****

TECHERA EMPLOYEE STOCK OPTION POLICY 2025

OF

TECHERA ENGINEERING (INDIA) LIMITED

****

Adopted vide passing special resolution in the extra-ordinary general meeting held on* ***07th Oct 2021**

****Amended vide passing special resolution in the Annual General Meeting held on 29th September, 2025****

Contents

TECHERA ENGINEERING EMPLOYEE STOCK OPTION POLICY, 2025 (ESOP PLAN)

1. INTRODUCTION

1.1. **TechEra Engineering (India) Limited** is engaged in the business of undertaking projects involving designing and manufacturing of tooling and automation systems for defense and aviation industry. Broadly, the business segments of the Company are as follows:

- Design & manufacturing of tooling (fixtures) - to build any aircraft / light combat aircraft / fighter jet / helicopter;
- Manufacturing of flying parts – machining and press parts;
- Manufacturing of MRO (maintenance, repair and overhaul) tooling's and ground support equipment's.
- Design and manufacturing of automation system and others

1.2. The Company has introduced the '**TechEra Employee Stock Option Policy 2025"** ("ESOP Plan") for its Eligible Employees.

1.3. The Policy has been framed in accordance with, and is subject to, all applicable laws, rules, regulations and agreements.

1.4. The objective of the Policy is to attract and retain employees and to motivate employees to drive the Company's performance. The Policy is introduced to provide motivation to the employees of the Company, and to enable them to participate in joint achievement of corporate objectives and provide a sense of ownership to these employees. It is also expected that the Policy will help the Company in retaining its invaluable manpower resource as well as help in attracting the best available talent in the industry.

1.5. This document sets out the features of the Policy, the benefits accruing to the employees under the Policy, the duties and responsibilities of the beneficiaries as also the procedures to be followed. The document shall serve as a reference for the administration of the Policy. This document along with its enclosures should be carefully read and understood and the procedures prescribed need to be diligently observed for availing the benefits under the Policy.

1.6. This is a confidential document and should not be discussed with others.

2. SALIENT FEATURES OF THE POLICY

2.1 The Policy applies to the Eligible Employees of the Company whether working in India or abroad. The Board will decide the eligibility of an employee based on his/her contributions, performance and the value he/she adds to the Company.

2.2 The Policy shall be effective from 29th September, 2025 and shall remain in effect unless amended or terminated earlier in accordance with the terms of Clause 16 of this Policy by the Company.

3. DEFINITIONS AND INTERPRETATION

3.1 In this document, the following expressions including their grammatical variations or cognate expressions shall, where the context so admits, have the following meaning:

3.1.1 "**Act**" means the Companies Act, 2013 and the rules and regulations issued thereunder and the amendments thereto, any such provisions of the Companies Act, 1956 which have not yet been repealed, replaced by any enactment including the Companies Act, 2013.

3.1.2 "**Acceptance Letter**" shall mean the letter that the Option Grantee has to submit indicating his/her acceptance of the Options granted to him/her to participate in the Policy.

3.1.3 **"Agreement"** means the Employee Stock Option Agreement between the Company and the Option Grantee or the Grant Letters issued by the Company to the Option Grantee evidencing the terms and conditions of an individual Employee Stock Option. The Agreement is subject to the conditions of ESOP PLAN.

3.1.1 **"Applicable Law"** means the legal requirements relating to Employee Stock Options, including, without limitation, the Companies Act, 2013, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and includes any statutory modifications or re-enactments thereof, all relevant tax, securities, exchange control or corporate laws of India, rules, notifications, circulars issued thereunder.

3.1.1 "**Beneficiary**" means the person or persons, trust or trusts nominated/designated by the Grantee, or in the absence of any nominated/designated by the Grantee, a person or persons who is/are entitled by the will of the Grantee to receive the benefits specified in the Policy, the legal heirs of the Grantee, if the Grantee dies intestate and includes the Grantee's executors or administrator, if no other beneficiary is designated and able to act under the circumstances and such other persons as may be added from time to time to the class of beneficiaries by notice in writing and by the nomination form in the exercise of any powers conferred under the Policy or any other agreements forming part thereof.

3.1.2 "**Board of Directors**" or "**Board**" shall mean collective body of the Directors of the Company.

3.1.3 "**Cause**" shall mean termination of the employment of the Employee with immediate effect on the grounds of integrity, misconduct or indiscipline issues, unauthorized absence from work or unsatisfactory job performance.

3.1.4 "**Company**" shall mean TechEra Engineering (India) Limited, a company incorporated under the Act, having its registered office at Gat No. 565, behind Namo Marble & Timbers, at Post Velu, Tal. Bhor, Pune – 412205, Maharashtra and includes its successors-in-interest and assigns.

3.1.5 **"Company Policies/Terms of Employment"** mean the Company's policies for employees and the terms of employment which includes provisions for securing Confidentiality, Non-Compete and non-Poaching of other Employees and customers.

3.1.6 **"Compensation Committee"** shall mean the Committee constituted/ reconstituted by the Board of Directors of the Company from time to time, by whatever name called, as per the requirement of applicable law, to administer and supervise the ESOP Plan and other Employee Benefit plans, if any, comprising of such members of the Board as provided under Regulation 19 of the Listing Regulations as amended from time to time, and having such powers as specified under the SEBI SBEB Regulations read with the powers as specified in ESOP Plan and is deemed to include the Nomination and Remuneration Committee authorised by the Board in this behalf. The Nomination and Remuneration Committee of the Board of Directors of the Company shall act as the Compensation Committee for the purpose of ESOP Plan.

3.1.7 **"Control"** shall have the same meaning as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011.

3.1.8 **"Closing Date"** means the last date on which the grant of stock options by the Company to a grantee can be accepted under the ESOP 2024. In case the last date is a non-working day, then it shall be the immediately next working day.

3.1.1 "**Date of Acceptance**" shall mean the date of communication in writing to the Board of Directors of the Company, of acceptance of an Offer by an Eligible Employee of the Company by way of a letter substantially in the form as annexed hereto as '**Annexure II**'.

3.1.2 "**Date of Grant**" shall mean such date(s) on which the Letter of Grant shall be issued to the Eligible Employees under this Policy conferring a right on the Eligible Employees to purchase Shares of the Company in the manner contemplated under this Policy.

3.1.3 "**Date of Vesting**" shall mean such dates as may be specified in the Letter of Grant, provided such date shall not be less than one year from the Date of Grant.

3.1.4 "**Eligible Employee**" shall mean an Employee who is selected by the Board of Directors for grant of Options, from time to time and who is otherwise eligible for all the benefits under this Policy.

3.1.5 "**Employee**" shall mean:

(a) a permanent employee of the Company working in India or out of India; and who as per the assessment of the management of the Company and the Board of Directors, has performed exceedingly well, at present and in the past; or

(b) a Director of the Company, whether a Whole Time Director or not but excluding an Independent Director; or

(c) an employee as defined in clauses (a) or (b) of a Subsidiary, in India or outside India, of the Company,

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% (Ten percent) of the outstanding Equity Shares of the Company.

3.1.6 **"ESOP Trust"** means 'TechEra Engineering (India) Limited ESOP Trust', which is an Employee Welfare & Benefit Trust, established by the Company for the benefit of the employees of the Company and which may from time to time administer this scheme and hold cash, purchase/hold/transfer shares or other securities of the Company, for the purposes of any of the Employee Stock Option Plans of the Company.

3.1.7 "**Exercise of Right or Exercise of Option**" shall mean the making of an application by the Eligible Employee to the Board of Directors for purchase of Shares against the Option(s) vested in him/her in pursuance of this Policy.

3.1.8 "**Exercise Period**" shall mean the period within which the Shares vested in any Eligible Employee have to be purchased and which period may be specified in the Letter of Grant.

3.1.9 "**Exercise Price**" shall mean the price payable by the Eligible Employee for the purchase of Shares of the Company pursuant to the Exercise of Right in pursuance of this Policy which price may be specified in the Letter of Grant.

3.1.10 "**Fair Market Value"** or "**FMV**" shall mean Fair Market Value or a Fair Value shall mean and include the value calculated by a report of a Registered Valuer as defined u/s 247 of the Companies Act, 2013 as per the applicable valuation standards.

3.1.11 "**Fully Diluted Share Capital**" shall mean the share capital of the Company as calculated assuming the conversion, exercise, or exchange of all securities which are convertible into or exchangeable with Shares of the Company, outstanding as on the date of such calculation (whether or not by their terms then currently convertible, exercisable or exchangeable).

3.1.12 "**Grant**" shall mean issue of Options to the Eligible Employees of the Company.

3.1.13 "**Key Managerial Personnel"** or "**KMP**" shall mean such persons as defined under
Section 2(51) of the Act as may be amended from time to time.

3.1.14 "**Letter of Grant**" shall mean the letter issued by the Company substantially in the form as set out in '**Annexure I**', intimating the Eligible Employee of the Options granted to him/her for acquiring a specified number of Shares at the Exercise Price in the manner as contemplated under this Policy.

3.1.15 "**Nominee**" or "**Nominees**" means the spouse, any child of the Grantee or any other person nominated by the Grantee by issuing letter in the form as set out in '**Annexure III**'

3.1.16 "**Option(s)"** or "**Stock Option(s)**" shall mean a right, but not an obligation, granted to an Eligible Employee to acquire Shares of the Company at a future date, but only during the Exercise Period or such other period specified under this Policy, subject to the Vesting schedule prescribed in the Letter of Grant and subject to the terms of this Policy.

3.1.17 **“Permanent Disability”** 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 Board based on a certificate of medical expert identified by the Board.

3.1.18 **“Resignation day”** means the date specified in the Resignation letter, or the actual date the employee terminates employment with the Company.

3.1.19 **“Scheme / Plan /ESOP PLAN”** means this Employee Stock Option Plan under which the Company is authorised to grant Employee Stock Options to the Employees.

3.1.20 **“SEBI SBEB Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

3.1.21 “**Shares**” shall mean the equity shares of the Company of the nominal face value of INR 10/- (Indian Rupees Ten only) each or such other modified value due to any stock splits, consolidation or other re-organization of the capital structure of the Company or as may be approved by the members of the Company.

3.1.22 **“Termination Date”** means the date specified in the termination letter of employment with the Company/Group.

3.1.23 “**Unexercised Option**” shall mean any Option which has vested in an Eligible Employee under this Policy and is not exercised by him/her within such time as may be determined by the Board of Directors from the Date of Vesting.

3.1.24 “**Vest**” or “**Vesting**” means the process by which the Eligible Employee is given the right to apply for the Shares of the Company against the Option Granted to him in pursuance of this Policy.

3.1.25 "**Vested Option**" means an Option, which has vested with the Grantee and has thereby become Exercisable. In other words, an Option will be said to have been vested when a Grantee can exercise his right to buy Shares against such Option.

3.1.26 **"Vesting Period"** means the period during which the vesting of the Employee Stock Option granted to the Employee, in pursuance of the ESOP 2025 takes place.

3.1.27 Words and expressions used and not defined in this Policy but defined in the Act shall have the meanings assigned to them in the Act.

3.1.28 Words and expressions used and not defined in this ESOP Policy or the Act, but defined in the Securities Contracts (Regulation) Act, 1956 or the Securities and Exchange Board of India Act, 1992 or the Depositories Act, 1996 shall have the meanings assigned to them in those Acts.

3.1.29 The definitions as given in this Clause are for the purposes of interpretation of this ESOP Policy only and should not be used for any other purpose.

3.2 **Interpretation:**

In this Agreement where the context admits:

3.2.1 any reference to any statute or statutory provision shall include:

(a) all subordinate legislation made from time-to-time under that provision (whether or not amended, modified, re-enacted or consolidated);

(b) such provision as may, from time-to-time, be amended, modified, re-enacted or consolidated following the date of effectiveness of this Policy;

3.2.2 Any reference to the singular shall include the plural and vice-versa;

3.2.3 any references to the masculine, the feminine and the neuter shall include the others;

3.2.4 The annexures form an integral part of this Policy and shall have the same force and effect as if expressly set out in the body of this Policy, and any reference to this Policy shall include any annexures to it. Any references to clauses and annexures are to clauses of and annexures to this Policy; and

3.2.5 Headings to clauses and schedules are for convenience only and do not affect the interpretation of this Policy (or any part thereof).

4. ELIGIBILITY TO PARTICIPATE IN ESOP

4.1 The Board of Directors of the Company would Grant Options to all the Eligible Employees, who are selected through a screening process based on their performance, their potential contribution to the growth of the Company and other factors as may be determined by Compensation Committee, from time to time in the interest of the Company.

4.2 The options will vest only upon the completion of a continuous period of four (4) years of employment with the Company from the Grant Date**.** There shall be no partial vesting. The employee must remain in uninterrupted employment with the Company for the entire 4-year period post-grant to be eligible to vest and exercise the options. If the employee ceases to be employed with the Company before completing 4 years from the Grant Date, all granted options shall lapse and stand forfeited**,** regardless of reason for exit (voluntary resignation, termination, retirement, etc.), unless otherwise determined by the Compensation Committee in exceptional cases.

4.3 No Employee by virtue of being an Employee, shall automatically be entitled to be an Eligible Employee or to receive Options under this Policy.

4.4 The decision of the Compensation Committee with respect to the eligibility of an Employee for Options and the terms and conditions of such Options, shall be final and shall not be subject to challenge.

5. ADMINISTRATION OF ESOP

5.1 The ESOP Plan shall be administered by the Compensation Committee and shall be implemented through the ESOP Trust. All questions of interpretation of the ESOP Plan shall be determined by the Compensation Committee and such determination shall be final and binding upon all persons having an interest in the ESOP Plan or such Employee Stock Option.

5.2 The Compensation Committee shall in accordance with this Plan and Applicable Laws determine, inter alia, the following:

(a) The quantum of Employee Stock Options to be granted under the ESOP Plan and per Employee and in aggregate subject to the ceiling as specified in Clause 6.

(b) The kind of benefits to be granted under the ESOP PLAN;

(c) The conditions under which Options, may Vest in employees and may lapse, including in case of termination of employment for misconduct;

(d) The Exercise Period within which the employee can exercise the Options and that Options would lapse on failure to exercise the same within the Exercise Period;

(e) The specified time period within which the employee shall exercise the Vested Options in the event of termination or resignation;

(f) 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;

(g) The procedure for making a fair and reasonable adjustment in case of any corporate action such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, inter alia, be taken into consideration by the Compensation Committee:

(i) the number and price of Options shall be adjusted in a manner such that total value to the Employee of the Options remains the same after the corporate action;

(ii) (ii) the vesting period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Employee(s) who is granted such Options;

(h) The quantum and procedure and terms for the Grant, Vest and Exercise of Employee Stock Option including in case of Employees who are on long leave;

(i) The procedure for funding the exercise of Options;

(j) Timing of grant of Options;

(k) The eligibility to avail benefits under ESOP PLAN;

(l) The conditions under which Vested Options in Employee(s) may lapse;

(m) Approve forms, writings and/or agreements for use in pursuance of the ESOP PLAN; and

(n) To construe and interpret the terms and conditions or settle any doubts / queries and deal with matters in connection with ESOP PLAN.

5.3 The Trust may, subject to the Applicable Laws, subscribe to the shares of the Company. The Company may provide interest free loan to the ESOP Trust from time to time, on such terms as it may think fit, to enable the ESOP Trust to subscribe to the Shares or for the purpose of transfer of Shares to Option Grantee(s) on exercise of Options pursuant to ESOP PLAN.

5.4 The Grant of Options shall be communicated by the Compensation Committee, to Eligible Employee(s), within a reasonable time after the date of Grant. The date of Grant of an Option shall be the date on which the Compensation Committee approves the Grant or a later date as mentioned in the resolution passed by the Compensation Committee and shall be set out in the Agreement.

5.5 Notwithstanding anything stated herein, subject to the Special Resolution passed by the Members of the Company at the Annual General Meeting of the Company held on 29th September, 2025 ("**AGM**") approving the amended Policy, the Board of Directors shall have the authority to determine the following, all in a manner consistent with the provisions of this Policy and applicable law:

5.5.1 The number of Shares to be allocated to each Eligible Employee;

5.5.2 The date by which the Eligible Employee is required to furnish a written acceptance of the Grant;

5.5.3 The number of tranches in which Shares may be purchased by Eligible Employees and the number of Shares that may be purchased in each tranche;

5.5.4 The Exercise Price for Shares covered under the Grant to be issued by the Board;

5.5.5 The Exercise Period within which Shares would have to be purchased by an Eligible Employee;

5.5.6 The conditions under which Shares vesting in an Eligible Employee may lapse including in case of termination of employment of such Eligible Employee for any misconduct or fraud or for any loss of confidence in such Eligible Employee by the management of the Company.

5.5.7 The right of an Eligible Employee to purchase all the Shares vesting in such Eligible Employee at one time or at various points of time within the Exercise Period;

5.5.8 The amendment, applicability or modification of any of the above in relation to any Employee or group or class of Employees;

5.5.9 Such other steps as may be felt necessary or expedient for administering this Policy subject to the terms of this Policy and at a discretion of Board of Directors of the Company.

5.6 The terms prescribed by the Board shall be final and binding on all the Eligible Employees.

6. QUANTUM OF OPTIONS AVAILABLE FOR GRANT

6.1 The maximum total number of Shares of the Company to be held for the benefit of the Employees under this Policy shall be 2,00,900 (Two Lakhs Nine Hundred) Equity Shares of the Company. The same represents the Shares approved for issue for this purpose by the Members at the AGM and would be subject to such terms and conditions as may be determined by the Board from time to time.

7. GRANT PROCEDURE AND ACCEPTANCE OF OPTIONS

7.1 Subject to the terms and conditions contained herein, the Board may, at any time and from time to time, make a Grant under this Policy to any Eligible Employee to purchase such number of Shares at a specified Exercise Price as it shall designate in the Letter of Grant, subject to such allocation of Grant shall be proceeded with approval of Board of Directors by passing a Board Resolution.

7.2 The Eligible Employee shall communicate his/her acceptance (in substantially the form set out in '**Annexure II**' hereto) to the Board of Directors within a period of 15 (Fifteen) days from the Date of Grant or such other period as may be determined by the Board of Directors, specifying the number of Shares he/she would like to accept in the manner as may be specified. The Shares allotted to the Eligible Employees shall Vest in the manner as set out in the Letter of Grant.

7.3 If the Eligible Employee does not communicate his/her acceptance within 15 (Fifteen) days from the Date of Grant, the Grant shall automatically lapse.

7.4 Grantee shall not have any of the rights of a shareholder of the Company with respect to the Shares for which the Option is Granted until Options are Exercised and Shares are allotted by the Company to the Option Grantee on payment of Exercise Price.

7.5 Unaccepted options shall be eligible to be offered to other Eligible Employees at the discretion of the Board.

7.6 Approval of the shareholders by way of a special resolution shall be required in case of Grant of Options to an Eligible Employee is equal to or more than 1% (One Percent) of the issued share capital (excluding outstanding warrants and conversions) of the Company, as required under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014.

8. VESTING OF OPTIONS

8.1 The period between Date of Grant and Date of Vesting ("**Vesting Period**") shall be determined by the Board of Directors, provided that the Vesting Period shall not be less than 1 (One) year ("**Cliff Period**").

Provided that in no event shall the period between the Date of Grant and Date of Vesting exceed 4 (Four) years from the Date of Grant or such other additional period as may be determined by the Board.

8.2 Vesting of Options would be subject to continued employment with the Company and thus the Options would vest with the passage of time. However, in addition to this, the Board may also, if it feels necessary in certain or in all cases, specify certain performance parameters – corporate, individual or a combination – subject to which the Options would vest. The specific Vesting schedule and Vesting conditions subject to which Options would vest would be detailed in the Letter of Grant.

8.3 On expiry of the Vesting Period, the Option Grantee has the option to convert the Options into Shares of the Company, either in full or in part at any time during the Exercise Period. In the event the Option is not exercised within the Exercise Period, then the Option shall be forfeited by the Company. In case he/she Exercises and pays for only a part of the Options during the Exercise Period, the balance of the Vested Options shall lapse.

8.4 Notwithstanding anything to the contrary in this Policy, the Compensation Committee shall be entitled, in its absolute discretion, to vary or alter the vesting schedule from Grantee to Grantee or class thereof, as it may deem fit.

9. EXERCISE PERIOD, EXERCISE PRICE AND PROCEDURE

9.1 An Option granted hereunder shall be exercisable according to the terms hereof at such times and under such conditions as determined by the Compensation Committee and set forth in the Grant Letter sent to the Employee.

9.2 The options granted to eligible employees shall become exercisable only after the completion of six (6) years from the Grant Date, subject to the employee having completed a continuous period of four (4) years of employment with the Company from the Grant Date, as per the vesting condition.

9.3 Upon meeting the vesting condition and completing the 6-year period from the Grant Date, the employee shall have a window of 12 months to exercise the vested options.

9.4 If the employee fails to exercise the vested options within this 12-month period post-eligibility, the options shall automatically lapse without any compensation.

9.5 In case the employee ceases employment with the Company before completion of 4 years, all granted options shall stand forfeited.

9.6 Notwithstanding the provisions of Clause 9.1 above, the Compensation Committee shall have the right, at its sole discretion, to determine the Exercise Period of any Options for any Eligible Employee of any group or class of Eligible Employee.

9.7 Notwithstanding anything contained herein, in the event the Option Grantee has not exercised the Vested Options prior to the expiry of the Exercise Period, the Options shall lapse.

9.8 The Exercise of Option by the Option Grantee during the Exercise Period shall be communicated to the Compensation Committee and Board of Directors, by delivering a duly completed exercise application (in substantially in the form as set out in '**Annexure IV**') signed by such Option Grantee.

9.9 The Option Grantee exercising his/her Option would be required under exercise application to mention the number of Shares that he/she is willing to purchase under this Policy. For the Exercise of Right (whether in whole or in part) by the Option Grantee at any time during the Exercise Period, the Grantee in question must, execute all such documents, deeds and other writings during the Exercise Period as may be specified in this regard by the Board.

9.10 At the time of delivery of an exercise application, the Grantee in question shall be required to simultaneously pay to the Company, the aggregate amount payable for purchase of the Shares which shall comprise the applicable Exercise Price payable for the Shares in question and any other amount required to be paid by the Grantee in question under the provisions of this Policy. The Exercise Price for Shares to be acquired upon Exercise of Options by the Grantee shall be paid fully by cheque or bank draft or through normal banking channel, to the Company.

9.11 Upon receipt of an exercise application and Exercise Price payable for the Shares in question, the Compensation Committee shall acknowledge the same and shall convene a Board meeting for allotment of Shares and issue of share certificate to the Grantee and shall make all the necessary filings with Registrar of Companies, under the Act.

9.12 Upon an Exercise of Right, the Grantee in question shall be entitled to receive Shares from the Company in the manner as contemplated under this Policy. All Shares acquired by an Eligible Employee under this Policy shall rank *pari-passu* with all other existing equity shares of the Company already issued. Dividend in respect of Shares allotted/transferred on Exercise of the Options shall be payable pro-rata from the date of allotment of such Shares. The Shares such acquired by the Option Grantee shall be subject to rights and restrictions as set out in the Articles of Association of the Company.

9.13 The Eligible Employee shall comply with all statutory and regulatory requirements then applicable to the Exercise of the Right under this Policy. Once lodged, an exercise application shall be irrevocable save with the consent of the Board.

9.14 The Exercise Price may be different for different Option Grantee and may be decided by the Compensation Committee at its discretion, subject to the same not being less than the face value of the equity shares of the Company and not more than the Fair Market Value of the equity shares at the time of Grant.

9.15 Notwithstanding anything contained elsewhere in the Policy, the Board may, if the Exercise of Options within the Exercise Period is prevented by any law or regulation in force, defer or refuse to permit the Exercise of Options till such time as it is prohibited by the applicable laws or regulations and in such an event the Company shall not be liable to pay any compensation or similar payment to the Grantee for any loss suffered due to such refusal. Provided further, that the Board shall have the power and be and is hereby authorized to cancel all or any of the Options granted under the Policy if so, required under any law or guidelines for the time being in force.

9.16 In the event of Exercise of Options resulting in fractional Shares, the Board shall be entitled to round off the number of Shares to be issued to the nearest whole number.

9.17 Merger and Amalgamation: The Options granted hereunder shall not be affected by any takeover, merger, amalgamation of any other entity with the Company or vice versa. The treatment of Options in such cases would be determined by the Compensation Committee.

9.18 There shall be no uniform lock-in period applicable to the Shares allotted under this Policy. However, the Company reserves the right to specify a lock-in period for the Shares allotted to any Eligible Employee or class of Employees, which shall be mentioned in the respective Grant Letter issued to the concerned Option Grantee. Such lock-in period, if specified, shall be binding on the Option Grantee and shall be in accordance with Applicable Laws.

9.19 Subject to applicable laws, the Option Grantee, on Exercise of the Options, shall pay all taxes as applicable. Subject to Applicable Law, the Company may make available a bridge loan to assist the Employee to pay up and exercise the vested Options. This loan shall be subject to the terms and conditions as the Company may stipulate at the time of grant of loan and provisions of the Companies Act 2013 in this regard.

10. CONSEQUENCES OF CESSATION OF EMPLOYMENT

10.1 Following shall be the consequences with respect to the vested and unvested Options, on the occurrence of cessation of a Grantee's association with the Company**:**

SR. NO.	EVENT	CONSEQUENCES WITH RESPECT TO VESTED OPTIONS	CONSEQUENCES WITH RESPECT TO UNVESTED OPTIONS
1.	Termination of employment for Cause or discontinuation of employment without the Company's consent.	Lapse immediately with no further obligation on the Company.	Lapse immediately with no further obligation on the Company.

2.	Termination of employment without any Cause, in accordance with the terms of employment agreement or resignation by the Option Grantee.	Can be Exercised within 45 (Forty-Five) days upon termination by the Option Grantee.	Lapse immediately with no further obligation on the Company.
3.	Death or Permanent Disability	Can be Exercised within 45 (Forty-Five) days by the legal heirs or nominee of the deceased Option Grantee.	Lapse immediately with no further obligation on the Company.
4.	Retirement	Can be Exercised within 45 (Forty-Five) days upon retirement by the Option Grantee.	Lapse immediately with no further obligation on the Company.

10.2 Other Conditions

Notwithstanding anything to the contrary stated in this Policy, upon the occurrence of a special circumstance not contemplated herein, the Board has the absolute discretion to forfeit, call back or deal with the Options granted to a Grantee in any way as it deems fit and such decision taken by the Board shall be final in this regard.

11. TRANSFERABILITY OF OPTIONS

11.1 Options Granted to an Eligible Employee shall not be transferable to any person.

11.2 The Option granted to the Eligible Employee shall not be assigned, alienated, pledged, attached, hypothecated, sold, or otherwise transferred or encumbered by the Grantee in any other manner.

12. NON-ASSIGNABILITY

12.1 The Option shall not be transferable or assignable by the Grantee, otherwise than by will or the laws of descent and distribution and the Option shall be exercisable, during the Employee's lifetime, only by him/her or, during period of legal disability, by his legal representative. No Option shall be subject to execution, attachment or similar process.

12.2 The Options shall not be pledged, hypothecated, mortgaged, encumbered or otherwise transferred/alienated.

13. BENEFITS AND OBLIGATIONS AS SHAREHOLDERS

13.1 The rights available to the Eligible Employees under this Policy shall be in addition to any benefits available to such Eligible Employees under any applicable law or Policy formulated by the Company.

13.2 All the Eligible Employees who have been allotted Shares under the Policy after Exercise of Options will receive all regular benefits as shareholder of the Company like dividends, rights and bonus shares.

13.3 Where the Options have been Granted but not Vested in the Option Grantee, should his/her services be transferred to a subsidiary or holding company of the Company, he/she can be deemed in continuous service of the Company at the discretion of the Board for the purpose of this Policy subject to applicable laws in this regard.

13.4 Where the Options have not been vested in Option Grantee, should any change be made to the equity share capital of the Company by reason of consolidation, sub division, or conversion of shares into stock or by capitalisation by bonus issue or otherwise, appropriate adjustments shall be made either to the number or the Exercise Price of Options granted, to reflect such change without in any way affecting the rights of the said Option Grantee, and also prevent a dilution or enlargement of benefits of Policy.

13.5 The Option Grantee shall undertake not to utilise any unpublished information available at his disposal to indulge in insider trading.

14. APPOINTMENT OF NOMINEE

14.1 The Option Grantee may appoint his/her nominees(s) and intimate Board in the form set out in '**Annexure III**' for the purpose of exercising the rights of the Option Grantee, subject to the obligations, in terms of the Policy. The Option Grantee has the right to revoke such nomination at any time and a fresh nomination may be made on such revocation. The nominee specified as aforesaid shall alone be entitled to exercise the rights of the Option Grantee concerned.

14.2 If the Option Grantee fails to make a nomination, the Shares shall Vest on his/her legal heirs in the event of his/her death.

15. TAX LIABILITY

15.1 The liability of paying tax including perquisite tax, if any, on the Options granted pursuant to this Policy and the Shares transferred pursuant to Exercise of Options shall be entirely on the Eligible Employees who shall have received such Options and the Shares in question and shall be in accordance with the provisions of the Income-Tax Act, 1961 and the rules framed thereunder or any other taxing statute.

15.2 The Company shall have the right to deduct from the employee's salary, any of the employee's tax obligations arising in connection with the Employee Stock Option or the Shares acquired upon the Exercise thereof, in case not paid by the employee at the time of exercising the option. The Company shall have no obligation to deliver Shares or to release Shares from an escrow established in pursuance of the Scheme and / or the Agreement until the Company's tax deduction obligations, if any have been satisfied by the Option Grantee.

15.1 All tax liabilities arising on disposal of the Shares after exercise would require to be handled by the Eligible Employee. Additionally, the company reserves the right to recover the tax by offering a loan to the eligible employee, which will be subsequently recovered from their salary or remuneration. Furthermore, the company may require the employee to sell their shares either in the open market or to any of the other existing shareholders to recover the tax.

16. AMENDMENT OR TERMINATION OF THE POLICY

16.1 Terms of ESOP Plan can be varied by the Compensation Committee after getting approval for such modification from the shareholders of the Company in a general meeting. However, any such modification should not be detrimental to the interest of the Option Grantees.

16.2 The special resolution for the variation should disclose the details of the variation, the rationale therefore and details of the employees who are beneficiary of the same. Post Listing, the Compensation Committee shall be entitled to vary the terms of the Scheme to meet any regulatory requirement without seeking shareholders' approval by special resolution.

17. LIQUIDITY AND EXIT PROVISIONS

17.1 Shares allotted upon exercise of Options under this Policy shall be listed and may be traded on the stock exchange(s) where the Company is listed, subject to compliance with the Company's internal trading policies and the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

17.2 The Company does not guarantee any liquidity or market price for the Shares. The ability of the Option Grantee to sell the Shares shall depend on prevailing market conditions, applicable trading restrictions, and compliance with all applicable laws.

17.3 Any sale of Shares by an Employee shall be subject to:

- The Company's Code of Conduct for Prevention of Insider Trading;
- Trading window norms and pre-clearance requirements (if applicable);
- Any other applicable SEBI or stock exchange guidelines.

17.4 The Company may, subject to SEBI regulations and other applicable laws, provide liquidity mechanisms including:

- Participation in secondary sale or block deals facilitated by the Company;
- Offer for sale under an IPO/FPO or other capital market transactions;
- Employee-specific exit opportunities permitted under SEBI (SBEB) Regulations, 2021.

17.5 The Company shall not be under any obligation to repurchase the Shares, unless such action is undertaken in accordance with the SEBI (Buy-back of Securities) Regulations, 2018, or any other applicable law.

18. MISCELLANEOUS

18.1 **No Right to a Grant:**

The Employee shall not have a right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of Employee Stock Options granted, till Shares underlying such Employee Stock Options are allotted or transferred by the ESOP Trust post Exercise of such Employee Stock Option. Shares issued / transferred under this Scheme shall be subject to the articles of association of the Company, any documentation executed by the Option Grantee in relation to his rights and obligations as a shareholder, the Grant Letter and Applicable Laws.

Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.

18.2 **Continuation of Service:** For the purposes of this Policy, the Option Grantee's service with the Company shall not be deemed to terminate if the Option Grantee takes any sick leave or any other bona fide leave of absence approved by the Company for 180 (One Hundred Eighty) days or less. In the event of the leave of absence in excess of 180 (One Hundred Eighty) days, such leave of absence will not be treated as continuous service by an Option Grantee for the purpose of this Policy, unless decided otherwise by the Compensation Committee. In case the Compensation Committee decides to treat such leave as continuous service, the vesting period would be postponed to the extent of the total leave availed.

18.3 **Non-Compete and Clawback Clause:** As a condition for participation in the ESOP, the Employee agrees that they shall not, during their employment and for a period of 12 months following cessation of employment (for any reason), engage in any business or activity that directly competes with the Company, or solicit its clients, customers, or employees. In the event of a breach of this obligation, termination for cause, or discovery of misconduct, fraud, or material breach of Company policies, the Company reserves the right to cancel unvested options, forfeit vested options, and/or claw back any financial gains derived from exercised options or sale of shares, at its sole discretion.

18.4 **No Employment Rights Conferred:** Nothing contained in the Policy or in any Grant made hereunder shall (i) confer upon any Employee any right with respect to continuation of employment with the Company, or (ii) interfere in any way with the right of the Company to terminate his or her employment at any time.

18.5 **No Restriction of Liquidity Event:** Nothing contained in the Policy shall be construed to prevent the Company from taking any action with respect to a Liquidity Event which is deemed by the Company to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Policy. No Employee, beneficiary or other person shall have any claim against the Company as a result of such action.

18.6 **No Guarantee of Return**: Participation in this Policy shall not be construed as any guarantee of return on the equity investment on Exercise of the Options. Any loss due to the investment and the risks associated with the investment are that of the Employee alone.

18.7 **Confidentiality:** The Employee shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the Policy, Grant, the Letter of Grant or any connected matter. Any violation may result in cancellation of Grant or compulsory retransfer of Shares to a nominee as the Company may deem fit without prejudice to the other action which may be taken in this regard.

18.8 **Intellectual Property:** The Employees agree that all intellectual property created during employment remains the exclusive property of the Company. Employees must not disclose, use, or retain any confidential information or trade secrets post-employment. Breach of this clause may lead to forfeiture of options and legal action.

18.9 **New Policy:** Nothing contained in the Policy shall be construed to prevent the Company directly or through any trust settled by Company, from implementing any other new employee stock option policy which is deemed by the Company to be appropriate or in its best interest, whether or not such other action would have any adverse impact on the ESOP Policy or any Grant made under the ESOP Policy. No Employee or other person shall have any claim against the Company as a result of such action.

18.10 **Issues:** In respect of any issues arising in respect of the Policy, the decision of the Compensation Committee shall be final and binding on all concerned.

18.11 **Dispute Resolution:** Any dispute, discrepancy or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with this Policy shall be referred to the Compensation Committee and shall be determined by the Committee and any such determination/ decision/ interpretation by the Committee shall be final and binding on all persons affected thereby.

18.12 **Governing Law and Jurisdiction**

(i) The terms and conditions of the ESOP Plan shall be governed by and construed in accordance with the laws of India. In case of inconsistencies between Applicable laws and ESOP Plan, the ESOP Plan would be repugnant to that extent.

(ii) The Courts of Pune, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP PLAN.

(iii) Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP PLAN:
(a) in any other court of competent jurisdiction; or
(b) concurrently in more than one jurisdiction.

18.13 **Income Tax Rules**
The Income Tax Laws and Rules as in force will be applicable.

18.14 **Notices**
All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP Plan shall be in writing (physical/electronic) and shall be sent to the address of the Option Grantee available in the records of the Company and any communication to be given by an Option Grantee to the Company (physical/electronic) in respect of ESOP Plan shall be sent to the address mentioned below:

To
The Company Secretary
TechEra Engineering (India) Limited
Gat No. 565, Behind Namo Marbles, Tal - Bhor,
Pune – 412205

ANNEXURE I
Format of Letter of Grant
[On the letterhead of the Company]

Date:
Dear [Name of Employee]
Subject: Letter of Grant

Terms used herein but not defined shall have the meaning contained in ESOP Plan.

The members of TechEra Engineering (India) Limited approved the TechEra Engineering Employee Stock Option Policy, 2025 Policy or ESOP Plan authorized Board of Directors to issue Stock Options in respect of equity shares of face value of INR 10 /- (Indian Rupees Ten only) each to the Eligible Employees of the Company in accordance with the provisions of the Policy.

Pursuant to the Plan, which is an integral part of this letter, each Option Granted to you can be Exercised to acquire [●] Share of the Company subject to Vesting as per terms and conditions of the Plan. A copy of the Plan, specifying the terms and conditions applicable to the grant of Options, has been enclosed herewith.

The details of the Options granted are as follows:

Grant Date	[•]
No. of Options Granted	[•]
Vesting Period	[•]
Exercise Period	[•]
Exercise Price per Option	[•]

This offer is being made to you on following terms and conditions:

1. The Grant is made to you personally and can be accepted only by you, on or before [-] days from the date of this letter.

2. By your acceptance of the Options, you agree to be bound by the provisions of Plan.

3. The Grant of the Option shall be effective as on the Grant Date, upon receipt of your acceptance.

We congratulate you on receiving this offer. We are confident that this will inspire all of us to take our Company to greater heights of success and glory in the future.

The Options have been Granted to you on our behalf, subject to the terms of Plan, this Letter of Grant, bye-laws and any other documents/agreements adopted in this regard. You 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.

The Granted Options cannot be transferred by you to any other Person at any point in time and such Options shall at all times be subject to the terms and conditions of the Plan. The Shares allotted to you pursuant to the Exercise of such Options, shall be subject to transfer restrictions as contemplated in the Articles and then effective agreement amongst the Shareholders, if any.

By your acceptance of the Options, you confirm that you have no right to any other Options or Shares or any other instruments entitling you to receive Shares of the Company in future except as provided expressly by the Company in this Letter of Offer or any other letters of offer issued by the Company hereafter.

It may please be noted that participation in this Policy shall not be construed as a guarantee or assurance of any return on the equity investment in the Shares. Any loss due to the fluctuation in the Fair Market Value or market price of the Shares and the risks attached with the investment are yours alone and the Company shall not be responsible for the same.

Thanking you,

For and of behalf of TechEra Engineering (India) Limited

____

(Authorized Signatory of the Company)

Encl: Plan

ANNEXURE II
Format of Letter of Acceptance

Date:
To,
Board of Directors
TechEra Engineering (India) Limited
Gat No. 565, Behind Namo Marble & Timbers,
At Post Velu, Tal - Bhor,
Pune – 412205
Sub: Letter of Acceptance

Dear Sirs,

With reference to the Letter of Grant dated issued by the Company, I had been informed for grant of Stock Options in my name.

As rejoinder, I am pleased to accept the Offer contained in the Letter of Grant. I confirm that I have read and understood the terms and conditions of the Policy and that I agree to abide by the same. I further agree that the Date of Acceptance for the purpose of the Options granted to me pursuant to the Letter of Grant shall be the date of receipt of this letter by you. I also understand and agree that the Price applicable when I Exercise the Options shall be INR /- (Indian Rupees [in words] only) per Share.

I hereby agree that any decision(s) or direction(s) issued by the Board of Directors of TechEra Engineering (India) Limited with regard to any aspect of the Policy shall be final and binding on me and I hereby undertake to act in strict consonance with any such decision(s) or direction(s), as the case may be.

Thanking you,
Yours sincerely,

____
[Name & Signature of Eligible Employee]

ANNEXURE III
Nomination Form

Date:
To,
Board of Directors
TechEra Engineering (India) Limited
Gat No. 565, Behind Namo Marble & Timbers,
At Post Velu, Tal - Bhor,
Pune – 412205

Dear Sirs,

In respect of the Options granted and to be exercised by me under TechEra Engineering Employee Stock Option Policy, 2025 Policy or ESOP Plan, I hereby appoint my nominee in accordance with Clause 14 of the Policy. The details of the nomination are as follows:

Employee Details	
Name of Employee in Full	[•]
Designation of Employee	[•]
Nominee Details	
Name of Nominee in Full	[•]
Relationship with the Employee	[•]
Address of the Nominee	[•]

Yours sincerely,

[Name of Eligible Employee]

Date: [•]
Place: [•]

[Name of Nominee]

Date: [•]
Place: [•]

ANNEXURE IV
Format of Exercise Application