



MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED EMPLOYEES STOCK OPTION SCHEME -2020

Mahindra Holidays & Resorts India Limited Employees Stock Option Scheme-2020 (“**ESOS-2020**”) has been formulated by the Nomination and Remuneration Committee of Directors (“**NRC**”) of Mahindra Holidays & Resorts India Limited and approved by it in its meeting held on July 31, 2020 pursuant to the authority vested in it by the Shareholders at the 24th annual general meeting of the Company held on August 31, 2020 and in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“**SBEB Regulations**”) and Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 (“**Circular**”) issued by Securities and Exchange Board of India (“**SEBI**”). Wherever applicable, ESOS-2020 shall be in accordance with the regulations prescribed by SEBI and / or any other regulatory authority as applicable to the Company and shall not contravene any other law, for the time being in force that is material for giving effect to ESOS-2020.

1. Purpose

The Company already has a remuneration policy, which is linked to performance of the employee, the seniority of the employee, the commitment in executing his/her duty, etc. The objective of the ESOS-2020 is not merely to have another kind of remuneration. The objective is also to use the ESOS-2020 as a business strategy to enhance the Company's profitability by providing equity linked incentive to employees, so that the employees keep exploring possibilities of increasing the revenue, saving costs and enhancing the profits of the Company. With this objective in mind, the ESOS-2020 will provide the employees with an additional incentive in the form of Options to receive the equity shares of the Company at a future date and motivate them to remain with the Company.

The Company proposes to issue and allot the equity shares in respect of the ESOS-2020 to the eligible employees / directors in accordance with a scheme framed in that behalf through any appropriate mechanism such as direct grant to the eligible employees or through a Trust or other entity which may be set up for that purpose, or through any combination of the above and such a scheme may also contain provisions for providing financial assistance to the eligible employees / Trust / entity to enable the eligible employees / Trust / entity to acquire, purchase or subscribe to the securities.

The ESOS–2020 is established with effect from the date on which the Shareholders of the Company have approved it and shall continue to be in force until (i) its termination by the Company as per provisions of Applicable Laws, or (ii) the date on which all of the Options available for issuance under the ESOS–2020 have been issued and exercised, whichever is earlier.

The NRC as authorized, may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the ESOS-2020.



2. Definitions

The terms defined in this section shall, for all purposes of this ESOS-2020, have the meanings herein specified.

- (a) **Applicable Law** means every law relating to Options, employee stock options by whatever name called, including and without limitation to the Companies Act, 2013 and the Rules framed thereunder, SEBI Act 1992, SBEB Regulations and includes any statutory modifications or re-enactments thereof and all relevant tax, securities, exchange control or corporate laws of India or of any relevant jurisdiction or of any Stock Exchange on which the Equity Shares are listed or quoted.
- (b) **Associate Company** shall have the same meaning ascribed to under the Companies Act, 2013.
- (c) **Company** means Mahindra Holidays & Resorts India Limited, a Company incorporated under the provisions of the Companies Act, 1956, having CIN L55101TN1996PLC036595 and having its registered office at No. 17 and 18, 2nd Floor, Mahindra Towers, Patullos Road, Chennai, Tamil Nadu 600002.
- (d) **“Company Policies/Terms of Employment”** means the Company’s policies for Employees and the terms of employment as contained in the employment letter and the Company handbook, which includes provisions requiring a desired level of performance, securing confidentiality, non-compete and non-poaching of other employees and customers. Policies/terms of employment of Holding or Subsidiary company as regards an Eligible Employee on the payrolls of such Holding or Subsidiary company shall be deemed to be **“Company Policies/Terms of Employment”** for such Eligible Employee.
- (e) **“Corporate Action”** means one of the following events:
 - i. rights / bonus issue;
 - ii. reorganization of the Equity Shares;
 - iii. restructuring of the share capital of the Company;
 - iv. Other reorganization of the Company in which the Equity Shares are converted into or exchanged for:
 - v. a different class of securities of the Company, or
 - vi. any securities of any other issuer, or
 - vii. cash, or
 - viii. other property;
 - ix. Sale, lease or exchange of all or substantially whole of the assets/ undertaking of the Company to any other company or entity;
 - x. Adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up;



- (f) **“Employee(s)”** means:
- (i) a permanent employee of the Company who has been working in India or out of India; or
 - (ii) a director of the Company, whether a whole-time director or not but excluding an independent director; or
 - (iii) a permanent employee or director of a Subsidiary, in India or outside India, or of the Holding company of the Company but does not include:
 - 1. an employee who is a Promoter or a person belonging to the Promoter Group of the Company; or
 - 2. a director who either himself or through his relative or through any body-corporate, directly or indirectly, holds more than ten per cent of the outstanding Equity Shares of the Company.
- (g) **“Eligible Employee(s)”** means all Employees to whom an Option is Granted under the ESOS-2020, or those Employees who satisfy the eligibility criteria for Grant of Options or who is nominated by the NRC at its sole discretion as being eligible for Grant of Options.
- (h) **“Equity Share”** means an equity share of the face value of Rs.10 (Rupees Ten only) each in the Company or where the equity share of the Company has been split up into a par value of less than Rs.10 (Rupees Ten only), then the equivalent number of equity shares for the revised par value per equity share.
- (i) **“Exercise”** means the act whereby the Eligible Employee actually applies in the prescribed format to the Company, Trust or to the other entity as the case may be to exercise the Option granted to him/her under the ESOS–2020, in accordance with the procedure laid down by the Company.
- (j) **“Exercise Price”** means the price at which the Eligible Employee is entitled to acquire the Equity Shares pursuant to the Options granted and vested in him/her under the ESOS-2020. The Exercise Price per Equity Share shall be decided in accordance with the recommendations of the NRC at the time of Grant of Options, provided that Exercise Price shall be equal to or not less than the face value of the Equity Shares of the Company.
- (k) **“Exercise Period”** means the period specified by the NRC while recommending grant of Options, not being later than five (5) years from the date of vesting, within which an Eligible Employee is entitled to exercise the Option vested in him/her to acquire the Equity Shares of the Company in accordance with the terms of this ESOS-2020.



- (l) **“Exercise Application”** means the application form as may be prescribed, in which the Eligible Employee has to apply to the Company / Trust / entity for exercising the Options granted and vested in him/her.
- (m) **“Grant”** means issue of Options to Eligible Employees under ESOS–2020.
- (n) **“Holding Company”** shall have the meaning ascribed to under the Companies Act, 2013.
- (o) **“Letter of Grant”** means the letter issued by the Company or Trust or the other entity as the case may be intimating the Eligible Employee of the date of Grant, the Options granted to him/her for acquiring a specified number of Equity Shares from the Company / Trust/entity at the Exercise Price.
- (p) **“Long Leave”** means authorised leave in excess of 6 months as per the Company Policies/ Terms of Employment, rules and practices of the Company. The term of Long Leave may be increased by the NRC as per its discretion.
- (q) **“Misconduct”** means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or Company Policies/Terms of Employment amounting to violation or breach of Terms of Employment as determined by the NRC after giving the Employee an opportunity of being heard:
- a. committing of any act warranting summary termination under law; or
 - b. conduct which in the reasonable opinion of the NRC amounts to a serious breach by an Eligible Employee of the obligation of trust and confidence to his employer; or
 - c. a finding by the NRC that an Employee has committed any material or consistent breach of any of the terms or conditions of Employee service agreement including any willful neglect of or refusal to carry out any of his duties or to comply with any instruction given to him by the NRC; or
 - d. being convicted of any criminal offence; or
 - e. being disqualified from holding office in the Company or any other company under any legislation or being disqualified or debarred from membership of, or being subject to any serious disciplinary action by, any regulatory body within the industry, which undermines the confidence of the NRC in the individual’s continued employment; or
 - f. having acted or attempted to act in any way which in the opinion of the NRC has brought or could bring the Company or any other group member into disrepute or discredit;
 - g. breach or violation of any Company Policies/ Terms of Employment;
 - h. Any other not included above but defined as misconduct in the Company’s rules or Employee handbook and / or employment agreement and/or appointment letter.
- (r) **“Option(s)”** means a right but not an obligation granted under this ESOS-2020 to the Eligible Employees to acquire from the Company / Trust/ entity a specified



number of Equity Shares of the Company, underlying the Option(s), at a future date at the Exercise Price.

- (s) **“Promoter or Promoter Group”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Provided where the Promoter or Promoter Group of a company is a body corporate, the Promoters of that body corporate shall also be deemed to be Promoters of such company.

- (t) **“Permanent Incapacity”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the NRC based on a certificate of a medical expert identified by the Company.
- (u) **“Retirement”** means retirement as per the rules of the Company.
- (v) **“SBEB Regulations”** shall mean SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time.
- (w) **“SEBI”** shall mean Securities and Exchange Board of India.
- (x) **“Subsidiary”** means any present or future subsidiary as defined under the Companies Act, 2013.
- (y) **“Stock Exchange”** means the National Stock Exchange of India Limited (NSE), BSE Limited (BSE) or any other recognized stock exchanges in India on which the Company’s Equity Shares are listed or to be listed.
- (z) **“Trust”** means Mahindra Holidays & Resorts India Limited Employees’ Stock Option Trust established under the provisions of Indian Trusts Act, 1882 including any statutory modification or re-enactment thereof.
- (aa) **“Trustees”** means trustees appointed in accordance with the deed of Trust executed by the Company for the purpose of establishing the Trust.
- (bb) **“Unvested Option”** means Option in respect of which the relevant Vesting conditions have not been satisfied and as such, the Eligible Employee has not become eligible to exercise the Option.
- (cc) **“Vesting”** means earning by the Eligible Employee, of the right to Exercise the Options granted to him in pursuance of the ESOS–2020. The term **“Vested”** shall have a co-related meaning.
- (dd) All other expressions unless defined herein shall have the same meaning as have been assigned to them under the SBEB Regulations, SEBI Act 1992 or the Companies



Act, 2013, or any other regulations and/or circulars issued by SEBI or any statutory modification or re-enactment thereof, as the case may be.

3. Interpretation

In this ESOS - 2020, unless the contrary intention appears:

- (a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- (b) a reference to a clause number is a reference to its sub-clauses;
- (c) words in singular number include the plural and vice versa; and
- (d) words importing a gender include any other gender.

4. Implementation of ESOS-2020 by Company/Trust and the NRC

- (a) The Company may, either by itself or by a Trust, shall administer the ESOS-2020 in accordance with the terms of this ESOS-2020 and the directions given by the NRC from time to time under the ESOS-2020. The Company/Trustees shall Grant Options based on the recommendations of the NRC. On the exercise of the Options by the Eligible Employees, the Company/Trust shall issue/distribute the Equity Shares in respect of such Options to the Eligible Employees. The Company/Trustees shall be advised by the NRC in relation to the operation of the ESOS-2020, which advice shall be binding upon the Company/Trust. No member of the NRC or the Company/Trust shall be liable for any action or determination made by him/her in good faith. No eligible employee/Trustee shall participate and / or vote with respect to any Option granted or to be granted to such eligible employee/Trustee under the ESOS-2020.
- (b) Subject to the terms of the resolution passed by the Shareholders of the Company at the 24th Annual General Meeting held on August 31, 2020, approving the issue of shares to the Employees under an employee's stock option scheme and the regulations prescribed by the SEBI, the NRC in its absolute discretion has been authorised to determine and recommend to the Company / Trust / other entity, as the case may be, all the terms governing the ESOS-2020 including but not limited to:
 - (a) adopting rules and regulations for implementing the ESOS–2020 from time to time;
 - (b) determining the eligibility criteria for grant of Options to the Eligible Employees;
 - (c) determining the Eligible Employees to whom the Options are to be granted;
 - (d) the time when the Options are to be granted;



- (e) the number of tranches in which the Options are to be granted and the number of Options to be granted in each such tranche;
- (f) the quantum of Options to be granted at various points in time;
- (g) the criteria for determining the number of Options to be granted to the Eligible Employees and exception, if any, required to be made in deserving cases;
- (h) the number of Options to be granted to each Eligible Employee;
- (i) the terms and conditions subject to which the Options granted would vest in the Eligible Employee;
- (j) the date of vesting of the Options granted;
- (k) the terms and conditions subject to which the Options vested would be exercisable by the Eligible Employee;
- (l) determining the right of an Eligible Employee to exercise all the Options vested in him/her at one time or at various points of time within the Exercise Period;
- (m) the date by which the Options have to be exercised by the Eligible Employee;
- (n) the number of Options to be apportioned/allocated for various grades of Eligible Employees;
- (o) determining extension of Exercise Period, in exceptional cases;
- (p) determining the procedure and terms for the Grant, Vesting and Exercise of Options in case of Eligible Employees who are on long leave;
- (q) determining the conditions under which Options Vested in Eligible Employees may lapse in case of termination of employment for Misconduct;
- (r) assignment of weightage to, grade and performance rating;
- (s) the number of Options reserved, if any, for granting to new employees who would join the services of the Company;
- (t) approving forms, writings and/or agreements for use in pursuance of the ESOS-2020;



- (u) altering/modifying the Vesting conditions, schedule and/or Exercise Price for Options granted;
- (v) creating a Trust to manage the ESOS–2020 for all or any identified part of the Options granted under the ESOS–2020 in compliance with the SBEB Regulations.
- (w) Determine the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Corporate Actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration by the NRC:
 - (i) The number and the price of Options shall be adjusted in a manner such that total value of the Options remains the same after the Corporate Action;
 - (ii) The Vesting period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Option holders.
- (x) taking any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the ESOS–2020 or the administration or interpretation thereof;
- (y) deciding all other matters that must be determined in connection with Options under the ESOS–2020;
- (z) construing and interpreting the terms of the ESOS-2020, and the Options granted pursuant to the ESOS–2020;
- (aa) administering and reconciling any inconsistency in the ESOS–2020; and
- (bb) performing such other functions and duties as shall be required under the Applicable Laws.

The terms prescribed by the NRC shall be final and binding on all the Employees and the Company/Trust/entity.

The NRC shall also frame suitable policies and systems to ensure that there is no violation of:

- (i) the Circular;
- (ii) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and



- (iii) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003

by any Employee.

With respect to any matters that are not specifically provided for in the SBEB Regulations or any other Applicable Law, the NRC shall have absolute discretion to decide such matters in the manner deemed fit by it and any such decision of the NRC shall be binding on all Eligible Employees and the Company/Trust / entity.

4. Total number of Equity Shares in respect of which Options could be granted.

The Company/Trust/entity shall, on the basis of the recommendations of the NRC, grant from time to time the Options to the Eligible Employees. The maximum number of Options that may be granted under the ESOS-2020 of the Company or of its holding or subsidiary company(ies) shall not exceed such number of Options that will result upon conversion into 13,50,000 (Thirteen Lakh Fifty Thousand) Equity Shares or 1 % (one percent) of the then issued and paid up equity share capital of the Company, whichever is higher, at the time of grant.

The Company/Trust/entity shall, on the basis of the recommendations of the NRC, grant from time to time the Options to the Eligible Employees. The maximum number of Options that may be granted under the ESOS-2020 to any eligible employee of the Company or of its holding or subsidiary company(ies) in any year shall in aggregate not exceed 1,00,000 (One Lakh) Options at the time of grant..

The NRC is authorised to determine in its absolute discretion the number of Options to be granted to each Eligible Employee under the ESOS-2020 of the Company or of its holding or subsidiary company(ies), in such number of tranches, in which the Options may be granted by the Company /Trust /entity. Such number of Options shall be adjusted towards any Corporate Action taken by the Company.

In case Options are granted through Trust, subject to the terms and conditions mentioned in the Trust deed, the Trust may, at the discretion of the Trustees, from time to time, for the purposes of the Trust purchase and hold on trust the Equity Shares of the Company on any of the Stock Exchange where the shares of the Company are listed.

5. Options allocated for various grades/groups of grades of Eligible Employees and for individual allotment based on grade and/or performance rating.

The NRC shall have the authority to allocate a certain percentage out of the total available Options for being granted to various grades/group of grades of Eligible Employees. The NRC shall also have in its absolute discretion the authority to further allocate a certain percentage out of the aforesaid, for grant of the Options to individual Eligible Employee based on criteria such as minimum length of service, the grade of such Employee,



performance record, merit of the Employee, future potential contribution by the Employee etc.

6. Basis of determining the number of Options to be Granted

The criteria for eligibility of the Eligible Employees for the Grant of Options will be decided by the NRC based on criteria such as minimum length of service, the grade of Employee, performance record, merit of the Employee, future potential contribution by the Employee etc. The NRC may review and revise the criteria for eligibility as aforesaid in line with the needs of the business and remuneration policies. The NRC in deserving cases may make an exception to such criteria and allocate Options to Employee.

The actual number of Options to be granted to each Eligible Employee would be in accordance with the criteria determined by the NRC in its absolute discretion, and communicated to the Company/Trust/entity.

The NRC may not recommend the Grant of any Options or may not recommend the vesting of Options already granted in the event the Eligible Employee (a) has not performed up to the expectations, (b) or has not attended the office for a substantial period of the financial year of the Company, (c) or in case of Misconduct of the Employee or breach of any provision of Company Policies/Terms of Employment or (d) in such other circumstances as it may deem fit in its absolute discretion.

The date of the meeting of the NRC for considering the grant of the Options would be the relevant date for determining the criteria for considering the Grant of Options.

7. Vesting of the Options Granted

The Options granted would vest within such time from the date of Grant and in such tranches and subject to such terms as the NRC may determine, in its absolute discretion and recommend to the Company/Trust /entity, at the time of grant of the Options, subject to a minimum vesting period of 1 (one) year.

The maximum vesting period may extend up to 5 (five) years from the date of Grant of Options, unless otherwise determined by the NRC.

8. Procedure of Granting and exercising

A. Grant

The Company/Trust/entity shall upon the recommendation of the NRC Grant such number of Options to all such Eligible Employees. The Company/Trust/entity shall issue Letters of Grant within such time from the date of Grant as it may deem fit, containing such terms and conditions relating to the Vesting and Exercise of the Options as may be stipulated by the NRC and in particular the following:



- (a) Employment Agreement: The Company/Trustees/entity may, in their discretion, include in the terms of any Options granted under the ESOS-2020, a condition, that the Eligible Employee shall agree to remain in the employment of, and to render services to, the Company, or, as the case may be, a Holding or Subsidiary company, for a period of time, specified in the said employment agreement, from the date of Grant. The Grant of Options shall, however, not impose upon the Company any obligation to employ the Eligible Employee for any period of time.
- (b) Number of Equity Shares: Each Letter of Grant shall state the total number of Equity Shares underlying the number of Options granted.
- (c) Vesting of Options: The Options granted pursuant to this ESOS-2020 shall vest in such number of tranches as determined by the NRC, subject to a minimum vesting period of 1 (one) year. The Eligible Employee shall be entitled to exercise the Options only to the extent that the Options have vested in accordance with the Letter of Grant.
- (d) No rights of shareholders: An Eligible Employee shall not have any of the rights of a shareholder of the Company until the Equity Shares are transferred / allotted to him, and, no adjustments may be made for dividends or other rights for which the record date is prior to the date such Equity Shares are transferred / allotted to the Eligible Employee.

B. Exercise

- (a) An Eligible Employee wishing to exercise the Options vested in him shall submit an application in the specified format to the Company/Trust/entity along with a cheque/demand draft for the Exercise Price, together with taxes, if any, payable for such Exercise and upon the satisfaction of the tax liabilities set out in Clause 16, in relation to the Options sought to be exercised multiplied by the Exercise Price per Equity Share as indicated in the Letter of Grant. Such cheque/demand draft should be drawn on any bank payable at Mumbai and shall be drawn in favour of the Company / Trust / other entity, as the case may be.
- (b) Save as provided in Clause 10, the Options Vested in the Eligible Employee shall be exercised by him/her within such period as may be determined by the NRC while recommending the Grant of Options ; provided that such period shall not exceed 5 (five) years from the respective date of Vesting of Options. The Eligible Employee may exercise any number of Options vested in him/her, during each tranche subject to the following conditions:-
 - (i) The Eligible Employee must exercise a minimum of 100 (one hundred) Options or Options Vested, whichever is lower;
- (c) The NRC may also determine the number of tranches in which the Options granted may be exercised as also the minimum number of Options that may be exercised in each tranche.
- (d) The Options remaining unexercised at the end of the Exercise Period or such extended period as may be determined by the NRC shall lapse.



- (e) For all Options exercised during a calendar quarter being either January 1 to March 31, April 1 to June 30, July 1 to September 30 or October 1 to December 31, the Company or Trust or other entity, as the case may be, shall take appropriate steps to allot / transfer the relevant number of Equity Shares as soon as possible but not later than the expiry of the first month of the subsequent quarter and shall thereafter either deliver share certificates to the concerned employees for the relevant number of Equity Shares or credit the relevant number of Equity Shares to their designated depository account. The period aforesaid for grouping of Exercise and allotment/ transfer of Equity Shares would be subject to review by the NRC from time to time.
- (f) The Eligible Employees who wish to exercise the Options will have the right to include the names of their spouse, children and/or their parent(s) as the second and third holders of the shares to be transferred consequent to the exercise of the Options.

9. Event of death/ Permanent Incapacity/ Long Leave of any Eligible Employee who has been Granted Options

Notwithstanding anything contained herein, in case of death or total and permanent disability and/or Permanent Incapacity of any Eligible Employee whilst in the service of the Company, the Options granted but not vested in that Eligible Employee shall vest in the person(s) nominated by such Eligible Employee in case of death and in the Eligible Employee himself/herself in case of total and permanent disability and/or Permanent Incapacity. These Options shall vest in, and shall be exercised by the nominee(s)/Eligible Employee as the case may be within such period as may have been determined by the NRC while recommending the Grant of Options; provided that such period shall not exceed five (5) years from the date of respective Vesting of Options. The nomination shall be made in the form prescribed by the Company /Trust / entity for this purpose.

In case of the death of any Eligible Employee who has, not nominated any person(s), the Option will vest in and shall be exercised by the successor(s) of such Eligible Employee within such time as stipulated in the Letter of Grant, provided however that the successor(s) shall be required to produce to the Company all such documents as may be required by the Company to prove the succession to the assets of the deceased Eligible Employee. In case the proof of the succession is not produced to the Company within 1 (one) year from the date of death of the Eligible Employee or such further time as the NRC or the Trust may permit in its absolute discretion, the said Options shall lapse.

Where an Eligible Employee has been granted a long leave (including maternity leave under the Applicable Law), then the Eligible Employee shall be entitled to retain all the Options vested in him/her at the time of going on long leave and exercise the Options in accordance with this ESOS-2020. Vesting of all Options granted to such eligible employee which are not vested at the time of commencement of long leave shall remain suspended during such long leave period and vesting of such Options would recommence subject to the following -

- (1) Eligible Employee rejoining and resuming the contract of employment; and



- (2) Eligible Employee fulfilling terms and conditions, in respect of Long Leave, prescribed by the Company.

10. Event of termination of service of the Eligible Employee who has been Granted Options

(a) *Due to resignation of the Eligible Employee*

In case of termination of the services of the Eligible Employee due to resignation, the Options Granted but not Vested shall automatically lapse forthwith on submission of the resignation by the Eligible Employee.

However, the Options vested in an Eligible Employee who has resigned from the services of the Company, or, as the case may be, a Holding/Subsidiary /associate/ group company, but not exercised by him could be exercised by such Eligible Employee within a period of six months from the date of cessation of the employment, PROVIDED such Eligible Employee does not engage in any capacity with any competing company or entity which is in similar business as that of the Company or its Holding/Subsidiary/associate/group company that such Employee has worked with or has been associated with, without the prior written approval of the Company.

For the purposes of this clause, **resignation** means voluntary cessation of employment otherwise than on Retirement or early Retirement as defined/referred to in sub clause (d) below.

(b) *Due to dismissal or discharge for Misconduct of the Eligible Employee*

In case of termination of the services of the Eligible Employee due to dismissal for (a) Misconduct, or (b) breach of any provision of Company Policies/Terms of Employment, of the Eligible Employee, the Company/Trust/entity shall have the right (on recommendation to that effect by the NRC) to cancel the Options granted but not vested and/or Options vested but not exercised by such Eligible Employee.

(c) *Due to discharge for reasons other than misconduct of the Eligible Employee*

In case of termination of the services of the Eligible Employee due to discharge for any reason other than as mentioned above in 10 (b) of the Employee or resignation by the Employee or early Retirement or normal Retirement, the terms relating to vesting and exercise shall be determined by the Company/Trust/entity on the recommendation of the NRC.

(d) *Due to Retirement or completion of term of employment agreement of the Eligible Employee*

In case the Eligible Employee retires from the Company or its Holding / Subsidiary / associate/ group company(ies) pursuant to reaching the age of Retirement as prescribed by the Company or its Holding / Subsidiary / associate/ group company(ies) as the case may be, the Options not Vested in the Eligible Employee on



the date of Retirement shall notwithstanding such Retirement, Vest in and be Exercisable by such Eligible Employee in accordance with the Vesting schedule and the Exercise Period specified in the Letter of Grant, PROVIDED such Eligible Employee does not engage in any capacity with any competing company or entity which is in similar business as that of the Company or its Holding / Subsidiary / associate/ group company that such Eligible Employee has worked with or has been associated with, without the prior written approval of the Company.

However, the Options vested in the Eligible Employee who has retired from the services of the Company or its Holding / Subsidiary / associate/ group company(ies) but not Exercised by him could be Exercised by such Eligible Employee in accordance with the Exercise Period specified in the Letter of Grant, PROVIDED such Eligible Employee does not engage in any capacity with any competing company or entity which is in similar business as that of the Company or its Holding / Subsidiary / associate/ group company that such Eligible Employee has worked with or has been associated with, without the prior written approval of the Company.

In case an Eligible Employee who has been granted Options, opts for early Retirement otherwise than under a scheme of voluntary Retirement, all Options that are not vested in the Eligible Employee on the date on which the Eligible Employee so retires shall lapse. However, the Options vested but not Exercised by an Eligible Employee who has opted for early Retirement otherwise than under a scheme of voluntary Retirement shall be exercised by such Eligible Employee in accordance with the Exercise Period specified in the Letter of Grant, PROVIDED such Eligible Employee does not engage in any capacity with any competing company or entity which is in similar business as that of the Company or its Holding / Subsidiary / associate/ group company that such Eligible Employee has worked with or has been associated with, without the prior written approval of the Company.

If an Eligible Employee's employment with the Company or its Holding / Subsidiary/ associate/ group company terminates due to completion of his employment agreement, all Unvested Options at the time of such termination shall lapse forthwith. The Vested Options can be exercised by such Eligible Employee prior to the expiry of Exercise Period. For the purposes of this clause, termination of employment shall have the meaning ascribed to it in the contract entered between the Company and such contractual employee.

(e) *Eligible Employees who are transferred to holding / subsidiary / associate/ group company(ies)*

In case of services of an Eligible Employee to whom Options have been Granted, are transferred by the Company to one of its Holding / Subsidiary / associate/ group company(ies) prior to the date of Vesting of all Options granted, such Unvested Options shall Vest in accordance with the Vesting schedule specified in the Letter of Grant, provided the Eligible Employee continues to be in the employment of the respective Holding /Subsidiary / associate/ group company(ies) on the date(s) of vesting of the Options.



- (f) Notwithstanding the above, the Company/Trust/entity, based on the recommendation of the NRC, in its absolute discretion shall have the authority to waive the aforesaid restriction relating to the subsequent vesting(s).
- (g) In case of termination of the services of the Eligible Employee due to his/her Retirement pursuant to a scheme of voluntary Retirement as formulated by the Company, the terms relating to vesting and exercise shall be framed by the NRC.

Explanation :-

For the purposes of clauses (a) and (d) above,

- (i) the decision of the NRC in ascertaining as to whether the competing company or entity with which the concerned Employee is / has been associated is in similar business as that of the Company, its Holding / Subsidiary / associate/ group company(ies) shall be final and binding on all concerned; and
- (ii) in case of any doubt the NRC shall have the authority to determine whether a company is a holding or subsidiary or an associate or a group company of the Company and such decision of the NRC shall be final and binding on all concerned.

11. Suspended Employees and Employees under enquiry

In case an Eligible Employee has been suspended or in case of an Eligible Employee against whom a departmental, judicial or statutory enquiry, as the case may be, is being conducted for any reason,

- (i) all Unvested Options on the date of suspension or commencement of such departmental, judicial or statutory enquiry, as the case may be, shall stand suspended and shall not Vest; and
- (ii) all Options which have Vested but not Exercised shall not be Exercisable

until the said enquiry is completed.

At the conclusion of such an enquiry –

- (a) If the Eligible Employee is found guilty of misconduct or any other charges as mentioned under Clause 10 (b) and (c) of this ESOS–2020 under any such enquiry, the provisions of clause 10 (b) above shall apply;
- (b) If the Eligible Employee is acquitted of the charges framed against him in the said enquiry, and upon the verification of official orders/notifications acquitting the charges against such Eligible Employee by the NRC, all Options which were due for Vesting / Exercise and have not been Vested or Exercised in view of the suspension of such Eligible Employee or pendency of an enquiry, shall Vest in him and be Exercisable subject to the other provisions of ESOS-2020 within such period as the NRC may determine.



12. Exit route in case of de-listing

If the Company gets de-listed from all the recognized Stock Exchanges, then the NRC shall have the powers to set out terms and conditions for the treatment of Vested Options and Unvested Options in due compliance of the Applicable Laws.

13. Surrender of Options

An Eligible Employee may surrender his vested / unvested options at any time during his employment with the Company.

Any Eligible Employee willing to surrender his options shall communicate the same to the NRC in writing. Thereafter the surrendered options shall expire and stand terminated with effect from the date of surrender of options. All such Options that so terminated shall revert to the ESOS-2020 and may be granted at the discretion of the NRC to any other Eligible Employee. There shall be no further obligation in regard of such terminated Options.

14. Lapsed/cancelled/Surrender Options

When an Option lapses and/or is cancelled and/or is Surrendered under any of the circumstances mentioned above, then the Eligible Employee shall have no right, title or interest in respect thereof or any claim or demand of any nature whatsoever against the Company/ Trust/entity. In the event of the lapse/cancellation/surrender of any Options, the Company /Trustees/entity shall be entitled, on the recommendation of the NRC, to issue fresh Options in lieu of the lapsed/cancelled/surrendered Options, and Grant such Options to such Eligible Employees as recommended by the NRC.

15. Other conditions

- (a) The Eligible Employee shall not, directly or indirectly, sell, pledge, assign or otherwise transfer or dispose of (hereinafter collectively referred to as '**alienation**') all or any of the Options or the rights and benefits attached thereto. Option granted to an Eligible Employee shall not be transferable or assignable to any person.
- (b) Save and except as provided herein under Clause 9 or by testamentary documents, no person other than the Eligible Employee to whom the Option is granted shall be entitled to Exercise the Option.
- (c) If any bonus and/or rights Equity Shares are issued by the Company or the Equity Shares of the Company are split up reducing the face value per Equity Share, then the Company/ Trust /entity shall, on the recommendations of the NRC, make a fair and reasonable adjustment to the number of outstanding Options and/or to the Exercise Price.



Similarly, if the Company takes any action which in the opinion of the NRC requires any adjustment to the number of outstanding Options and/or the Exercise Price, then the Company /Trust / entity shall, on the recommendations of the NRC, make a fair and reasonable adjustment to the number of outstanding Options and/or to the Exercise Price.

- (d) The Options granted herewith shall not be affected by any takeover by/of, merger with, or amalgamation of any other entity with the Company or in the event of restructuring of the capital of the Company. In such an event, the Company /Trust /entity on the recommendation of the NRC shall have the authority to alter all or any of the terms relating to the Grant and would also have the authority to do all such acts and deeds as it may deem fit in its absolute discretion and as permitted under law, so as to ensure that the benefits under the Grant are passed on to the Eligible Employees.
- (e) If the Options are granted through the Trust route, then the Trust shall have the discretion, but shall not be obliged to distribute the dividends received from the Company to such Eligible Employees to whom the Options have been granted but have not exercised their Options.
- (f) The date of exercise of Options shall be the date on which the Eligible Employee submits the Exercise Application (complete in all respects) for exercising the Options granted to him/her, to the Company /Trust/ entity.
- (g) Any dispute or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with this ESOS–2020 shall be referred to the NRC and shall be determined by it from time to time. All such determination / decision / interpretation by the NRC shall be final and binding on all the Eligible Employees affected thereby.

16. Tax Liability

- (a) Grant, Vesting and Exercise of Options will be liable to tax, if any, in the hands of the Eligible Employee in accordance with the provisions of the Income-Tax Act, 1961 and the rules framed there under from time to time. The Company / Trust/ entity will deduct tax at source, wherever necessary, from any payments, including salary, to the concerned Eligible Employee in respect of his/her entitlements under the ESOS-2020. Further, the Company shall notwithstanding anything contained in this ESOS–2020 or any other agreement or scheme for granting of Options to the concerned Eligible Employee, have the right to recover from such Eligible Employee (including former Employee) an amount equivalent to any tax, cess, levy, or assessment, by whatever name called including, without limitation, perquisite tax, levied upon or payable whether by the Company or by the employer of such Eligible Employee as the case may be, in respect of or in relation to such Options.

The decision of the Company /Trust/entity on the recommendation of the NRC on any of the above matters including the date of exercise of Options will be final and binding on the Eligible Employees.



- (b) No Equity Shares shall be issued to the Eligible Employee, on Exercise of the Options under this ESOS–2020 unless appropriate taxes as required under the applicable tax laws, are discharged. Such taxes may either be deducted from the Eligible Employee’s salary and / or can be separately discharged by the Eligible Employee by giving a cheque / demand draft / electronic transfer of funds to the Company for the said amount. Further, the Company shall have no obligation to deliver Equity Shares or to release Equity Shares until the Company’s tax deducting obligations, if any, have been satisfied by the Eligible Employee.
- (c) The Eligible Employee will also, as a condition of the ESOS–2020, authorize the Company or its nominee to sell such number of Equity Shares, as would be necessary, to discharge the obligation in the respect of such taxes and appropriate the proceeds thereof on behalf of the Eligible Employee.
- (d) The Company shall have the right to deduct from the salary, for any obligation towards tax deduction arising in connection with the Options or the Equity Shares acquired by the Eligible Employee upon the Exercise thereof;
- (e) All tax liabilities arising on disposal of the Equity Shares after Exercise would be handled by the Eligible Employee and or his nominee, as the case may be.

17. Accounting

Further to accounting policies referred under Regulation 15 of the SBEB Regulations, the Company shall follow the ‘Guidance Note on Accounting for Employee Share-based Payments’ and/or any relevant accounting standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein or such other policies as may be prescribed under SBEB Regulations.

18. Non-Resident Employees

Grant of Options to Eligible Employees who are non-residents shall be in compliance with the provisions of the prevailing laws of the residential and/or employment jurisdiction of such Eligible Employees subject to the same being in accordance with the provisions of the Foreign Exchange Management Act, 1999 and regulations made thereunder, SBEB Regulations and any other statutory provisions applicable under relevant Indian laws.

19. Variation of the terms of ESOS–2020

- (a) The NRC may at any time amend, alter, suspend or terminate the ESOS-2020, to the extent, subject to and after compliance with the requirements of Applicable Law, provided that the Company shall not vary the terms of the ESOS-2020 in any manner which may be detrimental to the interests of the Eligible Employees.



- (b) The Company may by a special resolution in a general meeting vary the terms of the ESOS–2020 offered pursuant to an earlier resolution of a general body but not yet exercised by the Eligible Employees provided such variation is not detrimental or prejudicial to the interests of the Eligible Employees. The notice for passing special resolution for variation of terms of the ESOS–2020 shall disclose full details of the variation, the rationale thereof, and the details of the Eligible Employees who are beneficiary of such variation.
- (c) Termination of the ESOS–2020 shall not affect the NRC’s ability to exercise the powers granted to it hereunder with respect to Options granted under the ESOS–2020 prior to the date of such termination.

20. Terms and Conditions of Equity Shares

- (a) The Equity Shares allotted upon exercise of Options granted under the ESOS–2020 are not subject to any lock in;
- (b) The Equity Shares issued on Exercise of the Options shall be listed on the recognized Stock Exchanges where the Company is listed subject to the terms and conditions of the listing agreements with the Stock Exchanges;
- (c) No Eligible Employee shall have a right to receive any dividend or vote at any general meeting of the Company or in any manner enjoy the benefits of a shareholder in respect of Options Granted or Vested in the Eligible Employee.

21. Corporate Action

- (a) In the event of change in control of the Company or Corporate Action, a Grant made under the ESOS–2020 shall be subject to adjustment by the NRC at its discretion as to number of Options or Vesting criteria as the case may be such that (a) the number of Options and the Exercise Price is adjusted in the manner such that the total value to the Eligible Employee remains the same after the adjustment pursuant to the Corporate Action and/or change in control of the Company; (b) the Vesting criteria and the life of the Options is left unaltered to protect the interest of the Eligible Employee. The decision of the NRC, in this regard, shall be final and binding.
- (b) The existence of the ESOS–2020 and the Grants made hereunder shall not in any way affect the right or the power of the Board of Directors of the Company or its Shareholders to make or authorise any ‘Corporate Action’, strategic sale of substantial stake by the shareholders including any issue of Equity Shares, debt or other securities having any priority or preference with respect to the Equity Shares under the ESOS–2020 or the rights thereof, whether or not such action would have an adverse effect on the ESOS–2020 or any Grant made under the ESOS-2020. No Eligible Employee or other person shall have any claim against the Company or the new company / new entity that is formed or takes over a part of whole of the business of the Company, as a result of such action.



- (c) In the event of a dissolution or liquidation, the NRC shall inform each Eligible Employee, as soon as practicable / permissible under Applicable Law, of the same and communicate regarding the treatment of Options held by the Eligible Employee.
- (d) Nothing contained in the ESOS–2020 shall be construed to prevent the Company from implementing another employee stock option plan, directly or through any trust settled by Company, which is deemed by the Company to be appropriate or in its best interest, provided such other action would not have any adverse impact on the ESOS–2020 or any Grant made under the ESOS-2020. No Eligible Employee or other person shall have any claim against the Company and/or Trust as a result of such action.
- (e) For any other Corporate Action not mentioned above, the treatment of vested as well unvested options, shall be decided by the NRC and the decision of the NRC will be final and binding.

22. No right of employment

The Grant of Options under this ESOS–2020 does not create a right to continued employment with the Company or its Holding/Subsidiary company. Nothing in this ESOS–2020 or Letter of Grant shall interfere with or limit in any way the right of the Company or Holding/Subsidiary company to terminate the employment of the Eligible Employee at any time.

23. Certificate from Auditors

The NRC shall at each annual general meeting place before the Shareholders a certificate from the auditors of the Company that the ESOS–2020 has been implemented in accordance with the SBEB Regulations and in accordance with the resolution of the Company in the general meeting.

24. Governing Laws

- (a) The terms and conditions of the ESOS-2020 shall be governed by and construed in accordance with the Applicable Laws including the foreign exchange laws mentioned below in 24 (b).
- (b) **Foreign Exchange Laws:** In case any Options are granted to any Eligible Employee being resident outside India belonging to the Company, working outside India, the provisions of the Foreign Exchange Management Act, 1999 and rules or regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vesting, Exercise of Options and transfer of Equity Shares thereof.



25. Notices

All notices under the ESOS–2020 shall be in writing, and if to the Company, shall be delivered to the principal office addressed to the attention of the Company Secretary and if to the Eligible Employee shall be delivered personally or mailed to the Eligible Employee at the address appearing in the payroll records of the Company. Such address may be changed at any time by a written notice to the other party.

26. Termination of the ESOS–2020

- (a) The ESOS–2020 shall terminate upon the earliest to occur of the following:
 - (i) The effective date of a resolution adopted by the NRC terminating the ESOS-2020;
 - (ii) The date on which all Equity Shares subject to the ESOS–2020 are delivered pursuant to the ESOS–2020;
- (b) No such termination of the ESOS–2020 shall affect the previously accrued rights of any Eligible Employee hereunder and all Options previously granted hereunder shall continue to be in force and in operation after the termination of the ESOS–2020, except as they may be otherwise terminated in accordance with the terms of the ESOS–2020 or the Letter of Grant.

27. Nomination

The Eligible Employee has to nominate a person as his/her nominee. The nominee in case of death or Permanent Incapacity or legal disability of such Eligible Employee shall be the legal representative recognized by the Company as the inheritor of the Eligible Employee in respect of all rights and liabilities for the purposes of this ESOS–2020.

28. Jurisdiction

- (a) The courts in Mumbai, Maharashtra shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOS-2020.
- (b) Nothing in this sub-clause will however limit the right of the Company to bring proceedings against any Eligible Employee in connection with this ESOS-2020;
 - (i) in any other court of competent jurisdiction; or
 - (ii) con-currently in more than one jurisdiction.

29. Income Tax Rules

The Income tax laws and rules in force will be applicable.

30. Severability



In the event any one or more of the provisions contained in this ESOS-2020 shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this ESOS-2020, but ESOS-2020 shall be construed as if such invalid, illegal, or unenforceable provision had never been set forth herein, and the ESOS-2020 shall be carried out as nearly as possible according to its original intent and terms.

31. Confidentiality

- (a) An Eligible Employee must keep the details of the ESOS-2020 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its Holding / Subsidiary / associate/ group company(ies). In case the Eligible Employee is found in breach of this confidentiality clause, the Company has undisputed right to terminate any agreement and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this confidentiality clause shall be final, binding and cannot be questioned by the Eligible Employee. In case of non-adherence to the provisions of this clause, the NRC shall have the authority to deal with such cases as it may deem fit.
- (b) On acceptance of the grant of Options offered by the Company, it shall be deemed that as if the Eligible Employee has authorized the Company to disclose information relating to the Eligible Employee during the process of implementation of the ESOS-2020 or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need to know basis.

32. Reservation of Equity Shares

The Company, during the term of this ESOS-2020, shall issue / allot/ transfer, and will seek or obtain, from any regulatory authority having jurisdiction, any approval or consent necessary to issue the Equity Shares. The Company / Trust/ entity during the term of this ESOS-2020, will at all times reserve and keep available and will seek or obtain from any regulatory body having jurisdiction, any approval or consent, necessary to issue / allot / transfer the Equity Shares to satisfy the requirements of this ESOS-2020. The inability of the Company / Trust / entity to obtain from any regulatory authority the requisite approval or consent for the lawful issuance, allotment and transfer of the Equity Shares hereunder shall relieve the Company /Trust/ entity of any liability in respect of the failure to issue, allot or transfer the Equity Shares.

33. Effective Date of the ESOS-2020

The ESOS-2020 shall be effective from the date that the ESOS-2020 is approved by the NRC and shall continue in effect till its termination by the NRC.

34. Compliance



The provisions of the ESOS-2020 comply with the SBEB Regulations and are always intended to be in line with these SBEB Regulations. In the event any of the provision of the ESOS-2020 conflict with the SBEB Regulations, the provisions contained in the SBEB Regulations will prevail. Any future amendment in SBEB Regulations or Applicable Laws will be binding on the Company, even if it is not stated in this ESOS–2020.