



**TOURISM FINANCE CORPORATION OF INDIA LIMITED**

**CIN: L65910DL1989PLC034812**

**REGISTERED ADDRESS: 4TH FLOOR, TOWER 1, NBCC PLAZA, PUSHP VIHAR,  
SECTOR - V, SAKET, NEW DELHI – 110017**

**“TFCI ESOP SCHEME – 2022”**

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**1. Introduction:**

- 1.1 This Scheme shall be called the “TFCI ESOP Scheme – 2022” (*hereinafter referred as “Scheme”*).
- 1.2 The Scheme was approved by the Board of Directors and the Shareholders of the Company on August 10, 2022 and [●] respectively.
- 1.3 The Scheme shall be effective from [●], being the date of Shareholders approval (*“Effective Date”*).

**2. Term of the Scheme:**

- 2.1 The Scheme shall continue in effect unless terminated by the Board of Directors.
- 2.2 Any such termination of the Scheme shall not affect Options already Granted and the powers of the Committee in relation to such Options, shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Grantee / nominee / legal heirs and the Company.

**3. Purpose of the Scheme:**

- 3.1 The purpose of the Scheme includes the followings:
  - 3.1.1 To attract relevant talent into the Company to drive its growth plans;
  - 3.1.2 To motivate the Employees to contribute to the growth and profitability of the Company;
  - 3.1.3 To retain the Employees and reduce the attrition rate of the Company;
  - 3.1.4 To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long-term interests of the Company;
  - 3.1.5 To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come; and
  - 3.1.6 To provide additional deferred rewards to Employees.

**4. Definitions:**

- 4.1 In this Scheme, except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against.

- 4.1.1 “Abandonment”** means absence of an Employee from work for a period of 30 days or more without having communicated to the Company or its authorised representative in writing any reason of absence.
- 4.1.2 “Applicable Law”** means every law relating to Employee Stock Option Schemes in force, including, without limitation to, Companies Act, 2013, SEBI (SBEB & SE) Regulations, as amended, and all relevant revenue, tax, securities or exchange control regulations or corporate laws of India to the extent applicable or any relevant jurisdiction or of any Stock Exchange on which the Shares are listed or quoted.
- 4.1.3 “Associate Company”** shall have the same meaning as defined in section 2(6) of the Companies Act, 2013, as amended from time to time.
- 4.1.4 “Board of Directors”** means the Board of Directors of the Company.
- 4.1.5 “Body Corporate”** shall have the same meaning as defined in section 2(11) of the Companies Act, 2013, as amended from time to time.
- 4.1.6 “Cash Mechanism”** means a route under which the Grantee will receive the Shares equivalent to the number of the Options exercised after the Grantee has made the payment of the Exercise Price, applicable tax and other charges, if any, in accordance with the terms and conditions of the Scheme and as mentioned in Grant Letter.
- 4.1.7 “Committee”** means Nomination and Remuneration Committee of the Company, designated as Compensation Committee for the purpose of monitoring, administering, superintending, and implementing the Scheme in compliance with SEBI (SBEB & SE) Regulations.
- 4.1.8 “Company”** means Tourism Finance Corporation of India Limited, a company registered in India under the provisions of the Companies Act, 1956 having CIN: L65910DL1989PLC034812 and registered office at 4th Floor, Tower 1, NBCC Plaza Pushp Vihar, Sector-5, Saket, New Delhi– 110017.
- 4.1.9 “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.
- 4.1.10 “Corporate Action”** means a change in the capital structure of the Company as a result of bonus issue, rights issue, split of Shares and consolidation of Shares.
- 4.1.11 “Directors”** shall have the same meaning as defined under section 2(34) of the Companies Act, 2013.

**4.1.12 “Employee” means**

- (i) an Employee as designated by the Company, who is exclusively working in India or out of India; or
- (ii) an Executive Director or Whole-Time Director or Managing Director of the Company;

but does not include

- (a) a Contractual Employee of the Company; or
- (b) an Employee or Director who is a Promoter or a person belonging to the Promoter Group of the Company; or
- (c) a Director who either himself or through his Relative or through any Body Corporate directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company; or
- (d) an Independent Director and Non- Executive Director of the Company;

**4.1.13 “Eligibility Criteria”** means the criteria, as may be determined from time to time by the Committee, for Grant of Options to the Employees.

**4.1.14 “Exercise”** means making an application, in such manner and in such format as may be prescribed by the Committee, from time to time, by the Grantee, to the Committee for allotment of Shares, against Vested Options.

**4.1.15 “Exercise Period”** means the time period after Vesting within which a Grantee can Exercise.

**4.1.16 “Exercise Price”** means the price payable by the Grantee for exercising the Options vested in him in pursuance of the Scheme.

**4.1.17 “Exercise Window”** means a period as decided by the Committee within which vested Options can be exercised within the overall exercise period and shall not be less than 3 days and not more than 15 days.

**4.1.18 “Grant”** means the issue of Options to the Grantee under the Scheme.

**4.1.19 “Grant Date”** means the date of the meeting of the Committee in which Grant of Options to the employees is approved.

**Explanation:** For accounting purpose, the Grant Date will be determined in accordance with applicable accounting standards.

**4.1.20 “Grant Letter”** means the written or electronic agreement between the Company and a Grantee setting forth the terms and conditions applicable to a Grant to the Grantee under the Scheme.

**4.1.21 “Grantee”** shall mean an Employee to whom Options have been granted under the Scheme.

**4.1.22 “Independent Director”** shall have the same meaning assigned to it under the SEBI (LODR) Regulations.

**4.1.23 “Long Leave”** means an approved leave taken by the Grantee for a period of more than three months out of twelve months starting from the date of Grant / Vesting, as the case may be.

Provided that the period of Long Leave shall not include the period in which the Grantee is on a sabbatical or maternity leave. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Long Leave unless otherwise determined by the Committee.

**4.1.24 “Managing Director”** shall have the same meaning as defined in section 2(54) of the Companies Act, 2013, as amended from time to time.

**4.1.25 “Market Price”** means the latest available closing price on a Recognized Stock Exchange on which the Shares of the Company are listed on the date immediately prior to the Relevant Date.

***Explanation** – As the Shares of the Company are listed on more than one Recognised Stock Exchange, then the closing price on the Recognised Stock Exchange having higher trading volume shall be considered as the Market Price.*

**4.1.26 “Misconduct”** means any of the following acts or omissions by a Grantee in addition to any provisions prescribed in the Grant or terms of employment amounting to violation or breach of terms of employment as determined by the Committee after giving the Grantee an opportunity of being heard, wherever required:

- (i) Committing of any act warranting summary termination under law; or
- (ii) Conduct which in the reasonable opinion of the Committee amounts to a serious breach by a Grantee of the obligation of trust and confidence to his Grantee; or
- (iii) A finding by the Committee that a Grantee has committed any material or consistent breach of any of the terms or conditions of the Employee service agreement including any wilful neglect of or refusal to carry out any of his duties or to comply with any instruction given to him by the Committee; or
- (iv) Being convicted of any criminal offence; or
- (v) Being disqualified from holding office in the Company or any other Company under any legislation or being disqualified or disbarred from membership of, or

being subject to any serious disciplinary action by, any regulatory body within the industry, which undermines the confidence of the Committee in the individual's continued employment; or

- (vi) Having acted or attempted to act in any way which in the opinion of the Committee has brought or could bring the Company or any other member of the group into disrepute or discredit; or
- (vii) Breach or violation of any Company Policies / Terms of Employment; and
- (viii) Any other act or omission not included above, but defined as misconduct in the Company's rules or Employee handbook and / or employment agreement and / or appointment letter.

**4.1.27 "Nominee"** means spouse, children, other relative or any other individual who has been nominated for the purpose of the Scheme. Nomination can be made only by Individual to communicate his preference regarding who should receive options in case of his death.

**4.1.28 "Options / Employee Stock Options"** means a right but not an obligation granted to a Grantee to purchase or subscribe at a future date, the Shares offered by the Company, directly or indirectly, at a pre – determined price, in accordance with this Scheme.

**4.1.29 "Permanent Incapacity"** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps a Grantee from performing any specific job, work or task which the said Grantee was capable of performing immediately before such disablement, as determined by the Committee based on a certificate of a medical expert identified by the Company.

**4.1.30 "Promoter"** shall have the same meaning as defined in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended from time to time.

**4.1.31 "Promoter Group"** shall have the same meaning as defined in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 as amended from time to time.

**4.1.32 "Recognised Stock Exchange"** means a stock exchange which has been Granted recognition under section 4 of the Securities Contracts (Regulation) Act, 1956.

**4.1.33 "Relative"** shall have the same meaning as defined in section 2(77) of the Companies Act, 2013, as amended from time to time.

**4.1.34 "Relevant Date"** means the date of the meeting of the Committee on which the Grant is made.

**4.1.35 "Retirement"** means retirement as per the rules of the Company.

- 4.1.36 “Scheme”** shall mean TFCI ESOP Scheme – 2022 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof from time to time.
- 4.1.37 “SEBI (SBEB & SE) Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof.
- 4.1.38 “SEBI (LODR) Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof.
- 4.1.39 “Shares”** means Equity Shares of the Company.
- 4.1.40 “Unvested Option”** means an Option, which is not vested.
- 4.1.41 “Vested Option”** means an Option, which has vested in pursuance to the Scheme and has thereby become exercisable.
- 4.1.42 “Vesting”** means the process by which the Grantee becomes entitled to receive the benefit of a Grant made to him under the Scheme.
- 4.1.43 “Vesting Date”** means the date on and from which the Option vests with the Grantees and there by becomes exercisable.
- 4.1.44 “Vesting Period”** means the period during which the vesting takes place.
- 4.1.45 “Whole Time Director”** shall have the same meaning as defined in section 2(94) of the Companies Act, 2013, as amended from time to time.

## **4.2 Interpretation:**

***In this scheme, unless the contrary intention appears:***

- (a)** *The singular includes the plural and vice versa;*
- (b)** *The word “person” includes an individual, a firm, a Body Corporate or unincorporated body or authority;*
- (c)** *Any word or expression importing the masculine, feminine or neutral genders only, shall be taken to include all three genders;*
- (d)** *Any word which is not defined under the Scheme and is not otherwise elaborated or addressed in the Grant Letter or in the Company’s policies shall be interpreted in line with SEBI (SBEB & SE) Regulations, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 or the Companies Act, 2013;*



- (e) *Articles, headings are for information only and shall not affect the construction of this document;*
- (f) *A reference to an article is respectively a reference to an Article of this document; and*
- (g) *Reference to any act, rules, statute or notification shall include any statutory modification, substitution or re-enactment thereof.*

## **5. Implementation & Administration:**

- 5.1** The Scheme shall be implemented through direct route for extending the benefits to the eligible Employees by the way of fresh allotment and will follow cash mechanism.

Provided that if prevailing circumstances so warrant, the Company may change the mode of implementation of the Scheme subject to the condition that a fresh approval of the Shareholders by a special resolution is obtained prior to implementing such a change and that such a change is not prejudicial to the interests of the Grantees.

- 5.2** The Company will allot fresh Shares to the Grantees upon successful exercise of Options in accordance with terms and conditions of the Scheme.
- 5.3** Subject to Applicable Law and the framework laid down by the Board of Directors, the Scheme shall be administered by the Committee which may delegate some or all of its power to any other Sub – Committee or Persons for proper administration of the Scheme.
- 5.4** The Committee is authorized to interpret the Scheme, to establish, amend and rescind any rule(s) and regulation(s) relating to the Scheme and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Scheme.
- 5.5** Any decision of the Committee in the interpretation and administration of the Scheme, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all the parties concerned (including but not limited to, Grantee and/or Employee and their Nominees / legal heirs).
- 5.6** The Committee shall subject to Applicable Law, inter alia, have powers to do following:
- (i) To adopt rules and regulations for implementing the Scheme from time to time.
  - (ii) To decide upon re-granting of Options which were lapsed, forfeited or surrendered under any provisions of the Scheme.
  - (iii) To decrease or recommend increase in the pool of Options to be granted under Scheme.

- (iv) To decrease or recommend increase in the pool of Shares to be issued under Scheme.
- (v) To identify the Employees eligible to participate in the Scheme.
- (vi) To finalize or modify the Eligibility Criteria for Grant of Options.
- (vii) To determine the employees eligible for grant of options.
- (viii) To determine the Grant Date.
- (ix) To Grant Options to one or more eligible Employees.
- (x) To determine the number of Options to be granted to each Grantee and in aggregate subject to the pool of Options of the Scheme.
- (xi) To decide and modify the Exercise Period on account of any unforeseen events within which the Employees can Exercise the Option.
- (xii) To determine the Grant, Vesting and Exercise of Options for Employees on Long Leave.
- (xiii) To decide the Vesting Period subject to minimum and maximum period of vesting as stated in Scheme.
- (xiv) To determine the vesting schedule for each Grantee.
- (xv) To finalize the criteria's for vesting of Options.
- (xvi) To determine the Employees eligible for vesting of Options.
- (xvii) To determine the method for exercising the Vested Options.
- (xviii) To determine the Exercise Price of the Options to be granted.
- (xix) To decide or modify upon treatment of Vested and Unvested Options in cases of cessation of employment as specified in the Scheme.
- (xx) To decide upon the treatment of Vested and Unvested Options in the event of Corporate Actions taking into consideration the following:
  - (a) the number and price of Options shall be adjusted in a manner such that the total value to the Grantee of the Options remains the same after the Corporate Action;
  - (b) the Vesting Period and the life of Options shall be left unaltered as far as possible to protect the rights of the Grantee who has been granted such Options.
- (xxi) To cancel all or any granted Options in accordance with the Scheme.
- (xxii) To modify the vesting schedule or accelerate the Vesting of Options on a case-to-case basis, subject to completion of minimum 1 year from the date of Grant.
- (xxiii) To decide upon treatment of Vested and Unvested Options in cases of dispute between the Grantee and Company.
- (xxiv) To establish, amend, suspend or waive such rules and regulations as it shall deem appropriate for the proper administration of the Scheme.
- (xxv) To appoint such agents as it shall deem necessary for the proper administration of the Scheme.
- (xxvi) To determine or impose other conditions to the Grant of Options under the Scheme, as it may deem appropriate.

- (xxvii) To determine the procedure for buy-back of Options Granted under the Scheme, if to be undertaken at any time by the Company, and the applicable terms and conditions in accordance with the Applicable Law.
- (xxviii) To determine the terms and conditions, not inconsistent with the terms of the Scheme, of any Option Granted hereunder.
- (xxix) To approve forms or agreements for use under the Scheme.
- (xxx) To decide all other matters that must be determined in connection with an Option under the Scheme.
- (xxxi) To construe and interpret the terms of the Scheme, and the Options granted pursuant to the Scheme.
- (xxxii) To Frame rules and regulations, prescribe forms and issue circulars or orders in relation to the Scheme and may from time to time amend, recall or replace such rules and regulations, forms, orders and circulars.

**5.7** The Committee shall also frame suitable policies & procedures to ensure that there is no violation of:

- (i) SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
- (ii) SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended from time to time; or
- (iii) any other Regulations as may be notified by SEBI or any other authority from time to time.

**5.8** The powers and functions of the Committee can be specified, varied, altered or modified from time to time by the Board of Directors, subject to the rules and regulations as may be in force. The Board of Directors may further provide that the Committee shall exercise certain powers only after consultation with the Board of Directors and in such case, the said powers shall be exercised accordingly.

**5.9** A member of the Committee shall abstain from participating in and deciding on any matter relating to Grant of any Options to himself.

## **6. Pool of the Scheme:**

**6.1** The shareholders of the Company by way of Special Resolution dated [●] approved the plan authorising the Committee to grant the maximum number of Options pursuant to this Scheme which shall not exceed 45,18,000 (Forty-Five Lakh Eighteen Thousand) Options to the eligible Employees in one or more tranches, from time to time, which in aggregate shall be exercisable into not more than 45,18,000 (Forty-Five Lakh Eighteen Thousand) Shares of face value of Rs. 10 each fully paid up.

**6.2** If any Option Granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such Option shall be available for further Grant under the

Scheme unless otherwise determined by the Committee.

- 6.3** Further, the maximum number of Options that can be Granted and the Shares arise upon Exercise of these Options shall stand adjusted in case of Corporate Action.
- 6.4** The Company reserves the right to increase or decrease such number of Options and Shares as it deems fit, in accordance with the Applicable Law.

**7. Eligibility and Appraisal:**

- 7.1** Employees of rank Assistant Vice President (AVP) and above are eligible for being granted Options under the Scheme. The specific Employees to whom the Options would be granted and their Eligibility Criteria shall be determined by the Committee considering the below terms and conditions thereof:
- (i)** Performance of Company: Performance of the Company as per the standards to be set by the Committee/ Board of Directors from time to time.
  - (ii)** Performance of Employee: Employee's performance during the financial year in the Company on the basis of decided parameters.
  - (iii)** Period of Service: It will be determined on the basis of tenure of employment of an Employee in the Company.
  - (iv)** Any other criteria as decided by the Committee in consultation with Board of Directors from time to time.
- 7.2** Appraisal process of determining the eligibility of the Employees with AVP rank and above will be based on period of service, performance linked parameters such as work performance and such other criteria as may be determined by the committee at its sole discretion, from time to time.
- 7.3** New Joinees of rank AVP and above are also eligible under in the Scheme and may be Granted Options based upon the discretion of the Committee.
- 7.4** Nothing in the Scheme or in any Option Granted pursuant to the Scheme shall confer on any Employee, any right to continue in the employment of the Company or interfere in any way with the right of the Company to terminate the Employee's employment at any time.

**8. Grant of Options and Acceptance thereof:**

- 8.1** The Committee shall Grant Options to one or more eligible Employees, in accordance with the terms and conditions of the Scheme for the time being in force and subject to Employee's employment terms or his continuity in the employment.
- 8.2** Subject to availability of Options in the pool under the Scheme, the maximum number of Options that can be granted to identified Employees during any one year shall not be equal to or exceed 1% of the issued capital (excluding outstanding warrants and

conversions) of the Company at the time of Grant. The Committee may decide to Grant such number of Options equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) to identified Employees as the case may be, subject to the separate approval of the Shareholders in a general meeting.

- 8.3** The Grant of Options shall be communicated to the eligible Employees in writing through Grant Letter specifying the Vesting Date, number of Options granted, Exercise Price, vesting schedule, and the other terms and conditions thereof.
- 8.4** No amount shall be payable by an Employee at the time of Grant of Options.
- 8.5** Upon Grant, an eligible Employee shall become Grantee under the Scheme.
- 8.6** Subject to the Corporate Action(s) taken by the Company, if any, the Grant of 1 (One) Option to an Employee under this Scheme shall entitle the holder of the Option to apply for 1 (One) Share in the Company upon payment of Exercise Price, applicable taxes and other charges, if any.
- 8.7** The Options granted to the eligible Employees shall not be transferable to any other person.
- 8.8** The Options granted to the eligible Employees shall not be pledged, hypothecated, mortgaged or otherwise encumbered or alienated in any other manner.
- 8.9** Any Grantee who wishes to accept the Grant made pursuant to the Scheme, must deliver a signed copy of Grant Letter to the Committee or any of its authorized representatives within such period as decided by the Committee which shall not be more than 30 (thirty) days from the date of receipt of the grant letter.
- 8.10** Any Grantee who fails to return the signed copy of Grant letter and/or fails to provide his acceptance within the above-mentioned time period shall, unless the Committee determines otherwise, be deemed to have rejected the Grant and the Company is not liable to pay any such amount on such rejection.
- 8.11** The Grantee is not required to pay any amount at the time of acceptance of the Grant.
- 8.12** Subject to the terms contained herein, the acceptance in accordance with this article, of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option.

## **9. Vesting of Options:**

- 9.1** Vesting Period shall commence from the Grant Date subject to minimum of 1 (One) year from the Grant Date and a maximum of 4 (Four) years from the Grant Date, at the

discretion of and in the manner prescribed by the Committee and set out in the Grant Letter.

Provided that in the event of death or Permanent Incapacity of a Grantee, the minimum Vesting Period of 1 (one) year shall not be applicable and in such instances, the all Options shall vest in terms of SEBI (SBEB & SE) Regulations, on the date of the death or Permanent Incapacity.

- 9.2 Vesting of Options can vary from Grantee to Grantee as per the discretion of the Committee whose decision shall be final and binding.
- 9.3 The vesting schedule will be clearly defined in their Grant Letter of respective Grantees subject to minimum and maximum Vesting Period as specified in article 9.1 above.

However, the Vesting schedule shall be as follows until and unless changed by the Committee:

<b>Time Period</b>	<b>% of Options to be vested</b>
At the end of 1 <sup>st</sup> year from the grant date	20% of the Options Granted
At the end of 2 <sup>nd</sup> year from the grant date	20% of the Options Granted
At the end of 3 <sup>rd</sup> year from the grant date	30% of the Options Granted
At the end of 4 <sup>th</sup> year from the grant date	30% of the Options Granted

- 9.4 As a pre-requisite of vesting, the Grantee is required to be in employment or service of the Company on the date of vesting and must neither be serving the notice of termination of employment / service, nor be subject to any disciplinary proceedings pending against the Grantee on such date of vesting. In case of any disciplinary proceedings against any Grantee, the Committee can keep the relevant vesting in abeyance until disposal of the proceedings and such Vesting shall be determined accordingly.
- 9.5 The Vesting would be subject to the continued employment of the Grantee and may further be linked with the certain performance and other criteria's, as determined by the Committee and mentioned in the Grant Letter.
- 9.6 The Committee shall have the power to modify or accelerate the vesting schedule on a case-to-case basis subject to the minimum gap of 1 (One) Year between the Grant and first Vesting.
- 9.7 Further any fraction entitlement, to which the Grantee would become entitled to upon Vesting of Options (*other than the last tranche of vesting*), then the Options to be actually vested be rounded off to the nearest lower integer. Accordingly, in the last vesting, the number of the Options to be vested shall include the Options which was not earlier vested due to fraction adjustment.

**9.8** The Vesting of Options shall be communicated to the eligible Grantees in writing through vesting letter.

**9.9** The Grantee is not required to pay any amount at the time of Vesting of Options.

**10. Exercise of Options:**

**10.1** After Vesting, Options can be Exercised either wholly or partly, during the exercise window, within the overall exercise period of 3 (Three) years from the date of respective Vesting, through Cash Mechanism after submitting the Exercise application along with payment of the Exercise Price, applicable taxes and other charges, if any.

**10.2** For Article 10.1, Exercise window within which vested options can be exercised shall be opened as per timeline as stated in the SOP as may be decided by the Committee from time to time.

**10.3** Failure to comply within this time period, shall result in lapsing of Vested Options in the hands of Grantee. The amount paid by the Employee, if any, for the Exercise of Options may be refunded, if the Options are not Exercised by the Employee within the Exercise Period.

**10.4** The mode and manner of the Exercise shall be communicated to the Grantees individually as decided by the Committee from time to time.

**10.5** Upon valid exercise the Company will allot requisite number of Shares to the Grantee. Shares so allotted shall rank pari-passu to the existing Shares of the Company.

**10.6** Upon such allotment, the Grantee shall become a member of the Company.

**10.7** Subject to the approval of the Recognized Stock Exchanges, the Shares issued and allotted pursuant to Exercise shall be listed on the Recognized Stock Exchanges on which the Shares of the Company are listed or proposed to be additionally listed.

**10.8** Notwithstanding anything contained elsewhere in the Scheme, the Company, may not allot Shares, in the event of the Grantee being found to be involved in fraud, misfeasance, moral turpitude, misconduct, gross negligence, breach of trust and in such an event(s) the rights under the Options (whether vested or not) shall lapse, forthwith, without any claim on, or recourse to the Company.

**10.9** If the Vesting or Exercise of Options is prevented by any law or regulation in force and/or the Company is forbidden to allot the Shares pursuant to Exercise of Options under such law or regulation, then in such an event the Company shall not be liable to compensate the Grantee.

**10.10** The Committee shall have the power to cancel all or any of the Options Granted under the Scheme, if so required, under any law for the time being in force or the order of any jurisdictional court. In the event of any such cancellation, the Company shall not be liable to compensate the Grantee.

**10.11** In order to Exercise the Options of the deceased Grantee, the legal heirs / Nominee have to submit the documents as stated in the SOP which the company will intimate from time to time, to the satisfaction of the Committee.

**11. Exercise Price:**

**11.1** Under this Scheme, the Exercise Price will be decided by the Committee and shall be higher of the following:

- (i) Market Price of the Shares of the Company, or
- (ii) Six Months of Average Opening and Closing price of the Shares of the Company on the Recognised Stock Exchange having highest trading volume.

Provided that the Exercise Price shall not be less than Rs. 70/- per Option.

**11.2** The aggregate Exercise Price payable at the time of Exercise shall be paid by the Grantee, as per his/her own discretion, by cheque, demand draft or NEFT in the name of the Company.

**11.3** The tax amount arising at the time of exercise shall be paid by the Grantee, as per his/her own discretion, by cheque, demand draft, NEFT or deduction from salary (if salary of the month of Exercise is not paid and is sufficient for payment of Exercise Price) in the name of the Company.

**12. Cessation of Employment:**

**12.1** The treatment of Vested and Unvested Options in case of Death, Permanent Incapacity, Resignation and Termination shall be as follow:

S. No.	Events of Separation	Vested Options	Unvested Options
1.	<b>Death</b>	<p>All the vested Options Granted as on date of death would vest in the legal heirs / nominee of the Grantee on that day.</p> <p>The Options would be exercisable by the legal heirs / nominee during the exercise</p>	<p>All the unvested Options as on date of death would vest in the legal heirs / nominee of the Grantee on that day.</p> <p>The Options would be exercisable by the legal heirs / nominee during the exercise</p>



S. No.	Events of Separation	Vested Options	Unvested Options
		window, within the overall exercise period of 1 (One) year from the date of death, failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.	window, within the overall exercise period of 1 (One) year from the date of death, failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.
2.	<b>Permanent Incapacity</b>	<p>All Vested Options Granted to Grantee as on date of Permanent Incapacity would vest in Grantee on that day.</p> <p>The Options would be exercisable by the Grantee during the exercise window, within the overall exercise period of 1 (One) year from the date of permanent incapacity, failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be extinguished</p>	<p>All Unvested Options Granted to Grantee as on date of Permanent Incapacity would vest in Grantee on that day.</p> <p>The Options would be exercisable by the Grantee during the exercise window, within the overall exercise period of 1 (One) year from the date of permanent incapacity, failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be extinguished</p>
3.	<b>Resignation</b>	All Vested Options shall be exercisable by the Grantee in the upcoming exercise window from the last working day failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.	All Unvested Options, on the date of last working day shall expire stand terminated with effect from that date unless otherwise determined by the Committee whose decision will be final and binding.
4.	<b>Retirement / Superannuation</b>	All Vested Options shall be exercisable by the Grantee in the upcoming exercise window from the last working day failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be extinguished	<p>All the Unvested Options would continue to vest in accordance with the respective vesting schedules even after the last working day.</p> <p>The Options upon getting vest would be exercisable during the exercise window as applicable in case of vested options,</p>

S. No.	Events of Separation	Vested Options	Unvested Options
			failing to which all the unexercised options shall lapse irrevocably and the rights there under shall be extinguished
5.	<b>Termination</b> ( <i>not due to misconduct, moral turpitude or ethical/ compliance violations or like event</i> )	All Vested Options shall be exercisable by the Grantee in the upcoming exercise window from the last working day failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be extinguished	All Unvested Options, on the date of termination, shall expire and stand terminated with immediate effect.
6.	<b>In the event of cessation of employment due to termination</b> ( <i>due to misconduct, moral turpitude or ethical / compliance violations or like event</i> )	All the vested Options at the time of such termination shall stand cancelled with effect from the date of such termination.	All the Unvested Options at the time of such termination shall stand cancelled with effect from the date of such termination.

- 12.2** In the event that a Grantee is **transferred or deputed to an Associate Company** prior to Vesting or Exercise of Options, the Vesting and Exercise of Options, as per the terms of Grant, shall continue even after such transfer or deputation.
- 12.3** In the event of Abandonment of service by the Grantee, all Options (Vested Options or Unvested Options) at the time of Abandonment of service, shall stand terminated forthwith. The date of Abandonment of service by the Grantee shall be decided by the Committee at its sole discretion which decision shall be binding on such Grantee.
- 12.4** In the event of a Grantee going on Long Leave, the treatment of Options Granted to him/her, whether vested or not, shall be determined by the Committee, whose decision shall be final & binding.
- 12.5** In the event where a Dispute arises between Grantee and the Company, vesting and/or Exercise of Options will be put on hold till the date of settlement, to the satisfaction of the Committee & Grantee.
- 12.6** In the event that a Grantee is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing Company, prior to the

Vesting or Exercise, the treatment of Options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Grantee.

- 12.7** If the Company gets delisted from all the Recognized Stock Exchanges, the Committee shall have the powers to set out terms and conditions for the treatment of Vested Options and Unvested Options in due compliance with the Applicable Laws.

**13. Lock in requirements:**

- 13.1** The Shares allotted to the Grantees pursuant to Exercise of Options shall not be subject to any lock-in period.

**14. Other terms and conditions:**

- 14.1** Nothing herein is intended to or shall give the Grantee, any right to status of any kind as a Shareholder of the Company in respect of any Share covered by the Grant unless the Grantee Exercises the Options and becomes the registered Shareholder of the Company.

- 14.2** The Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to Exercise Options in whole or in part.

- 14.3** Any statutory taxes or other charges applicable on such Vesting or Exercise of such Options would be the sole liability and responsibility of the Grantee, and the Grantee will not have any recourse to the Company in this regard.

- 14.4** The maximum quantum of benefits that will be provided to every eligible Employee under the Scheme will be the difference between the market value of Company's Share on the Recognized Stock Exchanges as on the Date of Exercise of Options and the Exercise Price paid by the Employee.

- 14.5** The Grantee shall abide by the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 as may be amended from time to time, Company's Code of Conduct for prevention of insider trading and Code of practices and procedures for fair disclosure of unpublished price sensitive information adopted by the Company under SEBI (Prohibition of Insider Trading) Regulations, 2015. Further, the Grantee shall indemnify and keep indemnified the Company in respect of any direct or indirect liability arising as a result or consequence of the violation of above, if applicable.

**15. Notices and correspondence:**

- 15.1** Any notice required to be given by a Grantee to the Company or the Committee or any correspondence to be made between a Grantee and the Company or the Committee may

be given or made to the Company / Committee at the corporate office or registered office of the Company or at the place as may be notified by the Company / Committee in writing or at the specific designated email id of the Company.

- 15.2** Any notice, required to be given by the Company or the Committee to a Grantee or any correspondence to be made between the Company or the Committee and a Grantee shall be given or made by the Company or the Committee on behalf of the Company at the address as stated in the official records of the Company or at the personal email Id of the Grantee.

**16. Nomination of Beneficiary:**

- 16.1** Each Grantee under the Scheme may nominate, from time to time, any nominee or nominees to whom any benefit under the Scheme is to be delivered in case of his or her death before he receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Grantee, shall be in a form prescribed by the Company and will be effective only when filed by the Grantee in writing with the Company during the Grantee's lifetime.

- 16.2** If the Grantee fails to make a nomination, the Options shall Vest on his/her legal heirs in the event of his/her death.

**17. Corporate Action:**

- 17.1** Except as hereinafter provided, any Grant made shall be subject to adjustment, by the Committee, at its discretion, as to the number and price of Options or Shares, as the case may be, in the event of 'Corporate Action' as defined herein.

- 17.2** If there is a 'Corporate Action' of the Company before the Options granted under this Scheme are Exercised, the Grantee shall be entitled on Exercise of the Options, to such number of resultant Shares to which he/she would have been entitled as if all of the then outstanding Options Exercised by him/her, had been Exercised before such 'Change in the Capital Structure' had taken place and the rights under the Options shall stand correspondingly adjusted. In the event of a Corporate Action, the Committee, subject to the provisions of Applicable Law, shall make fair and reasonable adjustments under the Scheme, as it deems fit, with respect to the number of Options, Exercise Price and make any other necessary amendments to the Scheme for this purpose. The Vesting Period and life of the Options shall be left unaltered as far as possible.

- 17.3** In the event of severance of employment of a Grantee, as a part of reconstitution / amalgamation / sell-off or otherwise, the Options granted and not Exercised before such reconstitution / amalgamation / sell-off, shall be Exercised as per the terms and conditions determined in the relevant scheme of such reconstitution / amalgamation / sell-off not prejudicial to the interest of the Grantee.

**17.4** In the event of a dissolution or liquidation of the Company, the Company will notify the Grantees as soon as practicable prior to the effective date of such dissolution or liquidation and the treatment of Options granted (whether Vested or not) shall be decided by the Committee.

**18. Disclosure and Accounting Policies:**

**18.1** The Company shall make all the necessary disclosures required under the provisions of the SEBI (SBEB & SE) Regulations and other Applicable Law. The Company shall comply with the requirements of IND – AS 102 and shall use Fair value method and the fair value of Options would be calculated as per the prescribed method under the applicable regulations.

**18.2** The Company shall comply with the disclosures requirements and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB & SE) Regulations or as may be prescribed by regulatory authorities from time to time.

**19. Taxability on the Grantee:**

**19.1** The exercisable Options are subject to the applicable provisions of the Income tax Act, 1961.

There would be following points of Taxation on the Grantee:

- **Point 1:** At the time of Exercise, the difference between the Market Price of the Shares as on date of Exercise and the Exercise Price will be added as a perquisite under salary in the month of Exercise. The Grantee will be liable to pay the taxes at the individual slab rate in which he falls.
- **Point 2:** At the time of sale of the Shares of the Company by the Grantee. On selling of the Shares, the concerned Employee would be liable to income tax as per the applicable provisions of the laws at the time of sale of the Shares.

**20. Surrender of Options:**

**20.1** Any Grantee to whom the Options are Granted under this Scheme, may at any time, surrender his Options to the Company. In such case the Company would not be liable to pay any compensation to the Grantee on account of his surrender of Options. The Options so surrendered will be added back to the pool of the Scheme and pursuant to this the Grantee shall cease to have all rights and obligations over such Options.

**21. Governing Law:**

**21.1** This Scheme and all related documents there under shall be governed by and construed in accordance with the SEBI (SBEB & SE) Regulations and other Applicable Law.

**21.2** Any term of the Scheme that is contrary to the requirement of the SEBI (SBEB & SE) Regulations or any other Applicable Law shall not apply to the extent of such contradiction. The provisions of this Scheme are severable; and if any provision(s) is/are held to be illegal, invalid or unenforceable, then to the extent permitted by Applicable Law, such provision(s) shall not affect the legality or validity of the Scheme or the acts done thereunder.

**22. Regulatory Approvals:**

**22.1** The implementation of the Scheme, the Granting of any Options under the Scheme and the issuance of any Shares under this Scheme shall be subject to the procurement by the Company and the Grantee / nominee / legal heirs of all approvals and permits, if any, required by any regulatory authorities having jurisdiction over the Scheme. The Grantee / nominee / legal heirs under this Scheme will, if requested by the Committee / Company, provide such assurances and representations to the Company or the Committee, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.

**23. Modification of Scheme:**

**23.1** Subject to the Applicable Law, the Committee may, at any time:

- (i)** Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Scheme or all or any of the rights and obligations of the Grantee;
- (ii)** Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the specific Grantee or class or category of Grantees. Each of such sets of special terms and conditions shall be restricted in its application to those specific Grantee or class or category of such Grantees.

**23.2** Any amendment, variation or modification under the Scheme shall not be prejudicial to the interest of the Grantees of the Company.

**23.3** The Committee shall be entitled to vary the terms of the schemes to meet any regulatory requirement without seeking shareholders' approval by special resolution.

**23.4** Further the shareholders' approval shall only be required for variation of only those terms which are covered in Part C of Schedule I of SEBI (SBEB & SE) Regulations.

**24. Dispute:**

**24.1** The Committee, as the case may be shall alone have the power to consider and decide on any dispute, discrepancy or disagreement arising under, or as a result of, or pursuant to, or in connection with this scheme and whose decision shall be final and binding. In the

event of any dispute arising out of or in relation to the provisions of the scheme, the relevant settlement and Resolution shall take place in the jurisdiction of New Delhi.

**25. Confidentiality:**

- 25.1** A Grantee must keep the details of the Scheme and all other documents in connection thereto strictly confidential and must not disclose the details of any of his peer, colleagues, co-employees, or with any employee and / or associate of the Company or that of its affiliates. In case Grantee is found in breach of this confidentiality article, the Company has undisputed right to terminate any agreement and all unexercised Option shall stand cancelled immediately. The decision and judgement of the Company regarding breach of this confidentiality article shall be final, binding and cannot be questioned by the Grantee. In case of non-adherence to the provisions of this article, the Committee shall have the authority to deal with such cases as it may deem fit.
- 25.2** On acceptance of the Grant, it shall be deemed that as it the Grantee has authorised the Company to disclose information relating to the Grantee during the process of implementation of the Scheme or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need-to-know basis.

\*\*\*\*\* **End of the Scheme** \*\*\*\*\*