
Edelweiss Financial Services Limited

Edelweiss Employees Stock Appreciation Rights Plan, 2019 (“SAR Plan 2019”)



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SECTION 1

OBJECTIVES, AUTHORITY AND CEILING

1.1 OBJECTIVES

1.1.1 The Company believes that presence of a long term incentive plan can facilitate a performance driven culture. The Company has structured this SAR Plan 2019 (*as defined hereinafter*) for its Employees (*as defined hereinafter*). Accordingly, the main objectives of this Scheme are:

- (a) To achieve sustained growth of the Company by aligning the interests of the employees with the long term interests of the Company;
- (b) To recognize and reward the efforts of employees and their continued association with the Company and/or its Subsidiary Company, as the case may be;
- (c) To enable the participants to have greater involvement in the existing plans of the Company and provide an opportunity to share the future growth and profitability of the Company, which should lead to improved employee engagement, motivation and retention;
- (d) To ensure commitment;
- (e) To foster ownership and financial motivation.

This purpose is sought to be achieved through the grant of SARs (*as defined hereinafter*) (subject to the terms and conditions as provided in this SAR Plan 2019) to the Eligible Employees (*as defined hereinafter*).

1.1.2 This SAR Plan 2019 will also be implemented, for and on behalf of and at the request of the Subsidiary Companies (*as defined hereinafter*), for the Employees of the Subsidiary Companies. The purpose of this SAR Plan 2019 is also to reward and retain the Employees of the Subsidiary Companies for high levels of individual performance and for unusual efforts to improve the financial performance of the respective Subsidiary Companies, which will ultimately contribute to the success of the Company.

1.2 AUTHORITY AND CEILING

1.2.1 The Board of Directors, on March 26, 2019, has, subject to the approval of members, accorded its consent for implementing the Edelweiss Employees Stock Appreciation Rights Plan 2019 ('SAR Plan 2019') wherein SARs shall be granted to the Eligible Employees (as adjusted for any Corporate Action (*as defined hereinafter*)), in one or more tranches, whereby each such SAR confers the right on the Eligible Employee to receive Appreciation Value (*as defined hereinafter*), based on the difference between the SAR Price and the Market Price (*as defined hereinafter*) of Equity Shares on the date of exercise of SARs granted, either by way of cash or issuance of Equity Shares of the Company, at the discretion of the Board / Committee.

1.2.2 The maximum number of SARs granted under this SAR Plan 2019 shall not exceed such number of SARs as would be exercisable into not more than 4,00,00,000 fully paid up Equity Shares of face value Re. 1 each of the Company (save that the number of Equity Shares shall stand adjusted accordingly, if and as determined by the Board/Committee in the event of a Corporate Action that the Board determines requiring such adjustment). Each SAR shall entitle the Eligible Employee to receive Appreciation Value where the settlement



of such appreciation may be by way of cash payment or issuance of Equity Shares, at the discretion of the Board / Committee.

- 1.2.3 The maximum number of SARs granted under the SAR Plan 2019 per Eligible Employee shall not exceed such number of SARs as would be exercisable into not more than 50,00,000 Equity Shares
- 1.2.4 The number of SARs that may be granted to any Eligible Employee in any one financial year under this SAR Plan 2019 shall be less than 1% of the total issued and paid-up equity share capital of the Company on the date of grant (excluding outstanding warrants and convertible securities).

SECTION 2

DEFINITIONS AND INTERPRETATIONS

2.1 DEFINITIONS

In this SAR Plan 2019, except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against:

“**Applicable Law**” includes every law, rule, regulation or bye-law relating to the benefits proposed to be conferred on the Employees in terms of this SAR Plan 2019, including, without limitation, the Companies Act, 2013, the Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI (Share Based Employee Benefits) Regulations, 2014 and all the relevant tax, securities, exchange control or corporate laws, rules, regulations or bye- laws of India or any relevant jurisdiction, or of any stock exchange on which the Equity Shares of the Company are listed or quoted and includes, any amendment, modification, alteration or re-enactment made to such laws, rules, regulations or bye-laws.

“**Appreciation Value**” means the difference between the Market Price on the date of exercise and the SAR Price.

“**Board**” or “**Board of Directors**” means the board of directors of the Company.

“**Closing Date**” means the period of 30 years from the effective date or an early date on which all of SARs available for issuance under this SAR Plan 2019 have been exercised or have lapsed or have been cancelled by the Committee and the Committee does not intend to re-issue these lapsed or cancelled SARs.

“**Committee**” means the Compensation (ESOP) Committee or such other Committee of the Board constituted or to be constituted by the Board under section 178 of the Companies Act, 2013, as amended, for implementing the SAR Plan 2019.

“**Company**” means Edelweiss Financial Services Limited, and shall, where the context so admits, include the Subsidiary Companies.

“**Companies Act**” shall mean the Companies Act, 2013, as may be amended from time to time.

“**Corporate Action**” means any one or more of the following actions:

- (a) Bonus issue or rights issue undertaken by the Company;



- (b) Merger, de-merger, spin-off, consolidation, amalgamation, sale of business, restructuring or other reorganization of the Company in which all the Equity Shares are converted into or exchanged for:
 - (i) a different class of securities of the Company;
 - (ii) securities of any other issuer;
 - (iii) cash; or
 - (iv) other property;
- (c) Sale, lease or exchange of all or substantially whole of the assets/ undertaking of the Company to any other company or entity;
- (d) Adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up; or
- (e) Change in the capital structure of the Company as a result of reclassification of the Equity Shares, splitting up of the face value of the Equity Shares, sub-division of the Equity Shares, conversion of the Equity Shares into other shares or securities and any other change in the rights or obligations in respect of the Equity Shares.

“**Director**” shall mean a director of the Company.

“**Eligible Employee**” shall mean such employees as may be identified by the Board/Committee from time to time for entitlement or to participate in this SAR Plan 2019 based on such criteria and parameters as may be determined either generally or with reference to any specific Employee(s).

“**Employee**” means:

- (a) a permanent employee of the Company who has been working in India or outside India; or
- (b) a Director of the Company, whether a whole time director or not but excluding an Independent Director; or
- (c) an employee/Director as defined in clauses (a) or (b) above of a Subsidiary Company, in India or outside India,

but does not include:

- (i) an employee who is a Promoter or a person belonging to the Promoter Group; or
- (ii) a Director who either himself or through his Relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding Equity Shares of the Company.

“**Equity Shares/ Shares**” shall mean an equity share of the Company of the face value of INR 1/- each.

“**Exercise**” means the tendering by a Grantee of an application in the format prescribed by the Committee from time to time, expressing his/her intention to Exercise the SARs,



pursuant to the SARs Vested in him/her under this SAR Plan 2019, in accordance with the procedure specified.

“Exercise Period” means such time period after Vesting within which the Grantee should Exercise his/her right to apply for the Appreciation Value, as specified, against the Vested SARs in terms of the SAR Plan 2019. Exercise Period shall mean a period not exceeding 96 months from the date of Vesting of the SARs, unless the Board/ Committee decides otherwise.

“Exercise Windows” means such dates, during the Exercise Period, on which the Grantee may Exercise his Vested SARs. The Exercise Windows will be determined and communicated by the Committee and all Grantees who intend to Exercise their respective SARs are required to Exercise them within such Exercise Windows.

“Good Leaver” means any of the following situations in relation to an Employee holding SARs:

- (a) the Employee resigning from his/ her employment after a period of at least one year from the Grant Date, with the prior consent of the Company or the relevant other company within the Group, as applicable, through its authorized officer; or
- (b) the Employee is asked to leave the Company or the relevant other company within the Group, as applicable.

“Grant” means issue or award of SARs to the Eligible Employees under this SAR Plan 2019.

“Grant Date” means the date on which SARs are granted to the Eligible Employees pursuant to this SAR Plan 2019.

“Grantee” means an Eligible Employee who has been granted SARs in pursuance of this SAR Plan 2019.

“Grant Letter” means a letter issued by the Company and accepted by the Eligible Employee with respect to the SARs granted to such Eligible Employee based on the terms and conditions stipulated in this SAR Plan 2019 and as suggested/ recommended by the Board/ Committee from time to time, indicating Eligible Employee’s acceptance of the offer made to him to participate in this SAR Plan 2019.

“Group” means the Company and its Subsidiary Companies.

“Market Price” shall mean the latest available closing price on the stock exchange on which the Equity Shares are listed, on the date immediately prior to the date on which the notice of Exercise is given by an Eligible Employee. If, at the relevant time, the Equity Shares are listed on more than one stock exchange, then such latest available closing price of the Equity Shares on the stock exchange where there is highest trading volume on the said date shall be considered.

“Permanent Incapacity” means any incapacity of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Committee based on a certificate of a medical expert identified by the Board.



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

“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.

“Relative” shall have the meaning ascribed to it under Section 2(77) of the Companies Act.

“Retirement” means retirement of an Employee as per the rules of the Company or of the relevant company within the Group, as the case may be.

“SAR” or **“Stock Appreciation Right”** means the stock appreciation right granted to an Employee, which gives such Employee the right, but not an obligation, to receive, during the Exercise Period, the Appreciation Value in respect of 1 Equity Share, either by way of cash payment or by way of issuance of Equity Shares, in accordance with the terms of this SAR Plan 2019.

“SAR Plan 2019” shall mean the Edelweiss Employee Stock Appreciation Rights Plan 2019 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.

“SAR Price” shall mean the higher of (i) the Market Price of the Equity Shares calculated on the Grant Date; or (ii) the book value of the Equity Shares as per the last audited balance sheet of the Company as on Grant Date, unless the Committee determines otherwise, whether generally or in respect of any specific SAR. For the purpose of computing the SAR Price, Market Price of the Equity Shares on the Grant Date means the latest available closing price on the stock exchange on which the Equity Shares are listed, on the date immediately prior to the date of the meeting of the Committee in which SARs are Granted. If, at the relevant time, the Equity Shares are listed on more than one stock exchange, then such latest available closing price of the Equity Shares on the stock exchange where there is highest trading volume on the said date shall be considered.

“SBEB Regulations” shall mean the SEBI (Share Based Employee Benefits) Regulations, 2014, and circulars issued thereunder, as amended from time to time.

“SEBI” shall mean the Securities and Exchange Board of India.

“Subsidiary Company/ Subsidiary Companies” means any present or future subsidiary company(ies) of the Company, as defined under the Companies Act, 2013.

“Unvested SARs” means the SARs, in respect of which the Grantee has not become eligible to Exercise such SARs.

“Vesting” means the process by which the Grantee (or the beneficiary(ies) as the case may be) becomes entitled to Exercise the SARs granted to him pursuant to this SAR Plan 2019, including fulfillment of relevant conditions in this respect.

“Vesting Period” means the period during which the SARs granted to the Grantee vests in the Grantee pursuant to this SAR Plan 2019, provided it shall not be less than 12 months from the Grant Date. The Vesting Period shall mean a maximum period of 96 months from the Grant Date or such period as may be determined by the Committee.

“Vested SARs” means SARs in respect of which the Vesting is complete and the Grantee has become eligible to Exercise the SARs.



The definitions as given above are for the purposes of interpretation of this SAR Plan 2019 only and should not be used for any other purpose.

2.2 INTERPRETATIONS

In this SAR Plan 2019, unless otherwise stated or a contrary intention appears:

- (a) Words in the singular includes the plural and vice versa;
- (b) The word 'person' includes an individual, a firm, a body corporate or any other authority;
- (c) Any word or expression importing a gender includes any other gender;
- (d) Heading and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- (e) References to the word "include" or "including" shall be construed without limitation;
- (f) References to this SAR Plan 2019 shall be construed as a reference to this SAR Plan 2019;
- (g) Any reference to any legislation, statute, statutory provision shall be construed as a reference to such provisions as from time to time amended, consolidated, modified, extended, re-enacted or replaced;
- (h) Any reference to a clause, paragraph or annexure is, unless indicated to the contrary, a reference to a clause, paragraph or annexure of this SAR Plan 2019; and
- (i) The schedules and annexures hereto shall constitute an integral part of this SAR Plan 2019.

2.3 SECTION HEADINGS

The section headings are for the sake of convenience and information only, and shall not affect the construction of this document and shall not be interpreted to restrict or otherwise affect the meaning or import of the terms / clauses of this SAR Plan 2019, which shall be interpreted solely in light of the contents thereof.

2.4 REFERENCES

- 2.4.1 A reference to a clause or annexure, respectively, is a reference to a clause or annexure of this document. The annexures, if any, to this document shall for all purposes form part of this SAR Plan 2019;
- 2.4.2 A reference to a clause number is a reference to its sub clauses; and
- 2.4.3 Reference to any Act, rules, regulations, statutes, notifications, circulars or press notes shall include any amendment, statutory modification, substitution or re-enactment thereof.



SECTION 3

IMPLEMENTATION OF THE PLAN

- 3.1** This SAR Plan 2019 shall be operated and administered by the Board or Committee under the policy and framework laid down by the Board and in accordance with the authority delegated to the Committee from time to time and subject to amendments, modifications and alterations to this SAR Plan 2019.
- 3.2** In case of any Corporate Action, whilst SAR remains exercisable, a fair and reasonable adjustment would to be made to the SARs granted by the Company in accordance with Applicable Law. Accordingly, if any additional Equity Shares are required to be issued pursuant to any Corporate Action, the ceiling of Equity Shares set out in Clause 1.2.2 shall be deemed to increase in proportion of such additional Equity Shares issued subject to compliance with the SBEB Regulations.

SECTION 4

EFFECTIVE DATE AND DURATION OF THE SCHEME

4.1 EFFECTIVE DATE

This SAR Plan 2019 shall be effective from May 2, 2019 (“Effective Date”).

4.2 TERMINATION

This SAR Plan 2019 shall be terminated and no grants shall be made under this SAR Plan 2019 after the Closing Date. Any SARs which are not Granted until the Closing Date shall automatically lapse.

SECTION 5

ADMINISTRATION AND THE COMMITTEE

5.1 ADMINISTRATION OF THE PLAN

As stated in Clause 3.1 of the SAR Plan 2019, the SAR Plan 2019 shall be operated and administered under the superintendence of the Board or by the Committee in accordance with Applicable Law.

5.2 CONSTITUTION OF THE COMMITTEE

The Committee shall consist of such number of members as may be determined by the Board from time to time in accordance with the Applicable Law. The Committee, in exercise of its powers, may require any information from the Board / the Company and / or seek any assistance from any Employee as it may deem fit, to fully and effectively discharge its duties and responsibilities.

5.3 POWERS OF THE COMMITTEE

- 5.3.1** The Committee shall *inter alia* have the power to settle and decide on the following and other related matters:



- (a) To determine the number of SARs to be granted to each Eligible Employee and in aggregate under this SAR Plan 2019, and the time at which such grant shall be made.
- (b) To determine the qualification criteria for the grant and Vesting of the SARs under this SAR Plan 2019.
- (c) The discretion to settle the Appreciation Value either in cash or in Equity Shares to the Eligible Employees at the time of exercise of the SAR, subject to payment of Re. 1 per share.
- (d) To assess the performance of an Employee for purposes of grant and determining Vesting of the SARs.
- (e) To amend the Vesting Period of the grant made to any Employee and / or any conditions subject to which such Vesting may take place.
- (f) To amend the SAR Price of the SARs which are not exercised, if such SARs are rendered unattractive due to the fall in the price of the Equity Shares in the stock market subject to such amendment in the SAR Price not being detrimental to the interest of the Eligible Employees.
- (g) To lay down the conditions under which the SARs vested in an Eligible Employee can be forfeited or may lapse in case of termination of employment for fraud or misconduct.
- (h) To determine the Exercise Period within which the Eligible Employees should Exercise the Vested SARs.
- (i) To determine the Exercise Windows.
- (j) To specify the time period within which the Grantees shall Exercise the Vested SARs in the event of termination or resignation by the Grantee.
- (k) To decide the treatment of SARs upon termination of employment or resignation by the Grantee.
- (l) To lay down the procedure for making a fair and reasonable adjustment to the number of SARs and to the SAR Price / Market Price in case of a Corporate Action, as applicable.
- (m) To provide for the right of a Grantee to Exercise all the SARs vested in him at one time or at various points of time during the Exercise Windows within the Exercise Period.
- (n) To lay down a method for satisfaction of any tax obligation arising in connection with the Exercise of SARs in compliance with Applicable Law.
- (o) To provide for the Grant, Vesting and Exercise of SARs in case of Grantees who are on long leave.
- (p) To obtain permissions from, and making periodic reports to, the regulatory authorities, as may be required and ensuring compliance with the Applicable Law.



- (q) To appoint consultants, intermediaries/ advisors or bankers as may be required to be appointed for the purpose of implementation of this SAR Plan 2019 and to determine the terms and conditions of their appointment including particulars relating to fees, commission etc.
 - (r) Finalize, approve and authorize executives of the Company to execute various agreements, deeds, writings, confirmations, undertakings, indemnities or other documents as may be necessary, under the common seal of the Company, with any party including legal advisors, accountants, bankers or others for the purposes of this SAR Plan 2019 and accept modifications, changes and amendments to any such documents/ agreements.
 - (s) To frame suitable policies and systems to ensure that there is no violation of any Applicable Law and to determine the suitable amendments, modifications or steps required to be made to this SAR Plan 2019, as required under Applicable Law.
 - (t) To provide for any statutory, contractual, regulatory or such other matters as may be necessary for the administration and implementation of this SAR Plan 2019 in accordance with Applicable Law.
- 5.3.2 The terms and conditions for Grant, Vesting and Exercise as may be prescribed by the Committee shall be final and binding on all Grantees. The Board may further provide that the Committee shall exercise certain powers only after consulting the Board.
- 5.3.3 The members of Committee, and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to Applicable Law.

5.4 LIABILITY OF MEMBERS OF THE COMMITTEE

- 5.4.1 No member of the Committee shall be personally liable for any decision or action made in good faith with respect to this SAR Plan 2019.
- 5.4.2 The members of the Committee and/or the Board shall abstain from participating in and deciding matters that directly affect their individual interests under this SAR Plan 2019. In such a case the deciding authority shall rest with the remaining members of the Committee and/or the Board of Directors, as the case may be.

SECTION 6

GRANT OF SARs

6.1 ELIGIBILITY AND GRANT OF SARs

- 6.1.1 Only Eligible Employees are eligible for being granted SARs under the SAR Plan 2019, provided that the maximum number of SARs granted by the Committee per Eligible Employee shall not exceed such number of SARs as would be exercisable into not more than 50,00,000 Equity Shares . The number of SARs that may be granted to any Eligible Employee, during any financial year, shall be less than 1% of the total issued and paid-up equity capital of the Company as on the date of grant.
- 6.1.2 All the Employees shall be entitled to participate in the SAR Plan 2019 subject to the provisions of the SAR Plan 2019 and the Board/Committee identifying them as Eligible Employees in terms of the provisions of the SAR Plan 2019. Such decision shall be final and binding on all the Employees.



- 6.1.3 The Committee may, on such dates as it shall determine, Grant to the eligible Employees as it may in its absolute discretion select, SARs on the terms and conditions as it may decide. The Eligible Employees identified for Grant of SARs shall be furnished with: (i) the Grant Letter; (ii) the broad parameters of the SAR Plan 2019; (iii) nomination form and such other documents as may be prescribed by the Committee.
- 6.1.4 An Eligible Employee who wishes to accept the Grant made, must signify his acceptance in the manner specified by the Committee on or before the date specified for such acceptance in the Grant Letter. Any Eligible Employee, who fails to communicate his acceptance within the stipulated time, is deemed to have rejected the Grant unless otherwise determined by the Board/Committee.
- 6.1.5 The Committee shall determine the eligibility of the Employees/ class of Employees entitled to participate in the SAR Plan 2019 and the eligibility criteria for the Employees/ class of Employees under the SAR Plan 2019 based on various parameters including but not limited to length of service, grade, performance, technical knowledge, leadership quality, merit contribution, conduct, future potential and such other factors as the Committee may deem appropriate, which Employees/ class of Employees should be regarded as Eligible Employees under this SAR Plan 2019 and accordingly, the Company may grant SARs to the identified Eligible Employees under this SAR Plan 2019.
- 6.1.6 Notwithstanding anything contained herein, the Committee may not Grant any SARs to an Eligible Employee in the event it is found that such person has not satisfied any qualification criteria or has not performed upto the expectations or has not been regularly attending the office for a substantial period of time without any valid reason or authority or has been put on a modified employment arrangement such as part-time working, re-assignment to lower accountability, leave without pay, or is found to be guilty of fraud or misconduct or has violated the Company policies/terms of employment or the Code of Conduct or on account of such other circumstances as the Committee may in its absolute discretion decide.
- 6.1.7 The Grant shall be at such SAR Price as specified in the Grant Letter.
- 6.1.8 If the Vested SARs lapse due to non-Exercise and/or Unvested SARs get cancelled due to resignation/termination of the Employees or otherwise, such SARs would be available for being re-granted at a future date. The Board/Committee is authorized to re-Grant such lapsed/cancelled/forfeited SARs as per the provisions of the SAR Plan 2019.
- 6.1.9 The SARs granted to the Employees shall not be transferable and can be exercised only by the Grantee, unless such SARs are exercised by the beneficiary(ies) or the legal heir(s), as the case may be, in case of death or Permanent Incapacity suffered by the Grantee.
- 6.1.10 The SARs cannot be assigned, pledged, hypothecated, mortgaged, sold or otherwise alienated in any manner whatsoever.

6.2 GRANT LETTER

- 6.2.1 The Grant of SARs to an eligible Employee shall be evidenced by a Grant Letter. Each Grant Letter shall contain certain terms and details including number of SARs granted, Grant Date, SAR Price, Vesting schedule and such other terms and conditions as the Committee may deem necessary.
- 6.2.2 Under each Grant Letter, a Grantee shall have the right to designate any individual or a legal entity in writing as his beneficiary(ies) under this SAR Plan 2019 in the event of his death or Permanent Incapacity. Such designation may be revoked in writing by the Grantee



at any time during of the course of his employment and a new beneficiary(ies) may be appointed in writing as per the form prescribed by the Committee for such purpose. The Grantee may change his beneficiary(ies) without any notice to prior beneficiary(ies). However, in the event of death of such Grantee, if name of a beneficiary(ies) has not been provided, the rights shall Vest in the legal heir(s) of such Grantee.

6.3 LIMITATIONS ON EXERCISE OF SARs

Any SARs granted hereunder shall be exercisable at such times and under such conditions as determined by the Committee, and as permitted under the Applicable Law and the terms of this SAR Plan 2019, which may be indicated in the Grant Letter evidencing the SARs.

SECTION 7

VESTING OF SARs

7.1 VESTING SCHEDULE

- 7.1.1 The SARs shall vest not earlier than 12 months from the Grant Date and not later than the Vesting schedule indicated in the Grant Letter or, in the letters to be issued by the Company to the Grantees from time to time, which in any case not exceed 96 months from the date of grant.
- 7.1.2 The SARs shall vest as per the Vesting schedule indicated in the Grant Letter, unless otherwise specified in terms of this SAR Plan 2019. In addition to this, the Committee may also specify certain performance parameters subject to which the SARs would vest. Such parameters and other conditions, if any, subject to which Vesting would take place, would be outlined either in the Grant Letter given to the Grantee at the time of the Grant of SARs or, in the letters to be issued by the Company to the Grantees from time to time.
- 7.1.3 The Board/Committee may determine the Vesting Period either generally or with reference to any specific Eligible Employee(s). The Vesting may also be contingent and conditional on achievement of performance based parameters as determined by the Board/Committee. The decision with regard to achievement/non-achievement of the performance parameters by the Employee shall be at the sole discretion of the Board/Committee and will be final and binding upon the Employee.
- 7.1.4 The SARs granted to an Eligible Employee shall vest in him so long as he continues to be in employment of the Company or the Subsidiary company, as the case may be, and unless the Board/Committee determines otherwise (which determination shall not be contrary to the SBEB Regulations), the Unvested SARs shall vest with the Eligible Employee within a period of not less than 12 months and not more than 96 months from the date of Grant.
- 7.1.5 Notwithstanding anything to the contrary in this SAR Plan 2019, the Committee shall be entitled, in its absolute discretion, to vary or alter the Vesting schedule, as it may deem fit, in accordance with Applicable Law. Provided, however, that such variation shall not be to the disadvantage of the Grantees.
- 7.1.6 In case where SARs have been granted by the Company to the eligible Employees under this SAR Plan 2019 in lieu of the SARs held by such Employees under a SAR scheme of another company which has merged or amalgamated with the Company (the “**Merging Entity**”), the period during which the SARs granted by the Merging Entity were held by such Employees shall be adjusted against the Vesting Period specified above.



- 7.1.7 The Vesting process as mentioned above shall be subject to, amongst other things, the conditions that the Grantee is; (i) in continuous employment with the Company or the relevant company within the Group; (ii) is not serving any notice of resignation/ termination on the date of such Vesting (except in the case of (i) death (see **Clause 7.2**); (ii) Permanent Incapacity suffered by the Grantee (see **Clause 7.3**); (iii) Retirement (see **Clause 7.4**); and (iii) is not subject to any pending disciplinary proceeding.
- 7.1.8 Notwithstanding the above, the Board/Committee may, (i) accelerate the Vesting of the SARs granted in case of exceptional performance of an Employee or class of Employees or such other circumstances as may be decided by the Board/Committee, subject to Applicable Law; or (ii) modify the Vesting schedule in respect of the SARs already granted, as applicable, in the event it is found that (a) the Grantee has not satisfied any Vesting condition; or (b) the Grantee has not met the performance parameters; or (c) the Grantee has not performed up to the expectations; or (d) the Grantee has not been regularly attending the office for a substantial period of time without any valid reason or authority; or (e) the Grantee has been put on a modified employment arrangement such as part-time working, reassignment to lower accountability, sabbatical, leave without pay; or (f) on account of such other circumstances as the Board/Committee may in its absolute discretion decide, subject to Applicable Law.

7.2 IN CASE OF DEATH

In the event of the death of a Grantee while in employment with the Company or the relevant company within the Group, as applicable, all the Unvested SARs granted to him shall vest in his nominee(s)/legal heir(s)/successor(s) immediately on the date of death. All the SARs (including those which vest upon the death of the Grantee) shall be exercised by the nominee(s)/legal heir(s)/successor(s) of the Grantee within 12 months from the date of death of the Grantee (subject to the last date of Exercise not exceeding 96 months from the date of each Vesting of SARs), failing which, these shall lapse. The mode of nominating any person as a nominee would be prescribed by the Committee. In case of the death of any Grantee who has not nominated any person(s), the SARs granted shall be exercisable by the legal heir(s) / successor(s) of such Grantee, provided however that the legal heir(s) / successor(s) shall be required to produce/furnish to the Company, all such documents / indemnities as may be required by the Company to prove the succession to the assets of the deceased Grantee. In case the proof of succession is not produced to the Company within 6 months from the date of death of the Grantee or such further time as the Committee may permit in its absolute discretion, the SARs shall lapse and shall be available for Grant by the Board/Committee to any other Employee(s) as it may deem fit in its absolute discretion.

7.3 IN CASE OF PERMANENT INCAPACITY

In the event of separation of a Grantee due to reasons of Permanent Incapacity while in employment, all the Unvested SARs granted to him shall vest in him immediately on the date of such Permanent Incapacity. All the SARs (including those which vest upon the Permanent Incapacity of the Grantee) shall be exercised by him within 12 months from the date of separation on account of such Permanent Incapacity (subject to the last date of Exercise not exceeding 96 months from the date of each Vesting of the SARs), failing which these shall lapse. In the event of death of the Grantee after such separation, the nominee(s)/legal heir(s)/successor(s) of such Grantee will be allowed to Exercise all SARs (including those which vest upon the Permanent Incapacity of the Grantee), within 12 months from the date of separation of the Grantee on account of such Permanent Incapacity (subject to the last date of Exercise not exceeding 96 months from the date of each Vesting of the SARs), failing which, these shall lapse.

7.4 IN CASE OF RETIREMENT



In the event of separation from employment for reasons of normal retirement or a Retirement specifically approved by the Company or the relevant company within the Group, as the case may be, then, in case of Unvested SARs: (a) all Unvested SARs, which are, in terms of the applicable Vesting schedule, from the date of Retirement of the Grantee will vest on the due dates as per applicable Vesting schedule outlined in the Grant Letter or any other letter issued by the Company in this regard; and (b) the balance Unvested SARs will lapse on the date of Retirement, unless otherwise determined by the Board/Committee, whose determination shall be final and binding.

After the date of Retirement, all Vested SARs shall be exercisable by the Grantee (or by the nominee(s)/ legal heir(s)/ successor(s) of the Grantee as the case may be, upon the death of the Grantee) within 12 months from the date of Retirement, subject to the last date of Exercise not exceeding 96 months from the date of each Vesting of the SARs.

7.5 TREATMENT OF SARs IN CASE OF GOOD LEAVERS

7.5.1 In the event of termination of employment, the Board or the Committee will determine if the Employee is a Good Leaver and such decision shall be final and binding on all concerned.

7.5.2 In the event of termination of employment as a Good Leaver, the Committee may, in its sole discretion, accelerate the Vesting of the Unvested SARs held by the Good Leaver, (the “**Acceleration**”). Such accelerated Vested SARs shall be exercisable within the period set out in the relevant letter to be issued in this regard, subject to Applicable Law (the “**Accelerated Vesting Letter**”). In the event the Committee does not grant Acceleration, all Unvested SARs shall expire and stand cancelled with effect from the date of submission of the termination/ resignation notice. However, all Vested SARs as on the date of submission of the termination/ resignation notice shall be exercisable by the Good Leaver within the period specified in the relevant letter issued in this regard.

7.6 TREATMENT OF SARs IN CASE OF LONG LEAVE

Notwithstanding anything contained in this Plan, the effect of any “long leave” on any SAR, including on the Grant, continuance, Vesting and Exercise thereof, will be as determined by the Committee.

7.7 IN CASE OF BREACH OF COMPANY POLICIES OR TERMS OF EMPLOYMENT AND OTHER MATTERS

In the event of termination of the employment of a Grantee due to breach of Company (including the relevant other company within the Group) Policies/Terms of Employment, all SARs granted to such Grantee, including the Vested SARs which were not exercised prior to such breach, shall stand terminated with immediate effect. The date of such breach shall be determined by the Board/Committee, and its decision on this issue shall be final and binding on all concerned. Further, the SARs granted but not vested and the Vested SARs which are not exercised in case of a Grantee who has been suspended from the services of the Company or the relevant company within the Group, as the case may be, or to whom a show cause notice has been issued or against whom an enquiry is being or has been initiated for any reason whatsoever including but not limited to fraud, misconduct, violation of the Company (including the relevant other company within the Group) Policies/Terms of Employment or Codes of the Company (including the relevant other company within the Group) or for having committed or abetted any illegal or unlawful activity may, on the recommendation of the management, be suspended or kept in abeyance or cancelled at the sole discretion of the Committee. In the case of SARs that have been suspended or kept in abeyance, the same may be permitted to vest in the concerned Grantee



on such additional terms and conditions, as may be imposed by the Committee in its absolute discretion. Cancelled SARs, if any, shall be treated as lapsed SARs and shall be available for Grant, under this SAR Plan 2019.

7.8 IN CASE OF CESSATION OF EMPLOYMENT

In the event of cessation of employment, including on account of resignation by the Grantee, which is not covered within the scope of Clauses 7.2, 7.3, 7.4, 7.5, 7.7, all Unvested SARs shall expire and stand cancelled with effect from date of submission of the termination/ resignation notice. However, all Vested SARs as on such date shall, at the discretion of the Committee, be exercisable by the Grantee within the period specified in the relevant letter to be issued in this regard.

SECTION 8

EXERCISE OF SARs AND SETTLEMENT OF APPRECIATION VALUE

8.1 EXERCISE PLAN

Unless otherwise specified by the Committee, the Vested SARs shall be eligible to be exercised only during the Exercise Windows within the Exercise Period.

8.2 SETTLEMENT OF APPRECIATION VALUE

The total Appreciation Value shall be settled, either, by way of cash payment or by issue of Equity Shares, at the discretion of the Board/ Committee and shall be given to a Grantee pursuant to the Exercise of the each Vested SARs subject to the SAR Plan 2019.

8.3 MANNER OF EXERCISE

On Exercise of Vested SARs, the Grantees would receive the Appreciation Value in (i) cash; or (ii) by way of issuance of Equity Shares. The number of Equity Shares to be issued shall be determined on the basis of the Appreciation Value, divided by the Market Price per Equity Share on the date of Exercise. In case of settlement of the Appreciation Value by way of issue of Equity Shares, the Grantee will be required to pay the face value of the quantum of such Equity Shares, i.e. Re. 1 per Equity Share granted.

If the settlement of Appreciation Value by way of Equity Shares results in fraction of an ordinary share, the consideration for such fraction shall be settled in cash in terms of the provisions of the SBEB Regulations.

In the event the remuneration received by any Grantee being a managerial personnel/ person (the "Relevant Person") in a particular financial year exceeds the thresholds set out in the Companies Act, including on account of exercise of the Vested SARs, then the same shall be subject to the relevant approvals (the "Approval"), in accordance with the procedure specified in Section 197, Schedule V and any other applicable provision of the Companies Act, 2013. Pending receipt of the Approval, in the event any Relevant Person has received remuneration in excess of the specified limits in a particular financial year, the Relevant Person shall be liable to refund such excess amounts to the Company. Pending such refund, the Relevant Person shall hold such excess amounts in trust for the Company.

8.4 EXERCISE PERIOD

Unless the SARs lapse earlier in terms of this SAR Plan 2019, the SARs will lapse if not exercised within the specified Exercise Period.



Notwithstanding anything contained herein or elsewhere in this SAR Plan 2019, if the Board/Committee, in case of the SARs vested but not exercised, is prevented by any law or regulation in force, it may defer or refuse to permit the Exercise of SARs till such time as it is so prohibited under Applicable Law. In such an event, the Company shall not be liable to pay any compensation or similar payment to the Grantee for any loss suffered due to such refusal or deferral. Provided further that the Board/Committee shall have the power, and is authorized, to cancel all or any of the SARs granted under this SAR Plan 2019, if so required under the Applicable Law. The Company shall not be liable to pay any compensation or similar payment to the Grantee for any loss suffered due to such cancellation.

8.5 EXERCISE APPLICATION

The Grantee may, at any time during the Exercise Period, and subject to fulfilment of conditions of the Grant and Vesting, as applicable, Exercise the SARs by submitting the Exercise application to the Company. The Grantee can exercise all the SARs vested in him at one time or at various points of time within the Exercise Period, as per the terms and conditions formulated by the Board/Committee.

The Exercise application shall state:

- (a) The number of SARs desired to be exercised;
- (b) Permanent account number of the Grantee;
- (c) Such other particulars as the Committee may prescribe from time to time.

The SARs shall be deemed to have been exercised upon receipt by the Company, of duly executed Exercise application.

The date of the submission of the Exercise application shall be considered as date of Exercise of such SARs.

The Board/Committee shall have the discretion to settle the Appreciation Value either in cash or in Equity Shares to the Eligible Employees at the time of exercise of the SAR, subject to payment of Re. 1 per share.

SECTION 9

NON-ASSIGNABILITY

The SARs shall not be transferable or assignable by the Grantee, except as specified under this SAR Plan 2019, and the SARs shall be exercisable, during the lifetime of the Grantee, only by him or, after his death or upon Permanent Incapacity, by his appointed beneficiary(ies) under the SAR Plan 2019, Grant Letter or the Grantee's legal heir(s), as the case may be. No SAR shall be subject to execution, attachment or similar process.

SECTION 10

RIGHTS OF A GRANTEE TO SHARES

Neither Grantee, nor his beneficiary(ies) or legal heir(s), shall be considered or treated as a shareholder in respect of the SARs granted to him unless and until Equity Shares have been issued and allotted to him by the Company in accordance with the SAR Plan 2019. The Grantee shall not



have right to receive dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of SAR granted to him/her.

SECTION 11

VARIATION OF THE TERMS OF THE PLAN

Subject to the provisions of the SBEB Regulations, the Board/Committee may alter, modify and/or amend the terms and conditions of the SAR Plan 2019 provided that such amendment/ alterations/ modification is not detrimental to the interests of the Employees.

SECTION 12

MISCELLANEOUS

12.1 NO RIGHT TO A GRANT

Neither the adoption of this SAR Plan 2019 nor any action of the Board/Committee shall be deemed to give an eligible Employee any right to be granted the SARs or to any other rights hereunder, except as may be evidenced by the Grant Letter duly executed on behalf of the Company, and only to the extent of and on the terms and conditions expressly set forth therein and this SAR Plan 2019.

12.2 NO EMPLOYMENT RIGHTS CONFERRED

Nothing contained in this SAR Plan 2019 or in any Grant made hereunder shall (i) confer upon any Grantee any right with respect to continuation of employment with the Company (or the relevant company within the Group) or additional right of compensation or damages in consequence of the termination of employment for any reason; or (ii) interfere in any way with the right of the Company to terminate, suspend or adopt disciplinary proceedings against the Grantee. For the purposes of this Clause, it is further clarified that, in case of Grantees who are Employees of any other entity within the Group, the term 'Company' shall mean to include such relevant entity within the Group.

This SAR Plan 2019 shall not confer on any person any legal or equitable rights against the Company, either directly or indirectly, or give rise to any cause of action in law or equity, against the Company. For the purposes of this Clause, it is further clarified that, in case of Grantees who are Employees of any other entity within the Group, the term 'Company' shall mean to include such relevant entity within the Group.

12.3 NO RESTRICTION ON CHANGE IN CAPITAL STRUCTURE OR CORPORATE ACTION

Nothing contained in this SAR Plan 2019 shall be construed to prevent the Company from taking any Corporate Action or undertaking a change in capital structure which is deemed by the Company to be appropriate or in its best interest, whether or not such action would have an adverse effect on this SAR Plan 2019. No Grantee, beneficiary(ies) or other person shall have any claim against the Company as a result of such action. The following will be taken into consideration by the Committee while taking any Corporate Action:

- (a) the number and price of SARs shall be adjusted in a manner such that total value to the employee of the SAR remains the same after the corporate action;
- (b) the vesting period and the life of the SARs shall be left unaltered as far as possible to protect the rights of the Grantees.



12.4 EXPENSES AND TAXATION

All expenses, stamp duty and taxes in relation to acquisition of SARs and Exercise of SARs, will be to the Grantee's account. The amount received by the Grantee on Exercise of SARs shall be considered as deferred wage payment in the hands of such Grantee and shall be taxed accordingly. The Company shall have the right to deduct/recover from the Grantee, in connection with all Grants, any taxes required by law to be deducted at source/paid and to require any payments necessary to enable it to satisfy such obligations.

12.5 CONFIDENTIALITY

The Grantees shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to this SAR Plan 2019, Grant, the Grant Letter or any connected matter, and shall not disclose the same except with the prior written permission of the Board/Committee. Any violation may result in cancellation of the Grants.

12.6 NEW SCHEMES

Nothing contained in this SAR Plan 2019 shall be construed to prevent the Company directly or through any trust settled by Company, from implementing any other new Employee ownership schemes which is deemed by the Company to be appropriate or in its best interest, whether or not such other action would have any adverse impact on this SAR Plan 2019 or any Grant made under this SAR Plan 2019. No Grantee or other person shall have any claim against the Company and / or trust as a result of such action.

12.7 DISPUTES

In respect of any disputes arising in respect of this SAR Plan 2019, the decision of the Board/Committee shall be final and binding on all concerned.

12.8 GOVERNING LAW

This SAR Plan 2019 shall be construed in accordance with the laws of Republic of India.

12.9 JURISDICTION

The Courts in Mumbai shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this SAR Plan 2019 and all Employees shall submit themselves to the jurisdiction of the Courts in Mumbai in connection with this SAR Plan, 2019. Nothing in this Clause will however limit the right of the Company (or its Subsidiary Company) to bring proceedings against any Employee in connection with this SAR Plan, 2019 in any other court of competent jurisdiction; or concurrently in more than one jurisdiction.

12.10 INABILITY TO OBTAIN AUTHORITY

The inability of the Company to obtain authority from any regulatory body, if applicable, shall relieve and wholly discharge the Company of any and all liability in respect of the failure to abide by the provisions of this SAR Plan 2019.

12.11 NOTICES AND CORRESPONDENCES

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 at the registered office of the Company or the Committee



as may be notified by the Company in writing. Any notice, required to be given by the Company / the Committee to a Grantee or any correspondence to be made between the Company / the Committee and a Grantee shall be given or made by the Company / the Committee on behalf of the Company at the address provided by the Grantee in the Grant Letter.

