benefits under the ESOP 2020, is transferred or deputed to an associate company prior to Vesting or Exercise, the Vesting and Exercise as per the terms of Grant shall continue in case of such transferred or deputed Eligible Employee even after the transfer or deputation.
- 9.7 In the event that an Eligible Employee who has been granted benefits under this scheme, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing company, prior to the vesting or exercise, the treatment of options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment will not be prejudicial to the interest of such Eligible Employee.

10. Exercise

- 10.1 The Exercise Price shall be decided by the Board / Nomination and Remuneration Committee (subject to conforming to the accounting policies specified in Regulation 15 of the SEBI SBEB Regulations) based on the role / designation of the Eligible Employee (other than the Class A Employees), past performance of the Eligible Employee (other than the Class A Employees), future potential of the Eligible Employee (other than the Class A Employees) and/or such other criteria as may be determined by the Board / Nomination and Remuneration Committee at its sole discretion immediately preceding the Grant Date. The Exercise Price for Class A Employees shall be the face value of Equity Share.

- 10.2 Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of “Etechaces Employees Stock Option Plan Trust” or in such other manner as the Board / Nomination and Remuneration Committee may decide.
- 10.3 The Employee Stock Options vested on an Eligible Employee, must be notified by such Employee for Exercise in the relevant year of the Vesting. Such notification must be made with 30 (Thirty) days of such Option. Upon such notification, the Option must be Exercised by the relevant Employee either in April or October of the relevant financial year in which such notification was made. In the event, an Eligible Employee, fails to so notify the Board / Nomination and Remuneration Committee of his / her intention to Exercise within 30 (Thirty) days from such date of Vesting, such Vested Options will be deemed to be unexercised in such financial year of its Vesting. A Vested Option shall be deemed to be Exercised only after all actions for Exercise have been completed by the Eligible Employee, to the satisfaction of the Board / Nomination and Remuneration Committee and subject to the fulfillment of the terms of the Exercise as per this ESOP 2020. The portion of Vested Options, if any, that are unexercised by the Eligible Employee, in the manner above, will continue to be available for Exercise in the subsequent financial year and the same shall not lapse until the Closing Date. The right to Exercise the Unexercised Options shall continue to be available to the Eligible Employee, until the Closing Date.
- 10.4 Only the Eligible Employee, can Exercise a Vested Option. No Vested Option shall be Exercisable in its fractional form, except as discussed in Clause 10.6 below.
- 10.5 Upon Exercise of Option, the Board / Nomination and Remuneration Committee shall require the Grantees to execute a power of attorney, authorizing the persons identified by the Board / Nomination and Remuneration Committee to act as duly constituted attorneys of such Grantee.
- 10.6 In the event of death of an Eligible Employee, as the case may be, while in employment with the Company, all the Options Granted shall Vest in such Eligible Employee in an accelerated manner, as on the date of death. The Options shall be Exercised by the payment of Exercise Price in full by the legal heirs or nominees of the Eligible Employee, within 30 (Thirty) days from the date of death or such extended time as decided by the Board / Nomination and Remuneration Committee in its absolute discretion. The Options, to the extent not Exercised within such period shall lapse and be deemed forfeited immediately on the expiry of such period, without any further action by the Company, the Board or the Eligible Employee, and without any liability to the Company and / or the Board or the Nomination and Remuneration Committee. All rights of the Eligible Employee there under shall stand extinguished. It is clarified that in the event of death of an employee, the minimum vesting period of one year shall not be applicable and in such instances, the options shall vest in terms of SEBI SBEB Regulations, 2021 on the date of the death.
- 10.7 In the event of separation from employment for reasons of normal retirement or a retirement specifically approved by the Company,
- (a) all Vested Options may be Exercised by the Eligible Employee by the payment of Exercise Price in full by the Eligible Employee, within 30 (Thirty) days from the date of retirement or such extended time as decided by the Board / Nomination and Remuneration Committee in its absolute discretion; and

- (b) all Unvested Options will lapse as on the date of such retirement, unless otherwise determined by the Board / Nomination and Remuneration Committee whose determination will be final and binding and without any liability to the Company and / or the Board and / or the Nomination and Remuneration Committee.

10.8 In the event of resignation by an Eligible Employee or termination without Cause, all Unvested Options as on the effective date of such resignation / termination shall expire and stand terminated, without any liability to the Company and / or the Board and / or the Nomination and Remuneration Committee, and all rights of the Eligible Employee there under shall stand extinguished. Notice of exercise of all Vested Options by the Eligible Employee shall be given to the Company within five (5) calendar days from his last working day. The Company may provide to such Eligible Employee(s) 180 (One Hundred and Eighty) days time from last working day for complying with income tax provisions and completing necessary paper work. All Vested Options shall be Exercised within a period of 180 (One Hundred and Eighty) calendar days. The Options, to the extent not Exercised within the aforesaid period shall lapse and be deemed forfeited immediately on the expiry of such period, unless the Board / Nomination and Remuneration Committee decides to extend the same. The Shares allotted in respect of such Options shall be repurchased from the Eligible Employee (other than the Class A Employees), on such terms and by such persons as determined by the Board / Nomination and Remuneration Committee, including but not limited to the ESOP Trust, at 10% (Ten Per Cent) of the Fair Market Value, on a cash basis.

In the event an Eligible Employee (other than Class A Employees), accepts employment, consultation or any other position in a company that is deemed to be in competition with the business of the Company or its affiliates, as determined by the Board / Nomination and Remuneration Committee, the Shares allotted in respect of such Vested Options may be repurchased or transferred, on such terms and to such persons, including but not limited to the ESOP Trust, as may be determined by the Board / Nomination and Remuneration Committee in its discretion. Any decision of the Board / Nomination and Remuneration Committee in this behalf shall be final and binding on the Eligible Employee, and the Eligible Employee, shall be bound to provide any assistance as may be required by the Board / Nomination and Remuneration Committee in this behalf.

10.9 If the termination is for Cause the Eligible Employee's Vested Options, to the extent unexercised shall thereupon cease to be Exercisable and shall lapse forthwith. All Unvested Options as on the effective date of such termination shall expire and stand terminated, without any liability to the Company and / or the Board and / or the Nomination and Remuneration Committee, and all rights of the Eligible Employee there under shall stand extinguished. The Board / Nomination and Remuneration Committee may require the Eligible Employee terminated for Cause to transfer all the Shares held by him/her to such persons and on such terms as may be determined by the Board / Nomination and Remuneration Committee in its discretion. Any decision of the Board / Nomination and Remuneration Committee in this behalf shall be final and binding on the Eligible Employee, and the Eligible Employee shall be bound to provide any assistance as may be required by the Board / Nomination and Remuneration Committee in this behalf.

10.10 The amount payable 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). may be refunded to the Employee if the options are not vested due to non-fulfilment of conditions relating to vesting of option as per ESOP 2020.

- 10.11 The Company shall subject to the discretion of the Board / Nomination and Remuneration Committee, have freedom to specify a lock in period for the Shares issued pursuant to Exercise of Vested Options.
- 10.12 On Exercise of any Vested Option(s) by an Eligible Employee, the Board / Nomination and Remuneration Committee shall, within reasonable time thereafter and subject to fulfillment by the Eligible Employee, of all its obligations in this regard, allot to the Eligible Employee, the Shares in respect of the Vested Options so Exercised.
- 10.13 Upon allotment of the said Shares to the Eligible Employee, the certificate of the Shares so allotted, shall be remitted with the trustees of the ESOP Trust, and the same shall be held by the ESOP Trust on behalf of the Eligible Employee, in accordance with this ESOP 2020.
- 10.14 The Eligible Employee, shall execute and provide such documents, and render such assistance as may be necessary to enable compliance with the provisions of this ESOP 2020, as determined by the Board / Nomination and Remuneration Committee.

11. Vesting and Exercise in an Accelerated Manner

Upon the occurrence of a Liquidation Event, as determined by the Board / Nomination and Remuneration Committee; all Option Granted to Class A Employees, in accordance with the Letter of Grant, shall be Vested in an accelerated manner, in a manner set forth in the Letter of Grant and the Agreement, subject to compliance with Applicable Laws. Such Vested Options must be Exercised by the Class A Employees, by payment of the Exercise Price in full, within such time as notified by the Board / Nomination and Remuneration Committee.

12. Other Terms and Conditions

- 12.1 The Eligible Employee, shall not have any right to receive any dividend or to vote or in any manner enjoy the benefits of a Shareholder in respect of Options Granted, till Shares are issued on Exercise of Option.
- 12.2 If the Company issues bonus or rights shares, the Eligible Employee, will not be eligible for the bonus or rights shares in the capacity of an Eligible Employee, except that the entitlement to the number of options will be adjusted in terms of Clause 4.4(c). Only if the Employee Stock Options are Vested and Exercised and the Eligible Employee, is a valid holder of the Shares of the Company, the Eligible Employee, would be entitled for bonus or rights shares as Option holders of the Company.
- 12.3 Options Granted to the Eligible Employees, shall not be transferable to any person except in the event of death of the Eligible Employee or Permanent Incapacity of the Eligible Employee, in which case the treatment shall be in accordance with this ESOP 2020.

- 12.4 The Company shall appoint a registered merchant banker for the implementation of schemes covered by these regulations till the stage of obtaining in-principle approval from the stock exchanges in accordance with clause (b) of Regulation 10 of the SEBI SBEB Regulations, 2021 (which specifies procedure for listing of new shares issued under any scheme), as may be applicable.
- 12.5 In the event of an Eligible Employee, ceasing to be an employee of the Company (for any reason whatsoever), the Company shall have the right but not the obligation to require the Eligible Employee (other than the Class A Employees), to sell all the Shares allotted by the Company consequent upon Exercise of the Options Granted under this ESOP 2020 prior to the date of such separation to the ESOP Trust or such other person nominated by it, at as a price determined by the Board / Nomination and Remuneration Committee at such time and such sale shall take place prior to the last working day of such Eligible Employee in the Company.
- 12.6 The ESOP Trust shall always have the right to purchase, hold, sell, transfer, encumber, dispose of, or otherwise deal with the Shares, without the need to seek further consent from the Eligible Employee, so long as the economic benefit of such Shares are being paid to the Eligible Employee. The ESOP Trust shall hold such Shares on behalf of the Eligible Employee and shall transfer any economic benefit accruing in respect of such Shares to the bank account of the Eligible Employee, as maintained with the Company, within such time as may be intimated by Board / Nomination and Remuneration Committee.
- 12.7 The rights of the Eligible Employee, shall always be subject to the articles of association of the Company and all and any restrictions, including but not limited to those relating to transfer of Shares, right of first refusal, drag along rights, of a shareholder under the articles of association shall also be applicable to the Eligible Employee.
- 12.8 The Eligible Employee, to whom such Shares have been allotted, shall execute and provide such documents, and render such assistance as may be necessary to enable compliance with the provisions of this ESOP, as determined by the Board / Nomination and Remuneration Committee.

13. Authority to vary terms

- 13.1 The Board in consultation with the Nomination and Remuneration Committee or at the recommendation of the Nomination and Remuneration Committee may, if it deems necessary, vary the terms of ESOP 2020, subject to the Applicable Laws. However, in the event of any variation in terms of ESOP 2020 to the detriment of the Option Grantees, such variation shall be approved by the Shareholders by way of a special resolution.

14. Miscellaneous

- 14.1 The inability of the Company to obtain authority from any regulatory body having jurisdiction, or under any Applicable Laws for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such Shares.
- 14.2 The Grant of an Option does not form part of the Eligible Employee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a

contract of employment between any person of the Company, gives such person any right entitlement or expectation to have an Option Granted to him in respect of any number of Shares or any expectation that an Option might be Granted to him whether subject to any condition or otherwise. This ESOP 2020 shall not form part of any contract or terms of employment between the Company and the Eligible Employee. The rights and obligations of any individual under the terms of his / her office or employment with the Company is independent of, and shall not be affected by, his / her participation in this ESOP 2020.

- 14.3 Neither the existence of this ESOP 2020 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 ESOP 2020 by being Granted an Employee Stock Option on any other occasion.
- 14.4 Nothing in this ESOP 2020 shall be construed as affording such an individual any additional rights as to compensation or damages in consequence of the termination of the office or employment of such person for any reason. This ESOP 2020 and the transactions contemplated hereunder do not constitute an express or implied promise of continued employment of the Eligible Employee, for the Vesting Period, the Exercise Period or for any period, or at all, and shall not interfere with the Eligible Employee's right or the Company's right to terminate the Eligible Employee's employment at any time as per the policies of the Company in this regard.
- 14.5 The rights granted to an Eligible Employee, upon the Grant of an Option shall not afford the Eligible Employee, any rights or additional rights to compensation or damages in consequence of any possible loss based on the determination of the Board / Nomination and Remuneration Committee. This ESOP 2020 shall not confer on any person any legal or equitable rights against the Company either directly or indirectly or give rise to any cause of action in law or equity against the Company.

15. Notices

- 15.1 All notices of communication required to be given by the Company to an Eligible Employee, by virtue of this ESOP 2020 shall be in writing and shall be sent to the address of the Eligible Employee available in the records of the Company and any communication to be given by an Eligible Employee to the Company in respect of ESOP 2020 shall be sent to the corporate office of the Company. The present registered office of the Company is mentioned below:

PB Fintech Limited
(formerly known as PB Fintech Private Limited / Etechaces Marketing and Consulting Private Limited)
Registered Office: Plot No. 119, Sector 44
Gurgaon- 122001, Haryana

OR

such office address as may be specified from time to time.

16. Governing Law and Jurisdiction

- 16.1 The terms and conditions of the ESOP 2020 shall be governed by and construed in accordance with the Applicable Laws of India and its rules thereof.
- 16.2 All disputes, controversies and differences of opinion arising out of or in connection with the ESOP 2020 shall be resolved by a sole arbitrator appointed by the Company and the arbitration shall be conducted in accordance with the Arbitration and Conciliation Act, 1996 and statutory re-enactments or modifications thereof for the time being in force. The decision of the arbitrator shall be final and binding on the Parties. The venue of arbitration shall be in Gurgaon, Haryana. The arbitration proceedings shall be conducted in the English language.

17. Confidentiality

- 17.1 Any employee who is aware of or permitted to participate in this ESOP 2020 shall not divulge the details of the ESOP 2020 and his / her holdings pursuant to the ESOP 2020 to any person except with the prior permission of the Board / Nomination and Remuneration Committee obtained in writing.

18. Income Tax Rules

- 18.1 The applicable Income Tax Laws and Rules as in force will be applicable, and the Employee will be liable to pay necessary taxes in connection with the Options and / or Shares allotted pursuant to the Exercise of such Options, from time to time, in accordance with the Applicable Law then in force.

19. Winding up

In case of winding up of the ESOP Scheme 2020 being implemented by a company through trust, the excess monies or shares remaining with the trust after meeting all the obligations, if any, shall be utilised for repayment of loan or by way of distribution to employees as recommended by the Nomination and Remuneration Committee.