

GALA PRECISION ENGINEERING LIMITED

[CIN: U29268MH2009PLC190522]

Regd. Office: A-801, 8TH Floor, Thane One DIL Complex
Ghodbunder Road Majiwade, Thane(west) 400610

EMPLOYEES STOCK OPTION PLAN – 2024

(ESOP 2024)

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Information about the Company:

1. **Business of the Company:** Gala Precision Engineering specializes in design and manufacturing of precision components like High Tensile Fasteners, Disc & Strip Springs, Coil & Spiral Springs, and Wedge Lock Washers. Our primary clientele consists of major OEMs, Tier-1 & Channel Partners, spanning diverse industries including Renewable Energy, Industrial and Mobility
2. **Abridged financial information:** The financial information of the Company are uploaded in the website linked : <https://www.galagroup.com/investor-relation/>.
3. **Risk Factors:** Companies face a variety of business risks that can threaten their ability to achieve their goals if these risks are not monitored and navigated properly. Business risks include everything from financial and reputational risks to compliance and cybersecurity risks. Risk is anything that can impede or enhance an organization's ability to meet its current or future objectives. The Risk Management is the culture, processes and structure that are directed towards realizing potential opportunities whilst managing adverse effects. Manufacturing Companies are exposed to several major risks in the course of their business - credit risk, interest rate risk, commodity price risk, liquidity risk and operational risk. Your Company is committed to manage its risk in a proactive manner and adopts a structured and disciplined approach to risk management by developing and implementing risk management program. Risk Management Policy framework has been formulated to ensure that there is a formal process for risk identification, risk assessment and risk mitigation. It provides a way for the managers to make informed business decisions.





This Employees Stock Option Plan has been formulated by the Board of Directors of the Company and approved by it at its meeting held on July 8, 2024, and approved by the Shareholders at the August 6, 2024 Extra Ordinary General Meeting of the Company.

It shall be deemed to have come into force on the August 6, 2024 or on such other date as may be decided by the Nomination and Remuneration Committee of the Company.

1. SHORT TITLE, EXTENT AND COMMENCEMENT

- 1.1. This Plan may be called the "Gala Precision Engineering Employee Stock Option Plan - 2024" (hereinafter referred to as "**ESOP 2024**" / "**Plan**").
- 1.2. Plan applies to Employees as defined herein below.
- 1.3. Plan has come into force with effect from August 6, 2024 ("**Effective Date**").
- 1.4. The Board / Nomination and Remuneration Committee may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the Plan.
- 1.5. The Plan shall continue to be in force until (i) its termination by the Nomination and Remuneration Committee, or (ii) the date on which all of the Employees Stock Options available for issuance under the Plan have been issued and exercised, whichever is earlier.

2. OBJECT

In order to align with this vision, it becomes important for the Company, not only to retain its current talent pool but also to attract best in class talent going forward. With an objective to compensate such talent pool, create wealth, ensure a sense of ownership amongst such talent pool, it is proposed to put in place an Employee Stock Option Plan ("ESOP") called "*Gala Precision Engineering Employee Stock Option Plan – 2024*"

3. DEFINITIONS

In this Plan:

- 3.1. "**Applicable Law/s**" means all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, circulars, guidelines, policies, directions, directives and orders of any Government, statutory

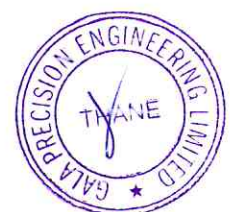


authority, tribunal, Board, or court or recognized stock exchange, including, but not limited to the Income Tax Act, 1961; Securities And Exchange Board of India, 1992, Securities And Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2014, Securities And Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 and the Companies Act, 2013 as applicable from time to time.

- 3.2. **"Compensation Committee" or "Nomination and Remuneration Committee"** means a committee of such members of the Board of Directors of the Company as provided under section 178 of the Companies Act, 2013.
- 3.3. **"Cause"** means any act or omission by an Eligible Employee amounting to willful commission of an act of fraud or dishonesty resulting in material, financial or economic injury to the Company, willful engagement in illegal conduct or gross misconduct which is material and demonstrably injurious to the Company, sharing of confidential information of the Company with any third party which otherwise was not supposed to be shared, breach of employment contract, breach of code of conduct, gross negligence, unethical practices, failure to comply with and confirm with Company's policies, willful suppression of material information or any other non-compliance or violation of any law in force and includes any misconduct under Applicable Laws.
- 3.4. **"Company"** means Gala Precision Engineering Limited (CIN: U29268MH2009PLC190522), a company incorporated under the provisions of the Companies Act, 2013, having its registered office at A-801, 8th Floor Thane one DIL Complex, Ghodbunder Road, Majiwade Thane (west) 400610 or any successor company thereof.
- 3.5. **"Director"** means Director as defined in Companies Act, 2013 and a member of the Board of Directors.
- 3.6. **"ESOP Equity Shares"** means the Equity Shares of the Company held by the ESOP Shareholders pursuant to the Plan.
- 3.7. **"ESOP Shareholders"** means those shareholders who have been allotted Equity Shares on exercise of options granted under this Plan.
- 3.8. **"Eligible Employee"** means those employees, as selected by the Nomination and Remuneration Committee, to whom Options are granted.
- 3.9. **"Employee"** shall cover the following:



- a. A permanent employee of the Company who has been working in India or out of India;
 - b. Director of the company, whether whole time director or not but excluding independent director;
 - c. Permanent employees and directors, as defined in sub-clauses a. and b. above, of the Company's holding company or subsidiary company (now or hereinafter existing and based in India or out of India) 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.
- 3.10. "**Equity Share**" means one fully paid equity share of the Company of a face value of Rs.10/- each. However, in the event of subdivision of the equity shares into shares of smaller denomination, the face value of the Equity Share shall stand reduced accordingly and any reference to the face value of the Equity Shares in the Plan shall be with reference to the reduced face value consequent to the subdivision.
- 3.11. "**Exercise**" means making of an Exercise Application by the Option Holder to the Company for allotment of Equity Shares against Options Vested in him/her in pursuance of the Plan.
- 3.12. "**Exercise Application**" means the application form set out in **Schedule 1**, for the purpose of enabling the Option Holder to apply to the Company along with a cheque/demand draft/any other mode of payment as communicated by the Nomination and Remuneration Committee from time to time in respect of exercising the Options by paying the Exercise Price within the Exercise Period.
- 3.13. "**Exercise Date**" means any of the dates, during the Exercise Period, during which, Exercise Application may be made by the Option Holder for exercising Options granted to him or such other dates as the Nomination and Remuneration Committee may determine from time to time.
- 3.14. "**Exercise Period**" means the time period after Vesting within which the Option Holder can Exercise the Vested Options.



- 3.15. "**Exercise Price**" means the price payable by the Option Holder for the allotment of Equity Shares of the Company pursuant to Plan.
- 3.16. "**Grant**" means issue of Options by the Company to Eligible Employees under the Plan.
- 3.17. "**Grant Letter**" means the letter issued by the Nomination and Remuneration Committee intimating an Eligible Employee of the Options granted to him for acquiring a specified number of Equity Shares at the Exercise Price and as per the Vesting schedule and Exercise Period described therein.
- 3.18. "**Holding Company**" means any present or future holding company of the Company, as defined in the Companies Act, 2013.
- 3.19. "**Nomination Form**" means the form set out in **Schedule 1** in which the Option Holder is required to notify to the Company his/her nominee for the purposes of the terms of the Plan.
- 3.20. "**Nominee**" means the nominee as notified by the Option Holder to the Company in the Nomination Form.
- 3.21. "**Option(s)**" means the stock option granted to an Eligible Employee, which gives such Eligible Employee the right, but not an obligation, to purchase or subscribe at a future date the shares underlying the option at a pre-determined price.
- 3.22. "**Option Holder**" means the holder of an outstanding Option granted pursuant to the Plan.
- 3.23. "**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 Nomination and Remuneration Committee based on a certificate of a medical expert identified by the Nomination and Remuneration Committee.
- 3.24. "**Promoter**" means the person or persons who are in over-all control of the company.
- 3.25. "**Promoter group**" means (a) a relative (as defined in the Companies Act, 2013) of the Promoter; (b) persons whose shareholding was aggregated for the purpose of disclosing the "Shareholding of promoter group".
- 3.26. "**Retirement**" means retirement as per the rules of the Company included extended retirement as per Company's policies.



- 3.27. **"Subsidiary company"** means any present or future subsidiary company of the Company, as defined in the Companies Act, 2013.
- 3.28. **"Vesting"** means the process by which the Option Holder is given the right to apply for Equity shares of the Company against the Option granted to him in pursuance of the Plan.
- 3.29. **"Vesting Period"** means the period commencing from the date of Grant of Options and expiring on the date on which the Option Holder becomes eligible to Exercise the Options.
- 3.30. **"Vesting Condition"** means any condition subject to which the options granted would vest in an Option Grantee.
- 3.31. **"Vested Option"** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the vesting period is completed; and the Option holder has become eligible to Exercise the Option.
- 3.32. **"Tax" or "Taxes"** means any income tax, or other taxes imposed on the Company or on Eligible Employee with respect to the Grant, Vesting and/or Exercise of the Options under this Plan.
- 3.33. **"Unvested Option"** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and the Vesting Period is not complete; and as such, the Option Grantee has not become eligible to Exercise the Option.

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Securities And Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2014, Companies Act, 2013 and the rules framed thereunder including any statutory modifications or re-enactments thereof

4. INTERPRETATION

In this Plan, unless the contrary intention appears:

- 4.1. The clause headings are for ease of reference only and shall not be relevant to interpretation;
- 4.2. A reference to a clause number is also a reference to its sub-clauses;
- 4.3. Words in the singular number include the plural and vice versa;
- 4.4. Words importing a gender include any other gender;



- 4.5. A reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference;
- 4.6. Any reference to statutory provisions/laws shall include modifications and re-enactments from time to time.

5. GOVERNMENTAL REGULATIONS AND APPROVALS

This Plan shall be subject to all Applicable Laws and to such approvals from any governmental agencies or the shareholders of the Company as may be required. The Grant of Options under this Plan shall entitle the Nomination and Remuneration Committee to require the Eligible Employees to comply with such requirements of law as may be necessary in the opinion of the Nomination and Remuneration Committee. In case of any contradiction between the provisions of this Plan and any provisions, rules, regulations, guidelines issued by any governmental agencies, the provisions of law shall override the provisions of this Plan.

The Option Holders who will be granted Options in pursuance of this Plan shall comply with such requirements of Applicable Laws as may be necessary.

6. SHARES SUBJECT TO PLAN; ADMINISTRATION OF PLAN

- 6.1. The aggregate number of Equity Shares, which may be issued under the Plan, shall not exceed 3,00,000 (i.e. Equity Shares of face value of Rs.10/- each).
- 6.2. In case of a share-split where the face value of the Shares is reduced below Rs.10, the maximum number of Shares available for being granted under ESOP shall stand modified accordingly, so as to ensure that the paid-up value (No. of shares X Face value per Share) of the total Shares that can be issued remains unchanged.
- 6.3. The Nomination and Remuneration Committee shall administer the Plan.
- 6.4. The Company shall grant Options to the Eligible Employees, as directed by the Nomination and Remuneration Committee.
- 6.5. Notwithstanding anything stated herein, the Nomination and Remuneration Committee in its absolute discretion has been authorized to determine all the terms governing the Plan including any variation thereof and including but not limited to –
- Determining the Eligible Employees to whom the Options are to be Granted;



- The time and manner in which the Options are to be Granted;
- The number of tranches in which the Options are to be Granted and the number of Options to be Granted in each such tranche;
- The criteria for determining the number of Options to be granted to each Eligible Employee;
- The assignment of weightage and such other criteria as may be determined by the Nomination and Remuneration Committee to grade each Eligible Employee;
- Determination of Exercise Price;
- The terms and conditions subject to which the Options Granted would vest in each Eligible Employee and the Vesting Period;
- The terms and conditions subject to which and the time period within which the Options vested shall be exercised by the Eligible Employee;
- The number of Options to be apportioned/allocated for various grades of Eligible Employees;
- Obtaining permissions from, making periodic reports to regulatory authorities, as may be required and ensuring compliance with all guidelines applicable to the Plan;
- Framing appropriate procedures and policies for granting, vesting and exercising of Options;
- The Exercise Period within which an Eligible Employee should Exercise an Option and that Option would lapse on failure to Exercise the Option within such Exercise Period;
- Procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions other than those defined in this Plan;
- Conditions under which an Eligible Employee shall have the right to exercise all the Options vested in him at one time or at various points of time within the Exercise Period;
- Conditions under which Vesting under the Plan shall be accelerated at the discretion of the Nomination and Remuneration Committee.
- Framing suitable policies and systems to ensure that there is no violation of any applicable law.

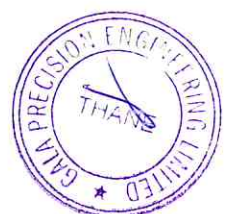


The terms and conditions prescribed by the Nomination and Remuneration Committee shall be final and binding on all the Eligible Employees.

- 6.6. The Nomination and Remuneration Committee can at any time amend, discontinue or terminate the Plan or any part or portion thereof at any time. Provided that any such amendment, discontinuation or termination that would impair the rights of or is detrimental to the interests of the Option Holder shall not, to that extent, be effective. It is clarified that any amendment, discontinuance or termination of the Plan shall not affect the Options already granted and such Options shall remain in full force and effect as if the Plan had not been amended, discontinued or terminated.
- 6.7. The Grant of Options under this Plan shall be solely at the discretion of the Nomination and Remuneration Committee. Except as provided hereunder none of the Eligible Employees and / or their family members will acquire any rights of whatsoever nature either under this Plan or otherwise, in the Options. No Employee shall have any claim to be granted any Option; there is no obligation on the part of the Company, the Nomination and Remuneration Committee for uniformity of treatment of Employees and / or Option Holders. The terms and conditions of the Options may not be the same with respect to each of the Eligible Employees. The Nomination and Remuneration Committee will have full powers and absolute authority to take all decisions under Plan at their own discretion.

7. ELIGIBILITY

The Nomination and Remuneration Committee will have the discretion and authority to select the Eligible Employees from among the Employees to whom Options are to be granted from time to time under this Plan. Nothing in the Plan or in any Option granted pursuant to the Plan shall confer on any individual, any right to continue in the employment of the Company or interfere in any way with the right of the Company to terminate the individual's employment at any time.



8. OPTIONS

8.1. Grant of Options

- a The Company shall grant the Options to the Eligible Employee as may be decided by the Nomination and Remuneration Committee, at its sole discretion, from time to time.
- b Except as otherwise mentioned in this Plan, the Options granted to the Eligible Employees shall entitle them to apply for Equity Shares during the Exercise Period after the options are vested.
- c The offer of grant of the Options by the Nomination and Remuneration Committee to the Eligible Employee shall be made in writing and communicated to the Eligible Employee via issue of a Grant Letter. Such a Grant Letter shall state the number of Options granted, the Grant Date, the Exercise Price, vesting conditions / details and the Exercise Period.
- d If an Option expires or becomes un-exercisable without having been exercised in full, the un-purchased Equity Shares, which were subject thereto, shall become available for future grant or sale under the Plan (unless the Plan has terminated) i.e. all such lapsed / expired Options shall be added back to the pool for future grants.
- e All Options, which are vested with an Option Holder but are not exercised, will automatically lapse at the end of the Exercise Period.

8.2. Acceptance of Grant

- a An Option offered to an Eligible Employee pursuant to the Plan shall only be accepted by the respective Employee.
- b The Option Holder may accept or refuse the whole of the Grant of Option within a period of 30days from the date of offer.

8.3. Rights of an Option Holder

- a Unless and until the Options have been Exercised and Equity Shares transferred in the name of the Option Holder in accordance with the provisions of the Companies Act



2013, the Option Holder or his nominee shall not have any rights whatsoever as a shareholder including rights for voting and receiving any dividend with respect to Options granted.

- b In the event of an Option Holder being transferred to a Subsidiary / Holding Company at instance of or with consent of the Company, the action to be taken with respect to vested as well as Unvested Options shall be at the discretion of the Nomination and Remuneration Committee.

8.4. Vesting Period and Conditions

- a The Vesting Period shall commence from the date of Grant and shall not exceed beyond 5 (Five) years from the date of Grant. The Vesting may occur in tranches as may be decided by the Nomination and Remuneration Committee. Provided however that the Vesting Period shall not be less than 1 (one) year from the date of the Grant.
- b The exact vesting period applicable to each grant shall be stated in the grant letter.
- c In case of an employee going on long leave, i.e. absence from office for a period of more than 2 months, with the consent of the Company, for the purpose of calculation of vesting period, the period of long leave shall not be considered.

8.5. Exercise of Option

- a An Option Holder shall be eligible for Exercise of Options only during the Exercise Period.
- b The Exercise Period shall commence from the date of Vesting and can extend up to 6 (Six) year from the date of grant of Options or such other period as may be decided by the Nomination and Remuneration Committee and stated in the Grant Letter.
- c Each Option entitles the holder thereof to apply for and be issued one Equity Share on the payment of the Exercise Price during the Exercise Period. Payment of the aggregate Exercise Price for Options vested may be made by cheque or draft or any other mechanism, as decided by the Nomination and Remuneration Committee, in favour of the Company.
- d An Eligible Employee can Exercise his Options by applying to the Company during the Exercise Period, by way of the Exercise Application in the format set out in Schedule 1 hereto.



- e In case the Eligible Employee does not Exercise the Options within the Exercise Period, the Options will lapse, without any obligations whatsoever on the Company / the Nomination and Remuneration Committee and no rights or claims will subsist after that date.

8.6. Exercise of Option in case of cessation of employment

In case of cessation of employment of an Option Holder, the Options can be exercised as per provisions outlined below:

Particulars	Vested Options	Unvested Options
Resignation	Vested Options to the extent exercisable, within (i) upto the last day of working with the Company; or (ii) prior to the lapse of the Exercise Period; whichever is earlier.	All Unvested Options on the last working day shall stand cancelled with effect from that date
Termination for Cause	All vested Options shall stand cancelled with immediate effect.	All unvested Options shall stand cancelled with immediate effect.
Termination for other than cause	Vested Options to the extent exercisable, within (i) time limit as permitted by the Nomination and Remuneration Committee; or (ii) prior to the lapse of the Exercise Period; whichever is earlier.	All Unvested Options on the last working day shall stand cancelled with effect from that date
Death / Permanent Disability	Vested Options shall be transferred in name of Nominee / Legal Heir. These Options can be exercised by Nominee / Legal Heir within 90 days from date of such mishap or prior to the lapse of the Exercise Period; whichever is earlier.	All unvested Options shall vest in the name of Nominee / Legal Heir. These Options can be exercised by Nominee / Legal Heir prior to the lapse of the Exercise Period.



Absconding for 15 days or more	All vested Options shall stand cancelled with immediate effect.	All unvested Options shall stand cancelled with immediate effect.
Long Leave / Sabbatical	Vested Options can be exercised on resuming service with Company.	Period of Long Leave / Sabbatical shall not be considered for the purpose of calculation of vesting period.
Retirement	Vested Options can be exercised anytime within one year from date of retirement or prior to the lapse of the Exercise Period (whichever is earlier), subject to employee not joining any competitor or not entering into competing business else the vested options stands lapsed.	All Unvested Options shall vest till further one year from date of retirement and can be exercised anytime within the said one year period or prior to the lapse of the Exercise Period (whichever is earlier), subject to employee not joining any competitor or not entering into competing business else the unvested options stands lapsed.

8.7. Bonus Issue

Notwithstanding anything stated in this Plan, in the event of a bonus issue of Equity Shares being made by the Company, the number of Equity Shares earmarked for ESOP (As stated in clause 6), the number of Options granted and the exercise price of Options granted shall be adjusted in the same proportion as the bonus being declared.

If the exercise price of the Option is equivalent to the face value of one equity share then in the event of bonus issue of Equity Shares being made by the Company, proportionate bonus shares shall be issued on exercise of vested options and further allotment of underlying equity shares.



If as a result of allotment of any bonus Equity shares any fractions arise, the Option Holders shall not be entitled to any fractional entitlements.

8.8. Transfer of Options

The Options granted to the Option Holder are not transferable but shall be entitled for transmission in the event of death of the Option Holder. The nominee is required to complete all legal formalities mentioned in applicable laws and produce requisite documents to prove his/their right(s) within reasonable period. The Options cannot be pledged, hypothecated, charged, mortgaged, assigned or in any other manner encumbered, alienated or disposed off.

9. SHARES

9.1. Issue of Shares

During the Exercise Period, if any valid Exercise Application is received from the Option Holder duly completed in all respects, subject to the approval of the Nomination and Remuneration Committee, the Company shall make every effort to issue the Equity Shares to the Option Holder within 90 days from the date of receipt of the Exercise Application. It is hereby clarified that, save as provided in Clause 8.6, no person other than the concerned Eligible Employee who has been granted the Option shall be entitled to Exercise the Options which have been granted.

9.2. Ranking of Shares

The Equity Shares issued to the Eligible Employees pursuant to Plan shall rank pari passu with all the existing Equity Shares of the Company.

9.3. Lock-in / Transferability of Shares

The Equity Shares issued upon Exercise of the Options shall not have any further lock in period and shall be freely transferable by an Eligible Employee

10. "DRAG-ALONG" RIGHT

10.1. In the event that Promoter and/or Promoter group accepts or participates in an offer from a third party to purchase 100% of the equity shares or such stake in the Company



which results in a Change of Control of the Company then all the Option Holders who have received the Equity Shares of the Company upon Exercise of Options pursuant to Plan, who did not accept the third party's offer to purchase, shall be required to sell all of their ESOP Equity Shares to the concerned third party at a rate which shall be same as offered to the Promoter Shareholder.

- 10.2. In the event that Promoter and/or Promoter group accepts an offer from a third party to purchase a stake of the equity shares, which results in a Change in Control of the Company, then all of the Option Holders will have to exercise the Vested Options and sell all ESOP Equity Shares to the concerned third party at a rate which shall be same as offered to the Promoter Shareholder.

11. ADJUSTMENTS IN CASE OF CORPORATE ACTIONS

In case of a corporate action including but not limited to a stock split, reverse stock split, merger, demerger, combination or reclassification of the Equity Shares or any other increase/decrease in the number of issued Equity Shares effected without receipt of consideration by the Company, the Nomination and Remuneration Committee shall make fair adjustment to the number of Options and the Exercise Price at its sole discretion.

In the event of any other corporate action resulting in change in control in the Company, 100% stake sale or sale of all or substantially all the assets of the Company, the Nomination and Remuneration Committee reserves the right for any accelerated Vesting and/or for prescribing mandatory Exercise of Options, failing which all the outstanding Options (whether vested or unvested) shall automatically lapse and be forfeited, notwithstanding any Exercise Period.

12. TAX LIABILITY

- 12.1. Any tax liability arising out of grant of Options or allotment of Equity Shares, as the case may be, under this Plan will be deducted or paid, from/by Eligible Employee in accordance with Applicable Laws in India and in such other countries as applicable.



12.2. In the event of any withholding tax liability arising on account of grant of Options or transfer of Equity Shares pursuant to the Exercise of such Options, the Company shall be entitled to withhold such tax from any dues to the Eligible Employee.

12.3. Any other taxes introduced in future by the state government or central government or any other relevant authority shall also be deducted/collected from the Employee. The Company reserves the right to not grant the Options/allot Equity Shares in case the Employee is unable to discharge in full the obligation(s) in the respect of applicable Taxes.

12.4. The Eligible Employees shall be required to indemnify the Company with respect to any tax liability arising out of the Grant, Vesting and/or Exercise of Options by such Eligible Employee.

13. CONFIDENTIALITY

The Eligible Employee who holds any Options / Equity Shares under the Plan shall not divulge any of the details of the Plan and his holding to any person except with the prior written consent of the Company. Violation of this clause shall be a sufficient reason for termination of the employee for cause.

14. GENERAL RISKS

Participation in this Plan should not be construed as any guarantee of return on the equity investment. All investment in Equity Shares or options on Equity Shares is subject to risk as the value of Shares may fluctuate. In addition, stock options are also subject, inter alia, to following additional risks:

14.1. Concentration: The risk arising out of any fall in value of shares is aggravated if an Eligible Employee's holding is concentrated in the shares of a single company.

14.2. Leverage: Any change in the value of the share can lead to significantly large change in the value of the option as an option amounts to a leveraged position in the share.



- 14.3. Liquidity: The Options cannot be transferred to any third party, and therefore Eligible Employees cannot mitigate their risks by selling the whole or part of their Options before they are Exercised.
- 14.4. Vesting: The Options will lapse if the employment is terminated prior to Vesting without any obligation on the Company or Nomination and Remuneration Committee. Even after the Options are vested, the unexercised Options may be forfeited if the Eligible Employee is terminated for Cause or if the Option has lapsed as provided in this Plan or if the Exercise Period, as specified has lapsed.
- 14.5. Market Risk: The Employee can experience losses due to macro-economic or geo political factors that affect the overall performance of the financial markets. Any loss due to fluctuations in the fair market value of the equity shares and the risks associated with the investments is that of the Eligible Employee alone.

15. FURTHER ASSURANCES

The Eligible Employee shall enter into such agreement(s), as the Nomination and Remuneration Committee may direct from time to time to implement this Plan fully and more effectively.

16. CONTRACT OF EMPLOYMENT

- 16.1. Though in normal circumstances, this Plan shall not form part of any contract of employment between the Company and the Eligible Employee, however the Nomination and Remuneration Committee shall have discretion to make it as a part of any contract of employment.
- 16.2. The rights and obligations of any Eligible Employee under the terms of his office or employment with the Company shall not be affected by his participation in this Plan. Nothing in this Plan shall be construed as affording such an Eligible Employee any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.
- 16.3. This Plan shall not confer on any person any legal or equitable rights against the Company or its Subsidiary Company/Holding Company either directly or indirectly or



gives rise to any cause of action in law or equity against the Company or its Subsidiary Company/Holding Company.

- 16.4. Nothing contained herein or in any Option given to an Eligible Employee shall give or confer upon such Eligible Employee any right for continuation of the employment with the Company.
- 16.5. Nothing contained herein or in any Option(s) given to an Eligible Employee interferes or shall interfere in any way with the right of the Company to terminate the employment of such Eligible Employee at any time and for any reason whatsoever.

17. DISPUTE RESOLUTION

Any dispute, discrepancy or disagreement, which shall arise under, or as a result of, or pursuant to, or in connection with this Plan, shall be referred to the Nomination and Remuneration Committee of the Company for resolution. If the Nomination and Remuneration Committee is not able to resolve such dispute, discrepancy or disagreement within 30 days from the date of reference, the issues will be referred to arbitrator. The arbitration shall be conducted in accordance with the provisions of the (Indian) Arbitration and Conciliation Act, 2015. The decision of the sole arbitrator shall be final and binding on the Company and the Employee. The arbitration shall be conducted in English. Venue of arbitration shall be Thane, Maharashtra.

18. NO RESTRICTION OF CORPORATE ACTION

The existence of this Plan and allotment made hereunder does not in any way effect the right or the power of the Nomination and Remuneration Committee or the shareholders of the Company to make or authorize any change in capital structure; including any issue of shares, debt or other securities having any priority or preference with respect to the Shares or the rights thereof.

Nothing contained in this Plan shall be construed to prevent the Company or any of its Subsidiaries from taking any corporate action, such as stock split, reverse stock split, combination or reclassification of the Equity Shares, any other increase or decrease in the number of issued Equity Shares effected without receipt of consideration by the Company, or in the event of a merger/demerger, or sale of all or substantially all the



assets of the Company, which is deemed by the Company or any of its Subsidiaries, as the case may be, to be appropriate or in its best interest. No Eligible Employee or other person shall have any claim against the Company or any of its Subsidiaries, as the case may be, as a result of such action.

19. RIGHTS OF AN ELIGIBLE EMPLOYEE

An Employee who has been granted Options, shall have no right of a shareholder, including but not limited to right to vote, dividend, transfer Options, till the time the Vested Options, if any, are Exercised by such Employee as per the terms and conditions of this Plan and subsequently the Equity Shares are allotted in his name.

20. DURATION

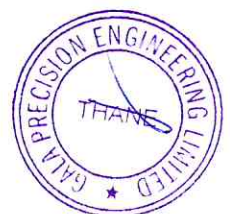
The Plan shall have deemed to come into force on and from the Effective Date and, subject to the other provisions of this Plan, this Plan will continue till (i) the last Granted Option is fully exercised; (ii) all the Options Granted under the Plan have lapsed due to expiry of the Exercise Period and the Nomination and Remuneration Committee does not intend to reissue the lapsed Options; (iii) the Plan is closed by the Nomination and Remuneration Committee in accordance with the terms of this Plan, whichever is earlier.

21. DISCLAIMER

Any changes to the terms and conditions of Plan may be effected due to any change in the law applicable to Plan. This Plan is purely at the discretion of the Nomination and Remuneration Committee of the Company. However fresh shareholders' approval shall be required for any changes to the Plan which is beyond the agreed terms and conditions of the original shareholders resolution.

22. GOVERNING LAW AND SEVERABILITY

Plan here created will be construed, administered, and governed in all respects in accordance with the Applicable Laws of India, and subject to the exclusive jurisdiction of the courts at Thane, Maharashtra. If any provisions of Plan are held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of Plan will continue to be fully effective.



SCHEDULE 1:**APPLICATION FOR EXERCISE OF OPTIONS**

Date:

To,

The Nomination and Remuneration Committee,

Gala Precision Engineering Limited

Thane

This refers to _____ Options granted to me vide Grant Letter dated _____ under Gala Precision Engineering Employee Stock Option Plan 2024 ("the Plan"). Accordingly, _____ Options are vested and available for exercise as per the terms and conditions of Plan.

I agree to subscribe for the equity shares of India Pesticides Limited subject to the terms of the grant letter, the Plan and the Memorandum and Articles of Association of the Company.

Grant & Exercise details:

Particulars	Date	Number of Options
Total options granted		
Options vested		
Options being exercised		

Payment details:

Amount:	
Mode of payment& details: (Cheque/DD/NEFT/RTGS)	
Bank details: Beneficiary Name: Bank Name: Branch Address: Bank Account No:	

Account Type:	
IFSC& MICR	

I hereby declare that the amount to be given by me is derived through legitimate sources only and does not involve and is not designed for the purpose of contravention of any act, rules, regulation, notification or directions under any law including the Income Tax Act, Anti Money Laundering Laws, Anti-corruption Laws or any other applicable laws enacted by the Government of India from time to time. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.

Name in full: _____

Designation: _____

Address: _____

Nationality: _____

Passport No.: _____

DP ID: _____

Depository Participant Name: _____

Demant Account Number: _____

Signature: _____

Date: _____

SCHEDULE 2:

NOMINATION FORM

To,
The Nomination and Remuneration Committee,
Gala Precision Engineering Limited
Thane

I refer to the Gala Precision Engineering Employee Stock Option Plan 2024 and the Options granted to me under the same.

In respect of the Options granted to me under the Plan and accepted by me, I hereby nominate the following person, as my nominee, to exercise the Options to which I am entitled to and to receive the underlying Equity Shares in accordance with the provisions of the Plan, in the event of my death.

Name of the nominee	
Date of birth of the nominee	
Address of the nominee	
Relationship with the nominee	

This nomination supersedes, revokes and replaces all nominations, if any, made by me prior to the date hereof.

Signature of the Option Holder	
Name of Witness	
Signature of the witness	
Address of the Witness	

