

**Pride Employee Stock Option Plan 2025
("ESOP 2025"/ "Plan")**



Pride Hotels Limited

CIN: U55200DL1983PLC219781

Registered Office: Asset 5A, Hospitality District,
Delhi Aerocity, Indira Gandhi International Airport,
New Delhi,, India, 110037

Email: hr.corporate@pridehotel.com

Contact No: +912240372456

Head Office : The Ruby, Office No. 55C, 5th Floor, Senapati Bapat Marg, Dadar (W), Mumbai-400 028 | Tel.: +91-22-4037 2424 / 4037 2415 | E-mail: headoffice@pridehotel.com

CIN No. U55200DL1983PLC219781 | Toll Free: 1800 209 1400 | Website : www.pridehotel.com

Corporate Office : 5,University Rd, Narveer Tanaji Wadi, Shivajinagar, Pune, Maharashtra 411005 | Tel.: +91 020 6647 1471

Regd. Off: Pride Plaza Hotel, Asset 5A, Hospitality District, Delhi Aerocity, IGI Airport, New Delhi - 110037 | Tel.: +91 11 7160 0700



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1. Name, Objectives and Term of the Plan

- 1.1 This employee stock option plan shall be called '**Pride Employee Stock Option Plan 2025**' ("**ESOP 2025**" / "**Plan**").
- 1.2 The primary objectives of the Plan are to reward the Employees for their association, dedication and contribution to the goals of the Company. The Company intends to use this Plan to attract and retain the key talents by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The Company views employee stock option Plan as a long-term incentive tool that would assist in aligning Employees' interest with that of the shareholders and enable the Employees not only to become co-owners, but also to create wealth out of such ownership in future.
- 1.3 The Plan is established with effect from September 24, 2025 on which the shareholders of the Company have approved it and shall continue to be in force until (i) its termination by the Committee as per provisions of Applicable Laws, or (ii) the date on which all of the Options available for issuance under the Plan have been issued and exercised, whichever is earlier.

2. Definitions and Interpretations

In this Plan, unless the context clearly indicates a contrary intention, the following words or expressions shall have the meaning assigned herein:

2.1 Definitions

- i. "**Applicable Laws**" means every law relating to Employee Stock Options, to the extent applicable, including and without limitation to the Companies Act, all relevant regulations of the Securities and Exchange Board of India particularly in connection with or after Listing, including Securities and Exchange Board of India Act 1992, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("**ICDR Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**"), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SBEB Regulations**"), each as amended and enacted from time to time read with all circulars and notifications issued thereunder and all the relevant tax, securities, foreign exchange control or corporate laws or amendments thereof including any circular, notification issued thereunder by regulatory authorities of India or of any relevant jurisdiction or of any Stock Exchange on which the Shares may be listed or quoted.
- ii. "**Articles**" means Articles of Association of the Company as amended from time to time.
- iii. "**Board**" means the Board of Directors of the Company.
- iv. "**Closing Date**" means the last date on which the grant of Options by the Company to an eligible Employee can be accepted. In case the last date is a non-working day, then the closing date shall be on the next working day.
- v. "**Committee**" means the Nomination and Remuneration Committee as constituted by the Board for administration and superintendence of the ESOP 2025, or any other committee constituted or re-constituted by the Board from time to time, as per the requirements of Applicable Laws, to administer and supervise the Plan and other employee benefit schemes among other things, comprising of such members of the Board as provided under Section 178 of the Companies Act read with Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR, 2015**") and shall also act as the Compensation Committee for the purpose of the SBEB Regulations.

- vi. **"Companies Act"** means the Companies Act, 2013 read with the rules made thereunder, and includes any statutory modifications or re-enactments thereof.
- vii. **"Company"** means **Pride Hotels Limited**, a company incorporated under the provisions of the Companies Act, 1956 bearing CIN: **U55200DL1983PLC219781** and having its registered office at Asset 5A, Hospitality District, Delhi Aerocity, Indira Gandhi International Airport, New Delhi, Delhi, India, 110037.
- viii. **"Company Policies/ Terms of Employment"** mean the Company's policies for Employees and the terms of employment as contained in the employment letter and the Company handbook, which includes provisions requiring a desired level of performance, securing confidentiality, non-compete and non-poaching of other Employees and customers.
- ix. **"Current Shareholder"** means a person whether a natural individual or a corporate entity, who holds Shares at the relevant point of time and the term Current Shareholders refers to all such Current Shareholders of the Company.
- x. **"Director"** means a member of the Board of the Company.
- xi. **"Eligibility Criteria"** means the criteria as may be determined from time to time by the Committee, for granting the Options to the Employees.
- xii. **"Employee"** means

before Listing, the term "Employee" subject to the requirements of Applicable Laws, to the extent applicable, means –

- a. a permanent employee of the Company who has been working in India or outside India; or
- b. a Director of the Company, whether a whole time Director or not

but excludes:

- (i) an employee who is a Promoter or a person belonging to the Promoter Group;
- (ii) a Director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% (Ten per cent) of the issued equity shares of the company; and
- (iii) An Independent Director.

Post Listing, the term "Employee" subject to the requirements of Applicable Laws, to the extent applicable, means –

- a. an employee as designated by the Company, who is exclusively working in India or outside India; or
- b. a Director of the Company, whether a whole-time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group

but does not include

- (i) an employee who is a Promoter or a person belonging to the Promoter Group; or
- (ii) a Director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company; or
- (iii) an Independent Director.

- xiii. **"Employee Stock Option"** means an option given to the Employees, the benefit or right,



but not an obligation, to purchase or to subscribe at a future date, Shares of the Company at a pre-determined price in accordance with ESOP 2025.

- xiv. **“Exercise”** of an Option means expression of an intention by an Option Grantee to the Company to purchase the Shares underlying the Options vested in him, in pursuance of the ESOP 2025, in accordance with the procedure laid down by the Company for exercise of such Vested Options.
- xv. **“Exercise Period”** means such period commencing after Vesting within which the Employee should Exercise the Vested Options.
- xvi. **“Exercise Price”** means the price payable by an Option Grantee in order to Exercise the Vested Options.
- xvii. **“Fair Market Value”** means the value of a Share of the Company as determined by an independent valuer, as required by Applicable Laws for the time being in force and appointed by the Company from time to time.

Provided that after Listing, the term ‘Fair Market Value’ shall refer to “Market Price” within the meaning of the SBEB Regulations.

- xviii. **“Grant”** means the process by which the Company issues Options to the Employees under ESOP 2025.
- xix. **“Grant Date”** means the Grant date as mentioned in the Grant Letter or any such date which may be determined by the Committee, as the Grant date.
- xx. **“Grant Letter”** shall mean a written letter issued by the Company to an Option Grantee, governing the terms and conditions of Grant, Vesting and Exercise of the Options.
- xxi. **“Independent Director”** means a Director within the meaning of Section 149(6) of the Companies Act.

Post Listing, the term Independent Director shall have the same meaning as defined under the LODR Regulations.

- xxii. **“Liquidity Event”** means any event or transaction as approved by the Board as a liquidity event for the purposes of this Plan from time to time, which more particularly includes the following events:
 - a. Strategic Sale;
 - b. Offer for purchase by an investor;
 - c. Listing; and
 - d. any other event, which the Board may designate as a liquidity event for the purpose of the Plan.
- xxiii. **“Listing”** means the listing of the Company’s Shares on any recognized Stock Exchange as per the Applicable Laws.
- xxiv. **“Long Leave”** means paid or unpaid period of leave in which a person does not report to their job but is still employed with the company. Period of Long leave shall be as per the company’s leave policy.
- xxv. **“Market Price”** means the latest available closing price on the recognized Stock Exchange on which the Shares of the Company are listed on the date immediately prior to the Relevant Date.



Explanation: In the case of shares listed on more than one recognized Stock Exchange, then the Stock Exchange where the highest trading volume on the said date shall be considered.

- xxvi. **“Merchant Banker”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, who is registered under Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- xxvii. **“Misconduct”** means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the Company Policies/ Terms of Employment amounting to violation or breach as determined by the Committee after giving the Employee an opportunity of being heard:
- dishonest statements or acts of an Employee, with respect to the Company; or
 - any misdemeanor involving moral turpitude, deceit, dishonesty, or fraud committed by the Employee; or
 - gross negligence, misconduct, or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company; or
 - breach by the Employee of any terms of his employment agreement or the Company’s policies or other documents or directions of Company;
 - participating or abetting a strike in contravention of any law for the time being in force; or
 - misconduct as provided under the labour laws after following the principles of natural justice; or
 - misconduct will include solicitation of other employees (including approaching current employees for employment outside the Company) within six months of the separation from the Company; or
 - Any other terms and conditions as notified by the Committee from time to time.
- xxviii. **“Options”** means Employee Stock Options as defined under the ESOP 2025.
- xxix. **“Option Grantee”** means an Employee who has been granted an Option in pursuance of the ESOP 2025 and has accepted such Grant as per provisions of the Plan and shall deem to include nominee/ legal heir of an Option Grantee in case of his/her death to the extent the provisions of the Plan are applicable to such nominee/ legal heir.
- xxx. **“Plan”** means and refers to “Pride Employee Stock Option Plan 2025” defined thereof.
- xxxi. **“Permanent Incapacity”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said employee was capable of performing immediately before such disablement, as determined by the Committee based on a certificate of a medical expert identified by the Board.
- xxxii. **“Promoter”** shall have the same meaning as defined under Section 2(69) of the Companies Act.
- Post Listing, the term “Promoter” defined hereinabove shall have meaning as defined under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended.
- xxxiii. **“Promoter Group”** means (a) an immediate relative of the Promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); (b) persons whose Shareholding is aggregated for the purpose of disclosing ‘shareholding of the promoter group’ in the offer document or prospectus issued or to be issued by the Company

Post Listing, the term “Promoter Group” shall have the same meaning assigned to it under



Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended.

xxxiv. **"Relevant Date"** means any of the following dates as the context require:

- a. in the case of Grant, the Grant Date; or
- b. in the case of Exercise, the date on which the notice of Exercise is given to the Company by the Option Grantee.

xxxv. **"Retirement"** means retirement or superannuation as per the rules of the Company.

xxxvi. **"Secretarial Auditor"** means a company secretary in practice appointed by the Company under Section 204 of the Companies Act and Rule made thereunder to conduct the secretarial audit pursuant to provisions of the Companies Act and/or regulation 24A of the LODR Regulations.

xxxvii. **"Shares"** means equity shares of the Company fully paid-up.

xxxviii. **"Stock Exchange"** means National Stock Exchange of India Limited (NSE), BSE Limited (BSE), or any other recognized Stock Exchange in India on which the Company's Shares are listed or to be listed in future.

xxxix. **"Strategic Sale"** means occurrence of one of the following events:

- a) acceptance in writing by the Company from any individual(s), entity(ies) other than the Promoter for sale of Shares or any action such as merger, de-merger or amalgamation which has the effect of reducing Holding Company's shareholding in the Company to less than 50% (fifty percent).
- b) acceptance in writing of an acceptable offer by the Promoter from any individual(s), entity(ies) for any action such as sale of shares, merger, de-merger or amalgamation which has the effect of reducing Promoter's shareholding in the Holding Company to less than 50% (fifty percent) shall also qualify as Strategic Sale.

xl. **"Unvested Option"** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to Exercise the Option.

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

xlii. **"Vesting"** means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of the ESOP 2025.

xliii. **"Vesting Condition"** means the condition prescribed if any subject to satisfaction of which the Options granted would vest in an Option Grantee.

xliv. **"Vesting Period"** means the period during which the Vesting of the Option granted to the Option Grantee, in pursuance of the ESOP 2025, takes place.

2.2 Interpretation

In this Plan, unless the contrary intention appears:



- a) the clause headings are for ease of reference only and shall not be relevant for interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender; and
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.
- f) the terms defined in ESOP 2025 shall have the meanings herein specified and terms not defined in ESOP 2025 shall have the meanings as defined in the Applicable Laws as the context requires. Reference to any Act, Rules, Regulations, Statute or Notification shall include any amendments, statutory modifications, substitution or re-enactment thereof.

3. Authority and Ceiling

- 3.1 The shareholders of the Company by way of a special resolution dated **September 24, 2025** approved the Plan, authorizing the Committee to grant not exceeding **55,67,760 (Fifty Five Lakh Sixty Seven Thousand Seven Hundred and Sixty)** Options to the eligible Employees in one or more tranches, from time to time, which in aggregate shall be, exercisable into not more than **55,67,760 (Fifty Five Lakh Sixty Seven Thousand Seven Hundred and Sixty)** Equity Shares of face value of Rs. 5 (Rupees Five) each fully paid up, with each such Option conferring a right upon the Employees to apply for one Share in the Company in accordance with the terms and conditions as may be decided by the Committee in accordance with the provisions of this Plan, SBEB Regulations and in due compliance with other Applicable Laws under the Plan.
- 3.2 The maximum number of Options under Plan to any eligible Employee per grant per year shall vary depending upon the designation and the appraisal / assessment process, however, shall not exceed **18,00,000 (Eighteen Lakh)** Options.
- 3.3 Prior approval of shareholders by way of a special resolution shall be obtained in case the Grant of Options to any identified Employee, during any one year, is equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant.
- 3.4 If an Option expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the Options pool as mentioned in Sub-clause 3.1 and shall become available for future Grants, subject to compliance with all Applicable Laws.
- 3.5 Where Shares are issued consequent upon Exercise of an Option under the Plan, the maximum number of Shares that can be issued under Scheme as referred to in Clause 3.1 above shall stand reduced to the extent of such Shares issued.
- 3.6 In case of a Share split or consolidation, if the revised face value of the Share is less or more than the current face value as prevailing on the date of coming into force of this Plan, the maximum number of Shares being granted under the Plan as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares X face value per Share) prior to such Share split or consolidation remains unchanged after such Share split or consolidation. Thus, for example, if the prevailing face value of each Share is Rs. 2 per Share and the revised face value after the Share split is Re 1 per Share, the total number of Shares available under Scheme would be (Shares reserved at sub-clause 3.1 x 2) Shares of Re.



1 each. Similarly, in the case of bonus issues, rights issues, merger, sale of division and others, the available number of Shares under Scheme shall be revised to restore the value, in terms of Sub-clause 4.2(f) of this Plan.

- 3.7 Post the Listing, the Company shall not make any fresh Grant which involves allotment or transfer of Shares to its Employees under the Plan unless the Plan is in conformity with the SBEB Regulations and is ratified by its shareholders.

4. Administration

- 4.1 The Plan shall be administered by the Committee of the Company. All questions of interpretation of the Plan shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Plan or in any Option issued thereunder. Neither the Company nor the Board shall be liable for any action or determination made in good faith with respect to the Plan or any Options granted thereunder.

- i. The Committee shall, in accordance with this Plan and Applicable Laws, determine the following:

- (a) The quantum of Options to be granted under the Plan per Employee, subject to the ceiling as specified in Sub-clause 3.1 and 3.2;
- (b) The Eligibility Criteria for Grant of Option to the Employees;
- (c) The Exercise Period within which the Employee should Exercise the Option and that Option would lapse on failure to Exercise the Option within the Exercise Period;
- (d) The specified time period within which the Employee shall Exercise the Vested Option in the event of termination or resignation of an Employee;
- (e) The right of an Employee to Exercise all the Options vested in him at one time or at various points of time within the Exercise Period;
- (f) The procedure for making a fair and reasonable adjustment to the number of Options and/or to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration by the Committee:
 - (i) the number and the Exercise Price of Options shall be adjusted in a manner such that total value of the Options remain the same before and after such corporate action; and
 - (ii) the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Option Grantees.
- (g) The procedure and terms for the Grant, Vesting and Exercise of Option in case of Employees who are on Long Leave;
- (h) The conditions under which Option vested in Employees may lapse in case of termination of employment for Misconduct;
- (i) Determine the procedure for buy-back of Options granted under the Scheme 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 Options that the Company may buy-back in a financial year;
- (j) The procedure for cashless Exercise of Option, if required;
- (k) Take any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the Plan or the administration or interpretation thereof.
- (l) Approve forms, writings and/or agreements for use in pursuance of the Plan; and



(m) Take any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the Plan or the administration or interpretation thereof, or as may be required under Applicable Laws.

- ii. Post Listing, the Committee shall frame suitable policies and procedures to ensure that there is no violation of any securities laws including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating To Securities Market) Regulations, 2003 or any statutory modification or re-enactment of these regulations, by the Company or any of its Employees, as applicable.
- iii. Post listing, the Committee shall have a right to delegate or authorize any officer of the Company, if required and subject to the extent allowed under the Applicable Laws, such power to do specific acts and things without limitation to the listing of Shares on recognized Stock Exchange(s) arising pursuant to Exercise of Vested Options, execution and submission of various document(s) to recognized Stock Exchange(s) or any other institution as may be deemed necessary in connection with the Scheme.

5. Eligibility and Applicability

- 5.1 Only Employees within the meaning of this Plan are eligible for being granted Options under the Plan. The specific Employees to whom the Option would be granted and their Eligibility Criteria shall be determined by the Committee.
- 5.2 The Plan shall be applicable to the Company, and/or any successor company thereof to the extent the Options granted under the Plan, as determined by the Committee at its sole discretion.
- 5.3 Appraisal process for determining the eligibility of the Employees will be based on designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Committee at its sole discretion, from time to time.

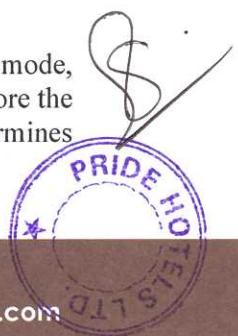
6. Grant and Acceptance of Grant

6.1 Grant of Options

- (a) Grants contemplated under the Plan shall be made as and when determined by the Committee.
- (b) Each Grant of Option under the Plan shall be made in writing by the Company to the eligible Employees by way of Grant Letter containing specific details of the Grant, and disclosure requirements, as prescribed under Applicable Laws and will specify the number of Options to which the Grantee is entitled, the Exercise Price, Vesting Conditions and such other details as the Committee may specify.

6.2 Acceptance of the Grant

- (a) Any eligible Employee intending to accept the Grant made under this Plan must give his/her acceptance of the Grant in the prescribed communication mode, on or before the Closing Date which shall not be more than **30 days** from the date of the Grant, as specified in the letter of Grant.
- (b) Upon receipt of the acceptance by the Company in the prescribed communication mode, the eligible Employee will become a Grantee. Failure to give such acceptance before the specified date shall result in rejection of the Grant unless the Committee determines otherwise.



- (c) No amount is payable by the Option Grantee at the time of Grant and until Exercise of Vested Options.

7. Vesting Schedule/ Conditions

- 7.1 Options granted under the Plan shall vest not earlier than minimum period of **1 (one) year** and not later than maximum period of **5 (Five) years** from the Grant Date. The Committee at its discretion may Grant Option specifying Vesting Period ranging from minimum and maximum period as afore stated.

Provided further that in the event of death or Permanent Incapacity, the minimum Vesting Period of 1 (one) year shall not be applicable and in such instances, the Options shall Vest on the date of death or Permanent Incapacity, as the case may be.

Provided that in case where Options are granted by the Company under the Plan in lieu of Option held by a person under a similar Plan in another company ("**Transferor Company**") which has merged or amalgamated with the Company, the period during which the Option granted by the Transferor Company were held by him shall be adjusted against the minimum Vesting Period required under this Sub-clause and shall be subject to compliance with the Applicable Laws.

- 7.2 Vesting of Options would be subject to Option Grantee continuing to be an Employee as on the date of Vesting and thus the Options would Vest essentially on passage of time. In addition to this, the Committee may also specify certain performance criteria subject to satisfaction of which the Options would vest. An Option Grantee who has tendered his/her resignation and is serving the notice period after resignation, such notice period shall not be considered for Vesting and all the Unvested Options as on date of resignation shall be cancelled forthwith.

- 7.2 As a prerequisite for a valid Vesting, a Grantee must not be subject to any disciplinary proceedings involving moral turpitude pending against him on such date of Vesting. In case of any such disciplinary proceedings against any Grantee, the relevant Vesting shall be kept in abeyance until disposal of the proceedings. In case of reinstatement, Vesting shall happen as if there was no abeyance. In case of termination from employment/ service, the provisions of serial number 2 in the table given in Sub-clause 8.2 of the Plan shall apply.

- 7.3 The specific Vesting Conditions subject to which Vesting would take place shall be communicated to each Option Grantee individually in the letter issued at the time of Grant.

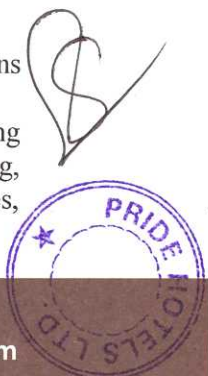
7.4 Vesting of Options in case of Employees on Long leave

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

7.5 Acceleration of Vesting in certain cases

Prior to Listing, and subject to elapse of minimum Vesting Period of 1(One) year from the Grant Date:

- (i) The Committee shall have the power to accelerate Vesting of any or all Unvested Options in connection with or upon happening of any Liquidity Event.
- (ii) The Committee may determine the terms and conditions of acceleration of Vesting including quantum or percentage of Unvested Options entitled for accelerated Vesting, considering any parameter at its sole discretion such as tenure of the Option Grantees, period elapsed from the Grant Date and any other aspect.



- (iii) The Options remaining unvested as on date of meeting of the Committee considering the proposal for such acceleration, may at the discretion of the Committee be deemed to vest with effect from that date or from such other date as the Committee may determine.
- (iv) In case, after approval of acceleration of Vesting of Unvested Options by the Committee, there occurs no Liquidity Event, on consideration of which the Committee would have approved such acceleration, such non-occurrence shall lead to automatic cancellation of such accelerated Vesting as if such proposal was never considered nor approved by the Committee as a result of which such Unvested Options shall be subject to normal Vesting schedule.

Provided that in case any or all accelerated Vested Options are exercised by the Option Grantee prior to communication of cancellation of acceleration, there shall not be any cancellation or reversal of acceleration of Vesting to the extent such Vested Options are exercised.

Post Listing, this clause shall stand automatically terminated and shall cease to have any force or effect thereafter.

8. Exercise

8.1 Exercise Price

- (a) The Exercise Price per Option shall be determined by the Committee which shall not be less than the face value and shall not be more than the Fair Market Value of the Share as on the Grant Date. The specific Exercise Price shall be intimated to the Option Grantee in the Grant Letter at the time of Grant.

Post Listing, the Exercise Price per Option shall be as determined by the Committee and as set out in the Grant Letter and shall not be less than the face value of the Shares and may be up to the Market Price of the Shares, as on the Grant Date.

- (b) Payment of the Exercise Price shall be made by cheque, demand draft, recognized electronic mode to the account of the Company, or in such other mode and manner as the Committee may decide from time to time in terms of Applicable Laws.

8.2 Exercise Period

- (a) **Exercise Period while in employment:**

Prior to Listing, the Vested Options can be exercised by the Option Grantees only in connection with or upon the happening of a Liquidity Event and within such period as prescribed by the Committee from time to time.

Post Listing, The Exercise Period in respect of the Vested Option shall be subject to a maximum period of **4 (Four) years** from the date of Vesting of Options. The Grantees can exercise all or part of the Vested Options within the Exercise Period.

- (b) **Exercise Period in case of separation from employment:**

Exercisability of the Vested Options shall be as under:



S. No.	Events of Separation	Prior to Listing	Post Listing
1	Resignation/ Termination (other than due to Misconduct)	All the Vested Options as on date of resignation/ termination shall be exercised by the Option Grantee only in connection with/upon happening of Liquidity Event. All the Unvested Options as on date of resignation/ termination shall stand cancelled with effect from date of such resignation/ termination.	All the Vested Options as on date of resignation or termination shall be exercisable by the Option Grantee before his/her last working day with the Company. All Unvested Options as on date of resignation or termination shall stand cancelled with effect from date of such resignation/ termination.
2	Separation/ Termination due to Misconduct	All the Vested Options and all the Unvested Options shall stand cancelled with effect from the date of such termination.	All the Vested Options and all the Unvested Options shall stand cancelled with effect from the date of such termination.
3	Retirement	All the Vested Options as on date of Retirement shall be exercised by the Option Grantee only in connection with/upon happening of Liquidity Event. All Unvested Options on the date of Retirement shall stand cancelled with effect from the date of such Retirement.	All Vested Options as on date of such Retirement shall be exercised within 12 (Twelve) months by the Option Grantee from such event or exercise period whichever is earlier. All Unvested Options as on the date of Retirement would continue to Vest in accordance with the original vesting schedules even after the Retirement unless otherwise determined by the Committee in accordance with the Company's Policies and provisions of the then prevailing Applicable Law. Such Vested Options shall be exercised within 12 (Twelve) months from the date of such Vesting.
4	Death	All the Vested Options as on date of death shall be exercised by the deceased Option Grantee's nominee or legal heirs only in connection with/upon happening of Liquidity Event. All the Unvested Options as on date of death shall vest immediately and can be exercised by the deceased Option Grantee's nominee or legal heirs in the same manner prescribed for Vested Options.	All the Vested Options as on date of death shall be exercised by the deceased Option Grantee's nominee or legal heirs within 12 (Twelve) months of the event. All the Unvested Options as on date of death shall vest immediately and shall be exercised by the deceased Option Grantee's nominee or legal heirs in the same manner prescribed for Vested Options herein above.
5	Permanent Incapacity	All the Vested Options as on date of incurring Permanent Incapacity can be exercised by the Option Grantee only in connection with/upon happening of Liquidity Event .	All the Vested Options as on date of incurring Permanent Incapacity shall be exercised by the Option Grantee within 12 (Twelve) months of the event



		All the Unvested Options as on date of incurring Permanent Incapacity shall vest immediately and can be exercised by the Option Grantee in the same manner as prescribed for Vested Options.	All the Unvested Options as on date of incurring Permanent Incapacity shall vest immediately and can be exercised by the Option Grantee in the same manner as prescribed for Vested Options herein above.
6	Transfer/ Deputation	In the event that an Option Grantee is transferred or deputed to any of its Group Company(ies) prior to vesting or exercise of Options, the vesting and exercise of Options to Option Grantee shall continue, as per the terms of grant, even after the transfer or deputation and shall be governed in accordance with this policy.	
7	Other Reasons Apart from those mentioned above	The Committee will decide whether the Vested Options can be exercised by the Option Grantee or not, and such decision shall be final. All Unvested Options on the last working day of the Option Grantee shall stand cancelled from such date unless otherwise required by the Applicable Laws.	The Committee will decide whether the Vested Options can be exercised by the Option Grantee or not, and such decision shall be final. All Unvested Options on the last working day of the Option Grantee shall stand cancelled from such date unless otherwise required by the Applicable Laws.

8.3 Procedure of Exercise

The Vested Options can be exercised by the Option Grantees by a written application to the Company in the format as may be prescribed in due course keeping in view the administrative and/ or the legal requirements prevailing at that time.

8.4 Right to prescribe for cashless Exercise of Options

The Committee is entitled to specify such procedures and mechanisms for the purpose of implementing the cashless Exercise of Options as may be necessary and subject to and in accordance with Applicable Laws, and the same shall be binding on all the Option Grantees.

8.5 Lapse of Options

The Options not exercised within the Exercise Period, as mentioned in sub-clause 8.2 and sub-clause 8.3 above, shall lapse and the Option Grantee shall have no right over such lapsed or cancelled Options.

9. Liquidity Events

9.1 Strategic Sale:

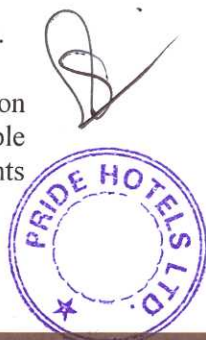
- (a) Notwithstanding anything contained elsewhere in this Plan, in case prior to Listing, to facilitate the Strategic Sale within the meaning of this Plan, the Current Shareholders shall have the right of drag-along of any or all the Shares underlying the Vested Options of the Option Grantees. However, this drag-along shall be on terms not less favorable than those of the sale of the Shares held by the Current Shareholders as more particularly mentioned hereunder.
- (b) The Current Shareholders desiring to Exercise their rights stated sub-clause (a) above shall deliver a written notice ("Notice") to each Option Grantee setting out the salient feature of the Strategic Sale and details of the terms and conditions including number of Shares to be dragged-along, price per Share, the manner and mode of transfer of Shares



- (c) Option Grantees shall Exercise the Vested Options to meet the drag-along obligation as set out in the Notice. The new Shares arising out of the Exercise of Vested Options pursuant to the Notice shall be offered by the Option Grantee. However, in case the Option Grantee chooses not to Exercise, such number of Vested Options as specified for Exercise in the Notice shall lapse on expiry of specified Exercise Period.
- (d) Each Option Grantee shall take all necessary and desirable actions in connection with the completion of the Strategic Sale, including executing agreements and instruments and taking other actions as may be reasonably necessary to provide the representations, warranties, indemnities, covenants, conditions and other provisions and agreements, as the case may be, required to complete the Strategic Sale.
- (e) If an Option Grantee fails for any reason to take any of the actions described above particularly after the allotment of Shares upon Exercise of Options, he/she shall be deemed to have appointed any Company Director nominated by the Company as his/her attorney, on his/her behalf and in his/her name, with full power, to execute, complete and deliver any document or instrument or to take any other action, including to receive the proceeds of the sale and to give good quittance for the sale price in order to complete the Strategic Sale. The Option Grantee shall confirm and ratify the acts of such Company Director acting as his attorney under this Sub-clause.
- (f) Without limiting the generality of the provisions above, each Option Grantee shall, on or before the date falling 10 business days after the date of the Notice, deliver to the Company in writing:
 - i. setting out his agreement to the Strategic Sale; and
 - ii. if the Strategic Sale is structured as a sale of Shares, enclosing Share certificates representing its Shares and a transfer form duly executed.

9.2 Offer of purchase by an investor

- (a) Prior to Listing, any individual, entity, or group ("**Investor**") who intends to subscribe the Shares of the Company and/ or acquire Shares from the Current Shareholder(s), shall have the right to make an offer ("**Offer**") to the Option Grantees having Vested Options yet to be exercised.
- (b) The Investor shall intimate its/his/their intention of such Offer to the Board along with details namely the salient features of the Offer and details of the terms and conditions including, maximum number of Vested Options that may be exercised, the Exercise Period within which such Vested Options must be exercised to take part in the Offer, maximum number of Shares intended to be purchased, and purchase consideration thereof.
- (c) The purchase consideration shall not be lesser than the consideration which the Investor would be paying for subscription or acquisition of Shares, whichever is higher.
- (d) The Board shall intimate the details of such Offer to the Option Grantees individually.
- (e) Option Grantees may at their discretion participate in this offer. In case an Option Grantee has expressed his interest for the offer, shall take all necessary and desirable actions in connection with the purchase, including executing agreements and instruments and taking other actions as required for completing the purchase.



- (f) Each Option Grantee shall take all necessary and desirable actions in connection with the purchase, including executing agreements and instruments and taking other actions as required for completing the purchase and provisions of Sub-clause 9.1 (e) above shall apply to this clause to the extent relevant.

9.3 Listing or an Initial Public Offering

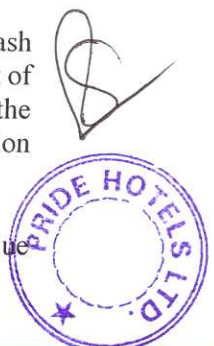
Notwithstanding anything mentioned in the Scheme, at the time of happening of the Initial Public Offering ("IPO"), the eligible Option Grantee can Exercise their Vested Options within the specific period as may be notified by the Board at its discretion.

Post Listing of the Shares of the Company on a Stock Exchange, Option Grantee can sell Shares in the secondary market or otherwise any time in accordance with Applicable Laws and Company Policy, subject to any restriction on the transferability of Shares as per Applicable Laws.

However, in case the Option Grantee chooses not to Exercise their Vested Options, the Option Grantee can carry such Vested Options but up to such time period as may be notified by the Board in the post ratified Scheme in accordance with the Applicable Laws.

10. Discretionary Cash Settlement of Vested Options

- 10.1 Prior to Listing, the Committee at its discretion shall have the right, without any obligation, to prescribe for cash settlement of any or all the unexercised Vested Options held by the Option Grantees by way of cash payment.
- 10.2 Cash settlement for Option Grantees continuing employment and in case of Retirement, death or Permanent Incapacity of an Option Grantee as referred to in the Table at Sub-clause 8.2(b):
- a) The consideration for cash settlement shall be equal to or excess of 'Fair Market Value of Shares as on date of such decision' over the 'Exercise Price'; and
 - b) Option Grantee may at their discretion offer their Vested Options for Cash settlement.
 - c) As a part of the procedure for effecting cash settlement, the Company may require the Option Grantees to surrender their Vested Options within a specified period. All rights of the Option Grantee in the surrendered Vested Options including the right to exercise such Options shall be deemed to be settled and extinguished with effect from date of remittance of cash.
 - d) In case of failure of any Option Grantee to surrender the Vested Options within the specified period, such Options shall not be entitled for Settlement.
- 10.3 Cash settlement for Option Grantees ceased to be in employment other than Retirement, death, and Permanent Incapacity:
- a) The Committee, at its sole discretion and without any obligation, may mandate for cash settlement of Vested Options of an Option Grantee who ceases to be in employment of the Company, by way of cash settlement at a predetermined value as decided by the Committee. In case such mandate is notified, it shall be obligatory for such Option Grantees to offer Vested Options for cash settlement in lieu of Exercise thereof.
 - b) The consideration for cash settlement shall be excess of 'Discounted Fair Market Value of Shares as on date of such decision' over the 'Exercise Price'.



- c) In case, the Committee determines to settle Vested Options in cases of cessation of employment, such Vested Options shall be deemed to be surrendered with all rights of Exercise extinguished with effect from the date of remittance of cash.
- d) In case of failure of any Option Grantee to surrender the Vested Options within the specified period, such Options shall not be entitled for Settlement.

- 10.4 The Committee may frame the guidelines for executing the cash-settlement of Vested Options under the Plan.
- 10.5 Post Listing, this clause shall stand automatically terminated and shall cease to have any force or effect thereafter.

11. Lock In

The Equity Shares so allotted to the Grantees pursuant to exercise of Options may be subject to such a lock-in period as may be specified by the Board or Committee at the time of grant or as may be required under the Applicable Laws including that and after Listing under the ICDR Regulations, or code of conduct framed, if any, by the Company, and under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

12. Other Terms and Conditions

- 12.1 An employee shall not be entitled to receive any dividends declared by the company in respect of the Shares issued pursuant to the options granted to him unless the employee has exercised the options and has become a registered shareholder of the company.
- 12.2 An employee shall not be entitled to vote in respect of the Shares issued pursuant to the options granted to him unless the employee has exercised the options and has become a registered shareholder of the company.
- 12.3 If the Company issues bonus shares or rights shares, the employee shall be eligible to only the adjustment to the number of Options or the Exercise Price or both, as decided by the Committee.
- 12.4 Options are not transferrable unless in case of Death of an Option Grantee in which case, Clause 8.2(b) will be referred to for the purpose of Exercise. No person other than the Option Grantee to whom the Option is granted shall be entitled to Exercise the Option except in the event of the death of the Option Grantee, in which case, Clause 8.2(b) shall apply, as mentioned above.
- 12.5 Notwithstanding anything to the contrary contained under the ESOP 2025, the Option and the Shares resulting from Exercise of Option shall not be transferred, pledged, hypothecated, mortgaged or otherwise alienated in any other manner except with the prior approval of the Committee in writing and shall be subject to compliance with the Applicable Laws. However, this restriction shall not be applicable post Listing on Shares resulting from Exercise of Option and shall be subject to compliance with the Applicable Laws.

13. Tax Liability

- 13.1 The tax treatment on the equity Shares allotted under the Plan shall be as per the Income Tax Act, 1961 as amended from time to time.
- 13.2 In the event of any tax liability arising out on account of the issue of Options and/or allotment of the equity Shares to the employee, the liability shall be that of the employee alone. The Company shall not indemnify the employee against any tax or other liabilities.



- 13.3 All tax liabilities arising on disposal of the equity Shares after Exercise would require to be handled by the employee.

14. Authority to vary terms

- 14.1 The Company may by special resolution of its shareholders vary the terms of the ESOP 2025 for Options granted but not yet exercised by the employees, if such variation is not prejudicial to the interests of the Employees. The Committee may, if it deems necessary, vary the terms of ESOP 2025, to meet any regulatory requirements and subject to compliance with the Applicable Laws.

- 14.2 The Company may re-price the Options, which are not exercised, whether or not they have been vested, if the Plan is rendered unattractive due to fall in the price of the shares in the stock market.

Provided that the Company ensures that such repricing is not detrimental to the interests of the Employees and approval of the shareholders by a special resolution has been obtained for such repricing.

15. Miscellaneous

15.1 Government Regulations

This ESOP 2025 shall be subject to all Applicable Laws, and approvals from governmental authorities.

15.2 Foreign Exchange Laws

In case any Options are granted to any Employee being resident outside India, belonging to the Company, working outside India, the provisions of the Foreign Exchange Management Act, 1999 and rules or regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vest and Exercise of Options thereof.

15.3 Inability to obtain authority

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

- 15.4 Unless otherwise intended, the Grant of an Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person and the Company give such person any right or entitlement 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 at all.

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

- 15.6 The rights granted to an Option Grantee upon the Grant of an Option shall not accord the Option Grantee any rights or additional rights to compensation or damages in consequence of



the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

- 15.7 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to Exercise an Option in whole or in part.
- 15.8 Participation in ESOP 2025 shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the value of the Shares and the risks associated with the investments are that of the Option Grantee alone.

16. Accounting and Disclosures

- 16.1 The Company shall follow the IND AS 102 for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other appropriate authority, from time to time, including the disclosure requirements prescribed therein.

Post Listing, the Company shall comply with the accounting and disclosure requirements as prescribed under Regulation 15 of the SBEB Regulations.

17. Certificate from Secretarial Auditors

- 17.1 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 Plan has been implemented in accordance with the SBEB Regulations and in accordance with the resolution of the Company in the general meeting.

18. Governing Laws and jurisdiction

- 18.1 The terms and conditions of the ESOP 2025 shall be governed by and construed in accordance with the Applicable Laws of India including the Foreign Exchange Laws. Any term of the ESOP 2025 that is contrary to the requirement of any Applicable Law, including but not limited to the Companies Act, 2013, Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder shall not apply to the extent it is contrary.
- 18.2 The courts at **Delhi** shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2025.
- 18.3 Nothing in this Clause shall however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP 2025, in any other court of competent jurisdiction; or concurrently in more than one jurisdiction.

19. Notices

- 19.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP 2025 shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company; or Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or Emailing the communication(s) to the Option Grantee at the official email address provided, if any, during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.
- 19.2 Any communication to be given by an Option Grantee to the Company in respect of ESOP 2025 shall be sent at the address mentioned below or e - mailed at:



Designation : Corporate Head Talent and Culture
Address : **Pride Hotels Limited**
Asset 5A, Hospitality District, Delhi Aerocity, Indira Gandhi International
Airport, New Delhi, Delhi, India, 110037
E-mail : hr.corporate@pridehotel.com

- 19.3 The Option Grantee acknowledges that it shall be the obligation of the Option Grantee to promptly notify the Company of any change in the residential or electronic mail address of the Option Grantee and the Company shall not be liable in any manner for any failure of the Option Grantee to do so.

20. Severability

- 20.1 In the event any one or more of the provisions contained in this Plan shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Plan in which case the Plan shall be construed as if such invalid, illegal, or unenforceable provisions had never been set forth herein, and the Plan shall be carried out as nearly as possible according to its original intent and terms.

21. Confidentiality

- 21.1 An Option Grantee must keep the details of the ESOP 2025 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case the Option Grantee is found in breach of this Clause, the Company shall have undisputed right to terminate any agreement/Grant. The decision and judgment of the Committee regarding breach of this Clause on confidentiality shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Committee shall have the authority to deal with such cases as it may deem fit.
- 21.2 On acceptance of the Grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the ESOP 2025, accounting and statutory disclosures, or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need-to-know basis.

----- END OF THE PLAN -----

FOR PRIDE HOTELS LTD.

DIRECTOR