

MAHINDRA LIFESPACE DEVELOPERS LIMITED
(FORMERLY KNOWN AS MAHINDRA GESCO DEVELOPERS LIMITED)

EMPLOYEES STOCK OPTION SCHEME 2006 (“ESOS 2006”)

This ESOS has been formulated by the Remuneration Committee (now Nomination & Remuneration Committee) of Directors of Mahindra Lifespace Developers Limited (formerly known as Mahindra Gesco Developers Limited) and approved by it in its meeting held on 22nd June, 2006, subject to the authority vested in it by the Shareholders at a General Meeting of the Company held on 21st July, 2006 and in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999. The said ESOS 2006 has been amended by the Nomination & Remuneration Committee, pursuant to approval of the shareholders at their 21st Annual General Meeting held on 28th August, 2020.

1. **Purpose**

The purpose of the ESOS 2006 is to provide the employees with an additional incentive in the form of Options to receive the equity shares of the Company at a future date. The ESOS is aimed at further motivating, and retaining the Employees and thereby increasing the profitability of the Company.

The Company already has a remuneration policy, which is linked to performance of the employee, the seniority of the employee, the commitment in executing his/her duty, etc. The objective of the ESOS 2006 is not merely to have another kind of remuneration. The objective is also to use the scheme as a business strategy to enhance the Company's profitability by providing equity linked incentive to employees, so that the employees keep exploring possibilities of increasing the revenue, saving costs and enhancing the profits of the Company.

The Company proposes to issue and allot the shares in respect of the ESOS 2006 to the eligible employees / directors or in accordance with a scheme framed in that behalf through any appropriate mechanism such as direct grant to the eligible employees or through a trust or other entity which may be set up for that purpose, or through any combination of the above and such a scheme may also contains provisions for providing financial assistance to the employees / trust / entity to enable the employees / trust / entity to acquire, purchase or subscribe to the Securities.

2. **Definitions**

The following terms as used herein shall have the meaning specified:

- (a) The **Company** means Mahindra Lifespace Developers Limited (formerly known as Mahindra Gesco Developers Limited), a Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at 5th floor, Mahindra Towers, Worli, Mumbai 400 018.
- (b) **Employee(s)** means:

- (i) a permanent employee of the company who has been working in India or outside India; or;
- (ii) a director of the company, whether a whole time director or not but excluding an independent director; or
- (iii) an employee as defined in clause (i) or (ii) of a subsidiary, in India or outside India, or of a holding company of the company
- (iv) Such other persons / companies, as may from time to time be allowed under laws, rules, regulations as may be applicable from time to time.

but does not include:

- a. an employee who is a promoter or a person belonging to the promoter group; or
 - b. a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company;
- (c) **Eligible Employee(s) or Beneficiary(ies)** means all Employees to whom an Option is granted under the ESOS, or those Employees who satisfy the eligibility criteria for Grant of Options.
 - (d) **Equity Share** means an equity share in the Company of the face value of Rs.10 (Rupees ten only) each or where the equity share of the Company has been split up into a par value of less than Rs.10 (Rupees ten only), then the equivalent number of equity shares for the revised par value per equity share.
 - (e) **Exercise** means the act whereby the Eligible Employee actually applies in the prescribed format to the Trust or to the Company, or to the other entity as the case may be, to exercise the Option granted to him/her under the ESOS.
 - (f) **Exercise Date** means the date on which a Beneficiary Exercises his/her Option to acquire the Equity Shares of the Company.
 - (g) **Exercise Price** means the price at which the Eligible Employee is entitled to acquire the Equity Shares pursuant to the Options granted and vested in him/her under the ESOS. The Exercise Price per Equity Share shall be recommended by the Remuneration Committee, and be decided by the Company.

PROVIDED THAT the exercise price shall be calculated at a discount not higher than 15% of the average of the daily high and low of the prices for the Company's Equity Shares quoted on the Bombay Stock Exchange Limited, during the 15 days preceding the grant of the Options, which for this purpose shall be the date on which the Nomination & Remuneration Committee meets or approves by way of circular resolution to make its recommendations to the Company. In recommending the Exercise Price as aforesaid, the Nomination & Remuneration

Committee shall take into consideration relevant factors prevalent at the time of grant which, among other things, would include the trend in the Market Price of the Company's shares quoted on the Bombay Stock Exchange Limited, the concerned employee's performance, the future potential contribution of the employee, the regulations prescribed by the Securities and Exchange Board of India or of any other regulatory authority from time to time.

- (h) **Exercise Period** means the period specified in this ESOS 2006 during which an Eligible Employee is entitled to exercise the Options vested in him/her to acquire the Equity Shares of the Company in accordance with the terms of this ESOS.
- (i) **Exercise Application Form** means the application form as may be prescribed, in which the Eligible Employee has to apply to the Company or to the Trust or to the other entity as the case may be, for exercising the Options granted to him/her.
- (j) **Grant** means issue of Options to Employees under ESOS.
- (k) **Letter of Grant** means the letter issued by the Company or Trust or the other entity as the case may be, intimating the Eligible Employee of the date of Grant, Options granted to him / her for acquiring a specified number of Equity Shares from the Company at the Exercise Price.
- (l) **Market Price** means the closing price of the Equity Shares of the Company on The Bombay Stock Exchange Limited on the date of the recommendations of the options by the Nomination & Remuneration Committee.
- (m) **Nomination & Remuneration Committee** means the Committee constituted by the Board comprising of such members of the Board as required under Section 178 of the Companies Act and relevant provisions of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and entrusted with the authority to formulate, administer and implement the ESOS.
- (n) **Options(s)** means a right but not an obligation granted under this ESOS - 2006 to the Eligible Employees to apply for acquisition from the Company or from the Trust or from the other entity, as the case may be, a specified number of Equity Shares of the Company at a future date at the Exercise Price.

3. **Authorization for the Nomination & Remuneration Committee**

- (i) Subject to the terms of the resolution passed by the shareholder of the Company at the Annual General Meeting held on 21st July, 2006, approving the issue of shares to the employees under an employee stock option scheme and the regulations prescribed by the Securities and Exchange Board of India, the Nomination & Remuneration Committee in its absolute discretion has been authorized to determine and recommend to the Company / Trust / other entity, as the case may be, all the terms governing the ESOS 2006 including but not limited to :
- determining the Eligible Employees to whom the Options are to be granted;
 - the time when the Options are to be granted;
 - the number of tranches in which the Options are to be granted and the number of Options to be granted in each such tranche;
 - the quantum of Options to be granted at various points in time;
 - the criteria for determining the number of Options to be granted to the Eligible Employees;
 - the number of Options to be granted to each Eligible Employee;
 - the terms and conditions subject to which the Options granted would vest in the Eligible Employee;
 - the vesting schedule and the date of vesting of the Options granted;
 - the terms and conditions subject to which the Options vested would be exercised by the Eligible Employee;
 - the date by which the Options have to be exercised by the Eligible Employee, including extension of such date subject to the approval of the Nomination & Remuneration Committee;
 - the number of Options to be apportioned / allocated for various grades of Eligible Employees;
 - the assignment of weightage to length of service, grade and performance rating;
 - the number of Options reserved, if any, for granting to new employees who would join the services of the Company; and
 - the procedure for making adjustments in relation to the Options in case of corporate actions such as rights issues, bonus issues, sub-division of shares, merger, acquisition, sale of division etc.
 - the recommendations, if any, to be made to the Company/ Trust / other entity, as the case may be, from time to time on implementation of any or all the above matters;

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

The Nomination & Remuneration Committee shall also frame suitable policies and systems to ensure that there is no violation of :

- (a) Securities and Exchange Board of India (Insider Trading) Regulations, 2015; and
- (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 by any Eligible Employee.

With respect to any matters that are not specifically provided for, the Nomination & Remuneration Committee shall have absolute discretion to decide such matters in the manner deemed fit by it in the best interest of the Eligible Employee, as may be permissible under the applicable laws, and any such decision of the Nomination & Remuneration Committee or the Board of Directors shall be binding on all the Eligible Employees.

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

The paid-up equity capital of the Company consists of 5,13,65,138 Equity Shares of Rs. 10 each as on 31st March 2020. The Equity Shares aggregating up to 12,00,000 to be issued to the eligible employees, in one or more tranches.

The Company reserves the right to issue further Equity Shares, at its discretion, for the purposes of the ESOS 2006 or any further scheme/plan as may be determined by the Company, from time to time, subject to compliance with the applicable laws.

The Nomination & Remuneration Committee in its absolute discretion would be authorised to determine the number of tranches in which, and such Options / Equity Shares, that would be granted.

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

The Nomination & Remuneration Committee would have the authority to recommend allocation of a certain percentage out of the total available Options for being Granted to various grades/group of grades of Eligible Employees. The Nomination & Remuneration Committee would also have in its absolute discretion the authority to further recommend allocation of a certain percentage out of the aforesaid, for Grant of the Options to individual Eligible Employees based on length of service and/or grade and/or performance and such other parameters as may be decided by the Nomination & Remuneration Committee, in its sole discretion, from time to time.

The criteria for eligibility of the Eligible Employees for the Grant of Options will be decided by the Nomination & Remuneration Committee based on number of years service and/or grade and/or performance and such other parameters as may be decided by the Nomination & Remuneration Committee, in its sole discretion, from time to time. The Nomination & Remuneration Committee may review the criteria from time to time with the needs of the business and remuneration policies.

The date of the meeting of the Nomination & Remuneration Committee or the date of the Circular Resolution of the Nomination & Remuneration Committee for considering the grant of the Options would be the relevant date for determining the criteria for considering the Grant of Options.

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

The actual number of Options to be granted to each Employee would be in accordance with the criteria determined by the Nomination & Remuneration Committee in its absolute discretion.

The Nomination & Remuneration Committee may not recommend the Grant of any Options or may not recommend the vesting of Options already granted in the event the Eligible Employee has not performed up to the expectations or has not attended the office for a substantial period of the financial year of the Company or in case of misconduct of the Employee or in such other circumstances as at it may deem fit in its absolute discretion.

The maximum number of Options to be granted per Employee, in one or more tranches, will not exceed 4,00,000 equity shares of the Company.

7. **Vesting of the Options Granted**

The Options granted would vest within such time and in such number of installments and subject to such terms as the Nomination & Remuneration Committee may recommend, in its absolute discretion, subject to a minimum vesting period of one year.

8. **Procedure of Granting and exercising**

(i) **Granting**

The Company / Trust / other entity as the case may be shall issue a letter to all Eligible Employees who have been granted Options, based on the recommendation of the Nomination & Remuneration Committee, containing such terms and conditions relating to the vesting and exercise of the Options as may be prescribed by the Nomination & Remuneration Committee and in particular the following:

- a. **Employment Agreement:** The Company may, in its discretion, include in any Option granted under the ESOS 2006 a condition that the Eligible Employee shall agree to remain in the employment of, and to render services to, the Company(ies), or, as the case may be, a subsidiary company (ies), or holding Company for a period of time (specified in the Agreement) following the Grant. The Grant of an Option shall, however, not impose upon the Company any obligation to employ the Eligible Employee for any period of time.
- b. **Number of Equity Shares :** Each Option shall state the total number of Equity Shares to which it pertains.
- c. **Vesting of Options:** The Options granted pursuant to this ESOS shall vest in the number of tranches as will be determined by the Nomination & Remuneration Committee, subject to a minimum vesting period of one year. The Eligible Employee shall be entitled to exercise the Options only to the extent that they have vested in accordance with the letter of Grant.
- d. **No rights of Shareholders:** An Eligible Employee shall not have any of the rights of a shareholder of the Company until the Equity Shares are allotted or transferred to him/her, and no adjustments may be made for dividends or other rights for which the record date is prior to the date such Equity Shares are allotted or transferred to the Eligible Employee.

(ii) **Exercising**

- a. An Eligible Employee wishing to exercise the Options vested in him/her shall submit an application in the specified format to the Company / Trust / other entity as the case may be.
- b. In case the Eligible Employee wishes to exercise the Options, the Eligible Employee shall submit the Exercise Application Form to the Company / Trust / other entity as the case may be, along with a cheque/demand draft for the Exercise Price being the number of Options exercised multiplied by the Exercise Price per Equity Share as indicated in the Letter of Grant. Such cheque/demand draft should be drawn on any bank payable at Mumbai and shall be drawn in favour of the Company / trust / other entity, as the case may be.
- c. The Options vested in an Eligible Employee shall be exercised by him/her at any time during a period of five (5) years from the date of vesting of the respective tranche or such other extended period or periods as may be decided by the Nomination & Remuneration Committee.

The Options remaining unexercised at the end of five (5) years from the date of each vesting (or such extended period/s as may have been decided by the Nomination & Remuneration Committee), shall lapse.

(* Amended by Nomination & Remuneration Committee (then in 2010 Remuneration Committee) at its meeting held on 15th June, 2010.)

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

9. **Event of death/incapacitation/Long Leave of any Employee who has been Granted Options**

Notwithstanding anything contained herein, in case of death or permanent disability of any Eligible Employee whilst in service of the Company, the Options granted but not vested in that Eligible Employee shall vest immediately, with effect from the date of his/her death, in the legal heir or nominees of the deceased employee, as the case may be and in the Eligible Employee himself/herself in case of permanent disability on the day of permanent incapacity. These Options shall vest in and shall be exercised by the nominee(s)/ Eligible

Employee as the case may be within a period of five (5) years from the respective date of vesting of the Options or such other extended period as may be decided by the Nomination & Remuneration Committee. The nomination shall be made in the form prescribed by the Company / Trust / other entity for this purpose.

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

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

Where an Eligible Employee has been granted a Long Leave, then the Employee shall be entitled to retain all the Options allotted to him whether those Options have vested or not at the time of going on Long Leave and exercise the Options in accordance with this ESOS. Provided However That the vesting of the Options will be subject to the fulfillment by the Employee of the terms and conditions, in respect of Long Leave, prescribed by the Company.

(Long Leave means Earned Leave, Maternity Leave and Study Leave as per the Company’s rules and practices in vogue from time to time.)

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

a. **Due to resignation of the employee**

In case of termination of the services of the Eligible Employee due to resignation, the Options granted but not vested shall automatically lapse forthwith on submission of the resignation by an Eligible Employee. However, the Options vested but not exercised by the Eligible Employee who has resigned from the services of the Company, or, as the case may be, holding company(ies) or subsidiary company(ies), could be exercised by such Eligible Employee, provided such Eligible Employee does not engage in any capacity with any company or entity which is in similar business as that of the Company, or, as the case may be, holding company(ies) or subsidiary company(ies), without the prior written approval of the Company. All options vested and eligible for being exercised shall be exercised by the resigned employee within 3 (three) months from the effective date of resignation or such other extended period or periods as may be decided by the Nomination & Remuneration Committee.

The Options remaining unexercised at the end of five (5) years from the date of each vesting (or such extended period/s as may have been decided by the Nomination & Remuneration Committee), shall lapse.

(* Amended by Nomination & Remuneration Committee (then in 2010 Remuneration Committee) at its meeting held on 15th June, 2010.)

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

b. **Due to dismissal or discharge for misconduct of the Eligible Employee**

In case of termination of the services of the Eligible Employee due to dismissal for misconduct of the Eligible Employee, the Options granted but not vested and/or Options vested but not exercised by such Eligible Employee shall automatically cancel forthwith.

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

In case of termination of the services of the Eligible Employee due to any reason other than misconduct of the Employee or resignation by the Employee or Early Retirement or normal retirement, the terms relating to vesting and exercise shall be determined by the Company / Trust / other entity, as the case may be on the recommendation of the Nomination & Remuneration Committee.

d. **Due to retirement of the Eligible Employee**

In case the Eligible Employee retires from the Company pursuant to reaching the age of retirement as prescribed by the Company, all Options that may vest in the Eligible Employee subsequent the retirement date shall continue to vest in accordance with the vesting schedule specified in the Letter of Grant. All options vested and eligible for being exercised shall be exercised by the retired employee at any time during a period of five (5) years from the date of vesting of the respective tranche or such other extended period or periods as may be decided by the Nomination & Remuneration Committee.

The Options remaining unexercised at the end of five (5) years from the date of each vesting (or such extended period/s as may have been decided by the Nomination & Remuneration Committee), shall lapse.

(* Amended by Nomination & Remuneration Committee (then in 2010 Remuneration Committee) at its meeting held on 15th June, 2010.)

In case an Eligible Employee, who has been granted Options, opts for Early Retirement otherwise than under a scheme of voluntary retirement, all Options those are to vest in the Eligible Employee subsequent to the date on which the

Eligible Employee retired shall lapse. However, the Options vested but not exercised by an Eligible Employee who has opted for Early Retirement otherwise than under a scheme of voluntary retirement could be exercised by such Eligible Employee, provided such Eligible Employee does not engage in any capacity with any company or entity which is in similar business as that of the Company, or, as the case may be, holding company(ies) or subsidiary company (ies), without the prior written approval of the Company. All Options vested and eligible for being exercised shall be exercised within 3 (three) months from the date of the early retirement, failing which the unexercised Options shall lapse.

For the purposes of this clause, **Early Retirement** means retirement by an Employee before the date of normal retirement where such Early Retirement has been approved by the Nomination & Remuneration Committee.

e. **Employee who are transferred to subsidiaries / group companies.**

In case of Eligible Employees to whom Options have been granted / are to be granted, such Options shall continue to vest in accordance with the vesting schedule specified in the Letter of Grant when the Employee's services are transferred by the Company to one of its subsidiaries or to a Group company, provided the Eligible Employees continues to be in the employment of the respective subsidiary or group company on the respective date of vesting of the Options.

f. Notwithstanding the above, the Company / Trust / other entity, as the case may be, based on the recommendation of the Nomination & Remuneration Committee, in its absolute discretion shall have the authority to waive the aforesaid restrictions relating to the subsequent vesting.

g. In case of termination of the services of the Eligible Employee due to his/her retirement pursuant to a scheme of voluntary retirement as formulated by the Company, the terms relating to vesting and exercise shall be framed by the Nomination & Remuneration Committee.

11. **Suspended Employees and Employees under enquiry**

In case an Eligible Employee has been suspended or in case of an Eligible Employee against whom an enquiry is being conducted for any reason,

a. all Options which have not vested in such employees on the date of suspension or commencement of enquiry shall stand suspended and shall not vest; and

b. all Options which have vested but not exercised shall not be exercisable

until the enquiry is completed.

At the conclusion of such an Enquiry –

- a. If the Eligible Employee is found guilty of misconduct under any such enquiry, the provisions of clause 10(b) above shall apply;
- b. If the Eligible Employee is acquitted of the charges framed against him, all Options which were due for vesting / exercise and have not been vested or exercised in view of the suspension of such Eligible Employee or pendency of an enquiry shall vest in him and be exercisable in accordance with the provisions of ESOS- 2006 within such period as the Nomination & Remuneration Committee may determine.

12. **Lapsed Options**

When the Option are lapsed / cancelled under any of the circumstances mentioned above, then the Eligible Employee shall have no right, title or interest in respect thereof or any claim against the Company / Trust / other entity, as the case may be. The Nomination & Remuneration Committee shall be entitled to extend the time for Exercise in relation to a lapsed Options and/or revive such Options which have been lapsed on a case to case basis. In the event of the lapse / cancel of any Options, the Company / Trust / other entity, as the case may be shall be entitled to, on the recommendation of the Nomination & Remuneration Committee, create fresh Options in lieu of the lapsed/cancelled Options, and Grant such Options to such of the Eligible Employees as recommended by the Nomination & Remuneration Committee.

13. **Other Conditions**

- (a) The Eligible Employee shall not, directly or indirectly, sell, pledge, assign or otherwise transfer or dispose of (hereinafter collectively referred to as "alienation") all or any unexercised portion of the Options or the rights and benefits attached thereto.
- (b) If any bonus and/or Rights Shares are issued by the Company or the Equity Shares of the Company are split up reducing the face (par) value per Equity, then the Board of Directors of the Company will, on the recommendations of the Nomination & Remuneration Committee make a fair and reasonable adjustment to the number of outstanding Options and/or to the Exercise Price.

Similarly, if the Company takes any action which in the opinion of the Nomination & Remuneration Committee requires any adjustment to the number of outstanding Options and/or the Exercise Price, then the Company would, on the recommendations of the Nomination & Remuneration Committee, make a fair and reasonable adjustment to the number of outstanding Options and/or to the Exercise Price.

- (c) The Options granted herewith shall not be affected by any takeover by/of, merger with, or amalgamation of any other entity with the Company or in the event of restructuring of the capital of the Company. In such an event, the Board of Directors on the recommendation of the Nomination & Remuneration Committee would have the authority to alter all or any of the terms relating to the Grant and would also have the authority to do all such acts and deeds as it may deem fit in its

absolute discretion and as permitted under law, so as to ensure that the benefits under the Grant are passed on to the Eligible Employees.

- (d) The date of exercise shall be the date on which the Eligible Employee submits the Exercise Application Form (complete in all respects) for exercising the Options granted to him, to the Company / Trust / other entity, as the case may be.
- (e) Grant, vesting and exercise of Options will be liable to tax, if any, in the hands of the Eligible Employee in accordance with the provisions of the Income-tax Act, 1961 and the Rules framed thereunder from time to time. Further, the Company / Trust / other entity, as the case may be, shall notwithstanding anything contained in this ESOS 2006 or any other agreement or scheme for granting of Options to the Employee concerned, have the right to recover from such Employee (including former Employee) on the recommendation of the Nomination & Remuneration Committee an amount equivalent to any tax, cess, levy or assessment, by whatever name called including, without limitation, Fringe Benefit Tax, levied upon or payable whether by the Company or by the employer of such Eligible Employee as the case may be, in respect of or in relation to such Options. The Company / Trust / other entity, as the case may be, will deduct tax at source, wherever necessary, from any payments to the Employee concerned in respect of his entitlements under the ESOS. Alternatively, the employee who exercises the option shall be liable to produce the proof of payment of the tax, if any, payable in respect of exercise of the options, prior to the Company allotting / Trust or other entity transferring the shares to the designated depository account of the employee. The Company will allot or the Trust or the other entity will transfer the shares to the designated depository account of the employee only after it receives a confirmation from the relevant person / employer by way of submission of proof of payment of taxes including penalty, if any, payable by the employee. The Company / Trust / other entity shall have lien on all the shares of employees who have not produced the proof of payment of the taxes and shall be free to deal with the shares in such manner as it may deem fit for recovery of the tax liabilities of the Employee. The Company / Trust / other entity, as the case may be, for this purpose shall also be permitted to transfer the shares as required for payment of the taxes and if necessary, the Trust / other entity may also sell or otherwise dispose of part of the Equity Shares to be distributed to the Eligible Employees who have received their Options, and to retain the proceeds thereof towards deductions of tax or otherwise required to meet any tax obligation of the Eligible Employee or the Company or the employer of such Eligible Employee, as the case may be. The Company / Trust / other entity shall be authorised to execute transfer forms and other documents as it may require in this respect.

* (included pursuant to AGM Resolution dated 17th September, 07 and as amended vide resolution of the Nomination & Remuneration Committee (then in 2008 Remuneration Committee) dated 25th April, 2008)

The decision of the Company / Trust / other entity, as the case may be, on the recommendation of the Nomination & Remuneration Committee on any of the above matters including the date of grant, vesting, exercise of Options will be final and binding on the Eligible Employees.

14. **Reservation of Equity Shares**

The Company, during the term of this ESOS 2006, shall issue / allot / transfer, and will seek or obtain, from any regulatory authority having jurisdiction, any approval or consent necessary to issue the Equity Shares. The Company / Trust or the other entity, will seek or obtain from any regulatory body having jurisdiction, any approval or consent, necessary to allot / transfer the Equity Shares to satisfy the requirements of this ESOS 2006. The inability of the Company / Trust or the other entity, to obtain from any regulatory authority the requisite approval or consent for the lawful issuance and allotment / transfer of the Equity Shares hereunder shall relieve the Company / Trust / other entity of any liabilities in respect of the failure to issue and / or transfer the Equity Shares.

15. **Right of first refusal**

In case the Equity Shares are issued by the trust or the other entity to the Eligible Employees, and consequent to the exercise of the Options, the Eligible Employee desires to sell or dispose off such equity shares, he / she shall first express the intention in writing to the Nomination & Remuneration Committee /Trust or the other entity, who within 30 (thirty) days from the receipt of such notice, communicate to the beneficiary, the necessary guidance in this regards or the trust or the other entity shall, if it so desires, acquire the shares and complete the transaction on a spot delivery basis.

The beneficiary shall be entitled to sell or otherwise dispose off the Equity Shares only upon either :

- (i) The expiry of the 30 (thirty) days period specified above, or
- (ii) The receipt of written refusal of the offer from the Trust or the other entity, if any, within the said 30 days period.

16. **Method of Valuation**

The Company follows the fair value method for computing the compensation cost, if any, for the Options granted. In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the compensation cost so calculated and compensation cost that would have been recognized if the company had used fair value method and its impact on the profits and earnings per share would be disclosed in the Directors' Report. The fair value would be determined using the Black-Scholes model.

17. **Disclosure and accounting policies**

The Company will comply with the disclosure and accounting policies prescribed by the Securities and Exchange Board of India and any other appropriate authority, from time to time.

18. **Effective date of the ESOS**

The ESOS 2006 shall be effective from the date that the ESOS 2006 is approved by the Nomination & Remuneration Committee and shall continue in effect till its termination by the Nomination & Remuneration Committee.

19. Right to modify the ESOS 2006

The Board / Nomination & Remuneration Committee shall have the absolute authority to vary or modify the terms of the ESOS 2006 in accordance with the regulations prescribed by the Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interests of the employees / Directors (including whole-time Directors).

20. Compliance

The provisions of the ESOS 2006 comply with the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (SBEB Regulations) and are always intended to be in the line with SBEB Regulation (any amendment or re-enactment thereto, from time to time) or circular thereunder. In the event any of the provision of the ESOS 2006 conflict with the SBEB Regulations, the provisions contained in the SBEB Regulations will prevail.

21. Representation

Neither the Company nor the Nomination & Remuneration Committee nor the Trust nor the other entity makes any representation regarding the performance of the Company or the future value of the Equity Shares. Each Employee should take the decision to exercise the Options granted to him/her after considering all the provisions of this ESOS and other relevant factors.

This represents the complete **Scheme** for **ESOS - 2006**.

Place : Mumbai

Date : 25th April, 2008 [as amended upto 15th June, 2010] [as further amended upto 29th July 2020 and 16th March 2022]