

**Sudarshan Chemical Industries Limited ('Sudarshan')**

**Sudarshan Stock Appreciation Rights Plan 2020**

**Draft**

**Sudarshan Chemical Industries Limited**  
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**1 Name of the Plan**

This Plan shall be termed as Sudarshan Stock Appreciation Rights Plan 2020 ("Plan"). The Plan has been approved by a special resolution passed via postal ballot on 6<sup>th</sup> August, 2020 by the shareholders of the Company. This Plan shall be effective from 6<sup>th</sup> August 2020 herein after referred to as the "Effective Date".

The approval of shareholders by way of separate resolution passed via postal ballot on 6<sup>th</sup> August, 2020 has been obtained by the Company in order to grant stock appreciation rights to Employees of the Subsidiary Companies of the Company.

This document sets out the terms and conditions of the Plan.

**2 Purpose of the Plan**

Sudarshan Chemical Industries Limited ('Company' or 'Sudarshan'), is a company incorporated and registered under the Companies Act, 2013 having its registered office at 162 Wellesley Road, Pune 411001, India CIN being L24119PN1951PLC008409 has structured this Plan for its employees and the employees of its Subsidiary Companies.

The objectives of this Plan are as under:

- a) Drive performance and corporate strategy
- b) Retention of employees
- c) Hiring practice
- d) Sustainable implementation of strategy
- e) Wealth creation for employees
- f) Meritocracy

Further, the Plan will be implemented, for and on behalf of and at the request of the Subsidiary Companies (as defined under the Companies Act, 1956/ Companies Act, 2013) of Sudarshan for the employees of the Subsidiary Companies.

These objectives / purposes are sought to be achieved through grant of Stock Appreciation Rights ("SARs") to the employees of the Company and its Subsidiary Companies.

**3 Definitions**

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

- 3.1 "Acceptance Form" shall mean the form that the Grantee has to submit indicating his acceptance of the offer made to him to participate in the Plan and/ or any Notified Scheme(s) under the Plan within the prescribed time limit specified in the Plan and Notified Scheme(s);
- 3.2 "Applicable Laws" shall mean laws of India to the extent applicable to the Company and as amended, modified and substituted from time to time. Accordingly, any actions taken hereunder shall be governed by and construed in accordance with the laws of India, without regard to the application of the conflicts of laws' provisions thereof;
- 3.3 "Beneficiary" or "Nominee" means the person or persons, trust or trusts designated by the Participant, or in the absence of any designation by the Participant, a person or persons who is/are entitled by the will or probate of the Participant to receive the benefits specified in the Plan, the legal heirs of the Participant, if

the Participant dies intestate and includes the Participant's executors or administrator, if no other Beneficiary is designated and able to act under the circumstances and such other persons as may be added from time to time to the class of beneficiaries by notice in writing and by the Nomination Form in the exercise of any powers conferred under the Plan or any other agreements forming part thereof;

- 3.4 "Board" means the Board of Directors of the Company;
- 3.5 "Closing Date" means the last date on which the SARs granted by the Company to a Grantee can be accepted as per the Plan and the relevant Notified Scheme(s). In case the last date is a non-working day, then it shall be the immediately following working day;
- 3.6 "Company" shall mean Sudarshan Chemical Industries Limited ('Company' or 'Sudarshan'), a company incorporated and registered under the Companies Act, 2013 having its registered office at 162 Wellesley Road, Pune 411001, India CIN being L24119PN1951PLC008409;
- 3.7 "Committee or Nomination and Remuneration Committee" shall mean the committee as constituted by the Board for administration and superintendence of the schemes and it shall comprise of a majority of Independent Directors in accordance with Companies Act, 2013;
- 3.8 "Corporate Action" shall have the meaning as understood under the SEBI Regulations;
- 3.9 "Director" means a director appointed to the Board of the Company;
- 3.10 "Eligible Employee" for the purpose of this Plan / Notified Scheme(s) means the identified Employee(s) as per Clause 5 below of the Plan;
- 3.11 "Employee" means:
- (i) a permanent employee of the Company who has been working in 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 clauses (a) or (b) of a subsidiary, in India or outside India, or of a holding company of the company
- 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 anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company;
- 3.12 "Exercise Price" means the price as defined under the Notified Scheme(s);
- 3.13 "Fair Market Value" means the latest available closing price on a Recognized Stock Exchange having higher trading volume on which the Shares of the Company are listed on the date immediately prior to the Relevant Date;
- 3.14 "General Meeting" means a General Meeting (including but not limited to an Extraordinary General Meeting) of the Shareholders of the Company held in accordance with the Articles of Association of the Company and the Applicable Laws

- 3.15 "Grant" means the process by which the Company/Committee issues SARs under any of the Notified Scheme(s) of the Plan;
- 3.16 "Grant Date" means the date on which the SARs are approved and granted to the Eligible Employee by the Company/ Committee under the relevant Notified Scheme of the Plan;
- 3.17 "Grant Letter" means the communication such as a letter or an email by which the Grant of SARs is communicated to the Grantee;
- 3.18 "Grantee" shall mean an Eligible Employee pursuant to Clause 5 below, who at the time of Grant of the SAR is eligible to participate under the Plan and is granted SARs as per Clause 8 below;
- 3.19 "Group" means two or more companies which, directly or indirectly, are in a position to -
- a. exercise twenty-six per cent or more of the voting rights in the other company; or
  - b. appoint more than fifty per cent of the members of the board of directors in the other company; or
  - c. control the management or affairs of the other company;
- 3.20 "Holding Company" shall have the meaning as defined under the Companies Act, 2013;
- 3.21 "Independent Director" shall have the meaning as defined under the SEBI Regulations, 2014;
- 3.22 "Participant" means a Grantee who accepts the Grant of SARs from the Company pursuant to Clause 9 below of the Plan;
- 3.23 "Permanent Disability" means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Board based on a certificate of a medical expert identified by the Board;
- 3.24 "Plan" shall mean the Sudarshan Stock Appreciation Rights Plan 2020 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time. Further, the Plan shall also include Scheme(s) notified as per Clause 3.32 below of the Plan;
- 3.25 "Promoter" means promoter as defined under the SEBI Regulations;
- 3.26 "Promoter Group" means promoter group as defined under the SEBI Regulations;
- 3.27 "Recognized Stock Exchange" means recognized stock exchange as defined under Securities Contracts (Regulation) Act, 1956;
- 3.28 "Relative" means relative defined under the Companies Act, 2013;
- 3.29 "Retirement" means retirement as per the policy of the Company;
- 3.30 "SARs Value" means the difference between the Fair Market Value on the Vesting Date and the Exercise Price per Share, multiplied by the number of Vested SARs;
- 3.31 "SEBI Regulations" refers to Securities and Exchange Board of India (share based employee benefits) Regulations, 2014 issued by the Securities and Exchange Board of India ('SEBI') under the SEBI Act, 1992 as amended from time to time;

- 3.32 "Scheme(s)" or "Notified Scheme(s)" or "SAR Scheme(s)" means a Scheme(s) of the Company including any amendments thereof notified as per Clause 4 below proposing to provide share-based benefits to its Employees, which may be implemented and administered directly or indirectly by such Company or through a Trust, in accordance with the Plan;
- 3.33 "Share" means an equity share of the Company at face value of INR 2 each;
- 3.34 "Stock Appreciation Right" or "SAR" means a right given to a Grantee entitling him to receive appreciation for a specified number of Shares of the Company where the settlement of such appreciation may be made by way of cash payment or shares of the Company.
- 3.35 "Subsidiary Company" means as defined and understood under the Companies Act, 1956.
- 3.36 "Termination Date" means the date of termination of employment (for any reasons including those referred to in Clause 12 below of the Plan) of the Participant/Grantee from the Company;
- 3.37 "Trust" means an employee welfare trust established by the Company in accordance with SEBI Regulations with the objective of facilitating the administration of the Plan;
- 3.38 "Trustee" means trustee as defined under the SEBI Regulations;
- 3.39 "Unvested SAR" means a SAR, which is not a Vested SAR;
- 3.40 "Vested SAR" means a SAR (unvested as per the notified Scheme), which has vested, in pursuance to Clause 10 below of the Plan and relevant Notified Scheme(s) under the Plan, with the Participant/Beneficiary and entitles him to receive SARs Value;
- 3.41 "Vesting" means the process by which the Participant / Beneficiary is given the right to receive SARs Value against the SARs granted to him in pursuance of the relevant notified Scheme(s) under the Plan;
- 3.42 "Vesting Date" means the respective dates on which the SARs Vests with the Participant / Beneficiary and thereby matures under the Notified Scheme(s);
- 3.43 "Vesting Period" means the period during which the Vesting of SAR granted in pursuance of the relevant notified Scheme(s) under the Plan takes place;
- 3.44 "Construction"
- a) Clause reference is to the clauses of this Plan.
  - b) The headings/ subheadings/ titles/ subtitles are only for the sake of convenience and shall not be interpreted to restrict or otherwise affect the meaning or import of the clauses, which shall be interpreted solely in light of the contents thereof.
  - c) Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
  - d) Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form.

- e) The term 'including' shall mean 'including without limitation', unless otherwise specified.
- f) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.
- g) Unless the context otherwise requires, words denoting the masculine gender shall include the feminine gender and words denoting singularity shall include the plural and vice versa.

#### **4 Notification of the Schemes**

- 4.1 The Company/ Board/ Committee shall notify the Scheme(s) under this Plan.
- 4.2 The Company/ Board/ Committee may subject to a special resolution passed at a General Meeting at any time and from time to time, add, amend, alter or revoke any Scheme(s) notified under the Plan.

#### **5 Eligibility**

- 5.1 The eligibility to participate in the Plan is subject to such criteria as may be decided by the Board/ Committee at its own discretion, including, but not limited to the date of joining of the Employee with the Company or Subsidiary Company, grade of the Employee, performance evaluation, period of service with the Company or Subsidiary Company, criticality or any other criteria, as the Company/Board/Committee determines.
- 5.2 Based on the eligibility criteria as described in Clause 5.1, the Committee/ Board will decide Employee(s) eligible for Grant of SARs under the Plan and accordingly, the Committee would Grant the SARs to the identified Employee(s) under the Notified Scheme(s).

#### **6 Administration of this Plan**

- 6.1 This Plan and the Notified Schemes shall be administered by the Committee working under the powers delegated by the Board, which may delegate its duties and powers in whole or in part as it may determine to the authorised representative/Trust. The Board/ Committee is authorized to interpret the Plan and notify Schemes, to establish, amend and rescind any rules and regulations relating to the Plan or any Notified Scheme(s), and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Plan and any Notified Scheme(s). The Board/ Committee may correct any defect, omission or reconcile any inconsistency in the Plan or any Notified Scheme(s) in the manner and to the extent the Committee deems necessary or desirable and to resolve any difficulty in relation to implementation of the Plan or any Notified Scheme(s) and take any action which the Board is entitled to take. The acts of a majority of the members of the Committee present at any meeting (at which the quorum is present) or acts approved in writing by a majority of the entire Committee shall be the acts of the Committee for the purpose of the Plan/Scheme(s). No member of the Committee may act upon matters under the Plan/Scheme(s) specifically relating to such member.
- 6.2 Any decision of the Company/ Board/ Committee/Trustees in the interpretation and administration of this Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Employee, Grantee, Participant/ Nominee and their Beneficiaries and successors). The Company/ the Board/ the Committee/Trustees shall not be liable for any action or determination made in good faith with respect to the Plan/ Scheme(s) or any SAR

granted thereunder.

- 6.3 The Committee shall, *interalia*, formulate the detailed terms and conditions of the Plan and Schemes which shall include the provisions to the extent it is not in violation of the Companies Act 2013 and SEBI Regulations.
- 6.4 The Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company, the Trust and its Employees, as applicable.
- 6.5 The Company may implement several Schemes directly or through a Trust(s) as permitted under the SEBI Regulations.

## **7 SAR Pool**

- 7.1 Subject to Clause 16 below, the maximum number of SARs that may be set aside for the purpose of this Plan and Notified Scheme(s) and the Sudarshan ESOP 2018 shall not exceed **13,84,545**. The Company reserves the right to increase or reduce such number of SARs as it deems fit.

## **8 Grant of SAR**

- 8.1 The Company/ Board/ Committee/Trust may offer the SAR(s) to a Grantee in accordance with the terms and conditions of the Notified Scheme(s) under the Plan for the time being in force. The Committee will decide number of SARs to be granted to each Eligible Employee;
- 8.2 During any one year, no Employee shall be granted SAR equal to or exceeding 1% of the issued share capital excluding outstanding warrants and conversions (as understood under SEBI Regulations) of the Company at the time of Grant of SARs unless an approval from the Shareholders is taken by way of special resolution in a General Meeting.
- 8.3 Each SAR shall be in relation to one Share of the Company;
- 8.4 The Grant of the SAR(s) by the Company/ Board/ Committee/Trust to the Grantee shall be made in writing and communicated to the Grantee by a Grant Letter. Such a Grant Letter shall state the number of SAR(s) granted, the Exercise Price, the Closing Date of accepting the Grant as per the Notified Scheme(s), etc.;
- 8.5 The Closing Date of accepting the offer shall be as specified in the relevant Notified Scheme. Unless provided otherwise in the respective schemes, the Closing Date shall not be more than 30 days from the Grant Date.
- 8.6 An offer made under this Clause is personal to the Grantee and cannot be transferred in any manner whatsoever.

## **9 Method of Acceptance**

- 9.1 Any Grantee who wishes to accept the Grant made pursuant to Clause 8 above of the Plan and in accordance with the Notified Scheme(s), must deliver an Acceptance Form, prescribed by the Board/ Committee, duly completed as required therein to the Board/ Committee on or before the Closing Date stated in the



Grant Letter;

- 9.2 Any Grantee who fails to return the Acceptance Form on or before the Closing Date shall, unless the Board/ Committee determines otherwise, be deemed to have rejected the Grant. Any Acceptance Form received after the Closing Date shall not be valid, unless otherwise determined by the Committee.
- 9.3 Upon receipt of a duly completed Acceptance Form from the Grantee in respect of the Grant of SARs, the Grantee will become a Participant. The Committee may then issue to the Participant a statement, in such form as it deems appropriate, showing the number of SAR(s) to which the Participant is entitled pursuant to the acceptance of such SARs.
- 9.4 Subject to the terms contained herein, the Acceptance in accordance with this Clause of the Plan and the relevant Notified Scheme(s) shall conclude a contract between the Participant and the Company. Pursuant to this Acceptance, each SAR shall become an Unvested SAR.

#### **10 Vesting of SAR**

- 10.1 Subject to Clause 10.2 and Clause 12 below of the Plan, the Unvested SAR(s) shall vest with the Participant in accordance with the Notified Scheme(s) under the Plan;
- 10.2 Subject to the applicable regulations and unless the Board/ Committee decides otherwise, no SARs shall vest in a Participant, if such Participant carries on or engages in, directly or indirectly, whether through partnership or any other form of entity or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, any business which competes directly or indirectly with the whole or any part of the business carried on by the Company or any activity related to the business carried on by the Group. Decision of the Board/ Committee in this regard shall be final and conclusive and cannot be called in question by the Participant. For the sake of clarity, the restriction contained in this Clause shall not apply to any investment held as a portfolio by the Participant or any activity/ business carried out by the Participant pursuant to his duties as an Employee or Director of the Company and shall not apply to the Beneficiary/ Nominee of the Participant;
- 10.3 Notwithstanding anything mentioned in the Scheme(s) under the Plan, SAR which are not vested shall automatically lapse after the Vesting Date and the contract referred to in Clause 9.4 above shall automatically be terminated without surviving any rights/ liabilities for any party in respect of such SARs.

#### **11 Maturity of SAR**

- 11.1 The Vested SAR(s) shall mature on the Vesting Date in accordance with the terms and conditions in the relevant Notified Scheme(s) under the Plan;
- 11.2 Subject to Clause 12.1 below of the Plan and notified Scheme(s) under the Plan, the Participant who is an Employee as on the Vesting Date alone is eligible to get the SARs Value of the Vested SAR(s);
- 11.3 Subject to 11.4 below of the Plan, the Participant will receive SARs Value from the Company, subject to deductions, if any, pursuant to Clause 17 of the Plan within reasonable time from the Vesting date by executing such documents as may be required under the Applicable laws. Upon payment of SARs Value of the Vested SARs, such SARs would stand discharged and cannot be reissued.
- 11.4 No Participant is eligible to get the SARs Value, unless the Board/ Committee decides otherwise, if the Participant carries on or engages directly or indirectly, whether through partnership or as a shareholder,

joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise any business which competes directly or indirectly with the whole or any part of the Business carried on by the Group or any activity related to the business carried on by the Group. Granted SAR shall stand automatically cancelled and forfeited and the contract referred to in Clause 9.4 above of the Plan shall automatically stand terminated without any liability to Board/ Committee. Decision of the Board/ Committee in this regard shall be final and conclusive and cannot be called in question by the Participant. For the sake of clarity, the restriction contained in this Section shall not apply to any investment held as a portfolio by the Participant or any activity/ business carried out by the Participant pursuant to his duties as an Employee or Director of the Company and shall not apply to the Beneficiary/ Nominee of the Participant.

## **12 Termination of Employment**

### **12.1 On death of a Participant**

In the event of death of the Participant while in employment with the Company/Subsidiary Company, subject to the relevant notified Scheme(s), all SAR(s) Granted to him till such date and lying unvested shall immediately vest in the Beneficiary of the deceased Participant on that day. SAR Value will be paid in accordance to Clause 11 above to the Beneficiary.

### **12.2 On Permanent disability/incapacity of Participant**

In the event of the termination of a Participant's employment with the Company/Subsidiary Company as a result of Permanent Disability/incapacity while in employment subject to the relevant notified Scheme(s), all the SAR(s) granted to him till such date of Permanent Disability and lying unvested, shall immediately vest in him on that day. SAR Value will be paid in accordance to Clause 11 above to such Participant.

### **12.3 On Resignation or Retirement or any other form of terminations**

In case the employment of the Participant with the Company/Subsidiary Company is terminated due to the Participant's Resignation or Retirement on attaining the superannuation age or for any other reasons, all the Unvested SARs granted to him as on the Termination Date shall lapse.

### **12.4 Long leave**

For the purposes Clause 12.3 of this Plan, the employment of the Grantee shall not be deemed to terminate if the Grantee takes any sick leave or any other bona fide leave of absence, appropriately approved, for 90 (ninety) days or less. In the event of the leave of absence in excess of 90 (ninety) days, such leave of absence will not be treated as continuous employment / service by a Grantee for the purpose of the Plan. In such an event, the SAR will vest as per the discretion of the Board/ Committee.

### **12.5 Transfer or Deputation**

In the event that a Participant who has been granted SARs under this Plan and Notified Scheme(s) is transferred or deputed to any Subsidiary Company or Holding Company prior to Vesting, the Vesting as per the terms of Grant shall continue in case of such transferred or deputed Participant even after the transfer or deputation.

### **12.6 The rights granted to a Grantee upon the Grant of a SAR shall not afford the Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or em-**

ployment with any present or past member of the Group or associated company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

**13 Notices and Correspondence**

- 13.1 Any notice required to be given by a Participant/ Beneficiary to the Company/ Board/ Committee/Trust or any correspondence to be made between a Participant/ Beneficiary and the Company/ Board/ Committee/Trust may be given or made to the Company at the registered office of the Company or at the address as may be notified by the Company/ Board/Committee/Trust in writing;
- 13.2 Any notice required to be given by the Company/Board/ Committee/Trust to a Participant/Beneficiary or any correspondence to be made between the Company/ Board/ Committee/ Trust and a Participant/ Beneficiary shall be given or made by the Company/ Board/ Committee/Trust on behalf of the Company as the case maybe at the address provided by the Participant in his Acceptance Form or Nomination Form.

**14 Beneficiary/ Nominee Designation**

- 14.1 Each Participant under the Notified Scheme(s) under the Plan may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit accrued to such Participant under the Plan is to be delivered in case of his or her death before he or she receives all of SARs Value. Each such nomination shall revoke all prior nominations by the same Participant, shall be in a form prescribed by the Company and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime.

**15 Non-transferability of SARs Granted and SARs accepted and SARs Vested**

Save as provided in Clause 12.1 of the Plan, the SAR granted/ SAR accepted/ SAR vested herein, shall not be transferable to any person. The SARs granted/ SAR accepted/ SAR Vested to the Participant cannot be assigned, alienated, pledged, attached, hypothecated, sold, mortgaged or otherwise alienated in any other manner or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent, to the extent permitted under the Applicable Laws, and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void and unenforceable against the Company.

**16 Corporate Action**

- 16.1 In case of Corporate Action, the Board in accordance with Applicable Laws shall ensure while taking into consideration the global best practices in this area that adjustment to Exercise Price, Number of SARs granted, accelerated vesting etc, shall be appropriately made/ settled in cash without prejudice to the interest of the Participant. The decision of the Board on whether such action is necessary and the extent of such action by the Board shall be final and binding.

**17 Withholding Tax or any other Sums**

- 17.1 All SARs granted under this Plan shall be subject to all applicable taxes, withholding tax and/ or any levy and/ or any contribution and/ or any sums due (by whatever name it is called) arising due to participation in the Plan and the Notified Scheme(s) therein (in or outside India), if any, and the Company or Committee or Trust, accordingly, may withhold such taxes and/ or levy and/ or contribution and/ or payment in full

unless the Committee decides to withhold in part.

- 17.2 Notwithstanding anything contained in the Notified Scheme(s) or any other Clauses of the Plan, if, on the Grant of the SARs and/ or the Vesting of SARs and/ or the Maturity of the SARs under the Notified Scheme(s) and or at any time while this Plan is in operation shall be subject to any levy and/ or taxes or contribution or payment (by whatever name called), if any, that is levied on or payable by the Company/ Subsidiary Company/Trust (in or outside India). Such taxes and/ or levy and/ or contribution and/ or payment shall be recovered in full unless the Committee decides at its sole discretion to recover in part from the Participant;
- 17.3 Notwithstanding anything contained in this Plan or under the notified Scheme(s), no SARs Value, as the case may be, shall be issued/ disbursed to the Participant or Beneficiary, under the notified Scheme(s) under the Plan unless appropriate levies/taxes/contributions as provided under Clause 17.1 and Clause 17.2 above are recovered from the Participant/Beneficiary unless the Committee decides at its sole discretion to recover in part from the Participant/Beneficiary.

## **18 Arbitration**

- 18.1 In the event of a dispute arising out of or in relation to the provisions of this Plan or any Notified Scheme(s) (including a dispute relating to the Construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such disputes through an amicable settlement. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after a reasonable attempt, which attempt shall continue for not more than 90 days, gives 90 day's notice thereof to the other party in writing. In case of such failure, either party may refer the dispute to a single arbitrator appointed by both the parties and failing such agreement, to three arbitrators, one to be appointed by each party and the third arbitrator to be jointly appointed by the two arbitrators appointed by the parties. The arbitration proceedings shall be held in Pune under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator(s) shall give a reasoned award in writing. The arbitrator(s) shall also decide on the costs of the arbitration proceedings. The parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law at Pune. Nothing in this Clause will however limit the right of the Company to bring proceedings against any Participant in connection with this Plan:

- (i) in any other court of competent jurisdiction; or
- (ii) concurrently in more than one jurisdiction.

## **19 Tenure**

- 19.1 Subject to the Applicable Laws, this Plan and any Notified Scheme(s) shall continue in effect unless terminated by the Board/ Company/ the Committee.
- 19.2 Any such termination of this Plan or Notified Scheme(s) shall not affect SARs already Granted and such SARs shall remain in full force and effect as if the Plan/ the Notified Scheme(s) had not been terminated unless mutually agreed otherwise between the Participant/ Beneficiary and the Board/ Committee/ the Company.

## **20 Governing Law**

- 20.1 This Plan, all Notified Schemes under the Plan and all agreements thereunder shall be governed by and construed in accordance with the Applicable Laws of India.

- 20.2 The Participant agrees and acknowledges that the Participant has received and read a copy of the Plan and the relevant Notified Scheme(s). The SAR are subject to the Plan and the Notified Scheme(s). Any term of the Plan or any Notified Scheme(s) that is contrary to the requirement of the Companies Act, 2013 and SEBI Regulations or any other Applicable Law, including but not limited to the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder shall not apply to the extent it is contrary.
- 20.3 In the event that any term, condition or provision of the Plan and the Notified Scheme(s) being held to be a violation of any Applicable Law, statute or regulation the same shall be severable from the rest of the Plan or the relevant Notified Scheme(s) and shall be of no force and effect and the Plan and the relevant Notified Scheme(s) shall remain in full force and effect as if such term, condition or provision had not originally been contained in the Plan or the relevant Notified Scheme(s).
- 20.4 In order to comply with regulation of any other country or to avail any tax or other benefits, Committee or Board may at its sole discretion formulate an addendum to this Plan for Employees employed in that country and made applicable to such Employees from the date determined by the Committee/ Board.

## **21 Regulatory approvals**

- 21.1 The implementation of the Plan and the relevant Notified Scheme(s), the Grant of any SAR as per terms of the relevant Notified Scheme(s) under the Plan shall be subject to the procurement by the Company and/or by the Participant/ Beneficiary of all approvals and permits required by any regulatory authorities having jurisdiction over the Plan and/ or the relevant Notified Scheme(s), the SARs granted and the SAR value paid pursuant thereto. The Participant/ Beneficiary under this Plan will, if requested by the Board/ Committee, provide such assurances and representations to the Company or the Board/ Committee, as the Board/ Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.
- 21.2 The Board shall make all the relevant disclosures in the Director's Report in relation to the Plan as are required under Companies Act, 2013 as applicable.
- 21.3 The Company shall follow and confirm to applicable accounting policies issued by the Institute of Chartered Accountants of India from time to time and/or accounting policies as per the Companies Act, 2013 as applicable.

## **22 Modification of Plan**

The Board/ Committee may, subject to a special resolution passed at a General meeting at any time and from time to time:

- 22.1 Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Plan, any notified Scheme or all or any of the rights and obligations of the Grantee/ Participant/ Beneficiary;
- 22.2 Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Grantee/Participant/ Beneficiary. Each of such sets of special terms and conditions shall be restricted in its application to those Participant/ Beneficiary/ Grantee;
- 22.3 Formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Grantee/ Participant/ Beneficiary separately and each of such sets of special

terms and conditions shall be restricted in its applications to such Grantees/Participant/Beneficiary;

- 22.4 Reprice the SARs, as the case may be which are not matured, whether or not they have been vested if the Schemes were render unattractive due to fall in the price of Shares;
- 22.5 Provided that no variation, alteration, addition or amendment to the Plan or any notified Scheme(s) under the Plan can be made if it is detrimental to the interest of the Grantee/ Participant/ Beneficiary and the approval of the shareholders in General Meeting has been obtained unless the terms are varied to meet any regulatory requirements

### **23 Miscellaneous Provisions**

- 23.1 The Participant shall have no rights to receive dividend or dividend equivalent or to vote or in any manner enjoy any benefits/rights of a Shareholder in respect of SARs granted to him (whether Vested/ Unvested);
- 23.2 This Plan and/or the Notified Scheme(s) shall not form part of any contract of employment between the Company and any Employee eligible as per Clause 5 above of the Plan, and the rights and obligations of any such Employee under the terms of his office or employment shall not be affected by his participation in the Plan/ notified Scheme(s) or any right which he may have to participate in it and this Plan/notified Scheme(s) shall afford such Employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;
- 23.3 A Grantee shall, before accepting a Grant, obtain all necessary consents that may be required to enable him to accept the Grant and the Company to pay SARs Value to him in accordance with the provisions of the Notified Scheme(s) under this Plan. By accepting a Grant and/ or submitting the Maturity Form, the Grantee/ Participant/ Beneficiary thereof is deemed to have represented to the Company or the Committee that he has obtained all such consents. Compliance with this paragraph shall be a condition precedent to an acceptance of a Grant by a Grantee or payment of SARs Value for the Vested SARs to the Participant/ Beneficiary.
- 23.4 By accepting a Grant, a Grantee expressly acknowledges that the Grant of SAR does not constitute guarantee or continuity of employment and the Company shall reserve the right to terminate the employment of Grantee with the Company, in accordance with the terms of employment. Grantee shall be deemed irrevocably to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate him for loss of any rights under this Plan/the Notified Scheme(s).
- 23.5 Further, the Grant of SAR is entirely discretionary and does not entitle him/her to receive further grants.
- 23.6 This Plan/Notified Scheme(s) shall not confer on any person any legal or equitable rights against the Company or the Board/ Committee directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Board/ Committee.
- 23.7 The Participant shall comply with the provisions of all the Applicable laws as well as any Code of Conduct or such similar policy, procedure or system formulated or adapted by the Board/ Committee and communicated to the Participant from time to time. Any violation of the Applicable Laws or Code of Conduct may result in cancellation of all unpaid Vested and Unvested SAR(s) as well as subject the Participant to disciplinary action at the discretion of the Company.
- 23.8 The Company shall bear the costs of establishing and administering this Plan/ Notified Scheme(s), including any costs of the Company's auditors or any independent financial adviser in relation to the preparation of

any confirmation by them or provision of any other service in relation to this Plan/ Notified Scheme(s).

23.9 The acceptance of the Grant of SAR is entirely voluntary and the Company/ Board/ Committee do not guarantee any return on SAR.

23.10 This Plan and any Notified Scheme(s) under this Plan constitutes the entire document in relation to its subject matter and supersedes all prior agreements and understandings whether oral or written with respect to such subject matter.

## **24 Set-off**

24.1 It is the Company's or the Board/Committee/Trust's obligation to convey to the Participant that the SARs Value shall be subject to set-off or counterclaim of amounts owed by the Participant/Nominee to the Company/Board/Committee/Trust, to the extent permitted under Applicable Laws.

## **25 Confidentiality**

25.1 The Grantee specifically confirms and covenants to the Company that he is aware that the information regarding his/ her SAR entitlements to this Agreement is strictly confidential and that the Grantee cannot reveal/share the information with any of his/her peers, colleagues, co-employees or with any employee and/ or associate of the Company or its Subsidiary Company or Holding Company or any other Company of the Group. In case Grantee is found in breach of this confidentiality Undertaking, the Company has an undisputed right to forfeit the granted and all unpaid Vested SARs and Unvested SARs shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this confidentiality undertaking shall be final and binding upon the Grantee/Participant.

## **26 Covenants of the Grantee**

26.1 The Grantee confirms that: -

- i. the Grantee shall not engage himself / herself in activities that have or will have an adverse impact on the reputation of the Company or its Subsidiary Company or Holding company or the Group Company.
- ii. while during employment with the Company or its Subsidiary Company or Holding Company or Group company, the Grantee shall engage exclusively in the work assigned by the Company or its Subsidiary Company or Holding Company, respectively, and shall not take up any independent or individual assignments, whether the same is part time or full time, (in an advisory capacity or otherwise) and whether directly or indirectly.
- iii. the Grantee shall not, directly or indirectly, engage in any activity or have any interest in, or perform any services for any person who is involved in activities which are or shall be (in the sole opinion of the Board) in conflict with the interests of the Company or its Subsidiary Company or Holding company or the Group Company.
- iv. in consideration of the SARs granted to the Grantee, as also, opportunities, training and access to new techniques and know-how that has been made available to the Grantee, the Grantee shall also strictly abide by any and all of the terms of the employment agreed by the Grantee.
- v. the Grantee shall maintain as secret and confidential all Confidential Information and shall not use or divulge or disclose any such Confidential Information except as may be required under any obligation of law (subject to obtaining the consent of the Company or its Subsidiary Company or Holding company or the

Group Company) or as may be required by the Company or its Subsidiary Company or Holding company or the Group Company.

- vi. the Grantee understands that the Grant of the SAR is limited only to the Shares of the Company, and the Grantee shall have no recourse to the shares of any other company of the Group Company in any manner whatsoever.
- vii. the Grantee understands that “Confidential Information” means any or all information about the Company or its Subsidiaries or Holding company or the Group Company that satisfies one or more of the following conditions:
  - a) such information which has not been made generally available to the public, save and except for information disclosed to the public with the consent of the Company or its Subsidiary Company or Holding Company or the Group Company; or
  - b) such information which is critical, in the Company’s opinion, to the Company’s current or anticipated business or research and development activities or those of a customer or supplier or associate or channel partner of the Company or its Subsidiary Company or Holding Company or the Group Company and the disclosure of the same would affect their competitiveness; or
  - c) such information which either has been identified as confidential by the Company or its Subsidiary Company or Holding Company or the Group Company (either orally or in writing) or has been maintained as confidential from outside parties and is recognized as intended for internal disclosures only; or
  - d) such information which either is of a nature that it gives a distinct edge to the Company or its Subsidiary Company or Holding Company or the Group Company over competition when not shared with the competition, or is likely to give any advantage to the competition or any other organization / person / group of persons when shared with the organization / person / group of persons; or
  - e) such information which is required to be kept confidential by any requirement of law.

26.2 “**Confidential Information**” includes all trade related information, trade secrets, confidential and privileged information, customer information, employment related information, strategies, administration, research in connection with the Company or its Subsidiary Company or Holding Company or the Group Company and commercial, legal, scientific, technical data that are either provided to or made available to the Grantee by the Company or its Subsidiary Company or Holding Company or the Group Company to facilitate his/her work or that the Grantee is able to know or has obtained access by virtue of his/her employment or position with the Company or its Subsidiary Company or Holding Company or the Group Company, as the case may be. To illustrate, the following is an indicative list of Confidential Information:

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- i. computer programs, inventions, samples, designs, drawings, machines, tools, photographs, source codes, object codes, methods, concepts, formulas, algorithms, processes, technical specifications, analyses, discoveries, improvements, marketing methods, manufacturing processes, research and development information;
- ii. organizational matters, business plans, company policies, sales forecasts, employee and personnel information (including information pertaining to their terms of employment, experience, contact details, appraisals, performance, competencies, specialized skills / expertise, medical information, etc.);
- iii. non-public financial information relating to the Company or its Subsidiary Company or Holding Company including its financial results for any period;
- iv. Business Plans of the Company or its Subsidiary Company or Holding Company including its monthly reports and estimates;
- v. Current and prospective customer lists and information on customers and their employees;



- vi. Information relating to existing and potential intellectual property of the Company or its Subsidiary Company or Holding Company or the Group Company;
- vii. Dividend policy of the Company or its Subsidiary Company or Holding Company or the Group Company including the intended declaration of dividend;
- viii. Issue of shares of the Company or its Subsidiary Company or Holding Company or the Group Company by way of public offers, rights issues, bonus issue, employee stock options/ SARs;
- ix. Major expansion plans or execution of new projects including information concerning amalgamations, mergers, acquisitions and takeovers being planned or contemplated by the Company or its Subsidiary Company or Holding Company or the Group Company and information concerning the purchase of major equipment or property and the disposal of any undertakings of the Company or its Subsidiaries or Holding Company or the Group Company;
- x. Information relating to the Company or its Subsidiary Company or Holding Company regarding acquisition or loss of significant contracts, significant disputes with major suppliers, consumers or any Governmental or regulatory agency;
- xi. Any information that may affect the earnings/ profitability of the Company or its Subsidiary Company or Holding Company or the Group Company;
- xii. Any other change in policies, plans or operations of the Company or its Subsidiary Company or Holding Company or the Group Company.

**27 Severability**

If any of the provisions mentioned in the Plan or any Notified Scheme(s) are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and binding on the parties to the fullest extent permitted by Applicable Laws.