

Employee Stock Scheme 2018



kaveri seed company limited
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1. Name, Objective and Broad Terms of the Scheme

- 1.1 This Scheme shall be called the "Kaveri Seed Employee Stock Option Plan - 2018" or for the sake of brevity as "the Scheme" or "ESOP 2018".
- 1.2 The objective of the Scheme is to reward the Employees (as defined hereunder) for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to attract and retain talent in the organization as a whole, including the subsidiary and holding company(ies) of the Company. The Company views that the Scheme that would enable the Employees to participate in the growth of the Company and create long term wealth in their hands.
- 1.3 The Board of Directors of the Company ("Board") at their meeting held on 24th May 2018 have approved the ESOP 2018 to be implemented through the Trust route and it shall continue to be in force until (i) five years from the date referred to in Clause 1.4 (i.e. 19 July 2018 ("Closing Date")); (ii) its termination by the Board or its delegated committee prior to the Closing Date or (ii) the date prior to the Closing Date on which all of the Options available for issuance under the Scheme have been granted.
- 1.4 The Shareholders of the Company through Postal Ballot, (e voting results announced on 19th July 2018 vide special resolution) approved total number of Options that can be granted in one or more tranches under ESOP 2018 shall not exceed 30,00,000 options, exercisable into equivalent number of equity shares of Rs. 2- each of the Company ("Shares") (representing 4.54 % of paid up capital of the Company as at 31st March, 2018) (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) to be acquired by the ESOP Trust by way of Secondary Acquisition (as defined hereunder), at an Exercise Price that shall be determined by the Compensation Committee for each grant at a discount up to 80% of the prevailing Market Price Shares one day prior to the date of Grant and on such other terms and conditions as the Compensation Committee or the ESOP Trust, as the case maybe, may determine from time to time.



- 1.5 The Scheme shall be implemented in accordance with Securities and Exchange Board of India (SEBI) (Share Based Employee Benefits) Regulations, 2014 (as statutorily amended and modified from time to time) and the relevant circulars and notifications, if any, and has been prepared for the purpose of information of the Employees to whom the Options will be granted, from time to time, by the Compensation Committee.
- 1.6 The Compensation Committee may subject to compliance with the Applicable Law, at any time alter, amend, vary, suspend or terminate this Scheme.
- 1.7 This Scheme shall be implemented through Kaveri Employees Trust ("ESOP Trust") which shall acquire the Shares for the purposes of the Scheme vide Secondary Acquisition.

2. Definitions and Interpretation

2.1 Definitions

- a. "**Applicable Law**" means law relating to Options, including but not limited to, the Companies Act, 2013, Securities Exchange Board of India Act, 1992, the Securities Exchange Board of India (Share Based Employee Benefits) Regulations 2014, SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, Companies (Share Capital & Debenture) Rules, 2014, Foreign Exchange Management Act, 1999 (FEMA, 1999) and the rules, regulations made thereunder, as amended and modified from time to time and all other relevant tax, securities, exchange control or corporate laws of India or any relevant jurisdiction or of any stock exchange on which the shares are listed or quoted.
- b. "**Company**" means "Kaveri Seed Company Limited". Furthermore unless the context provides otherwise, the term Company hereunder would include Subsidiary companies, and/or Holding company(ies).
- c. "**Company Policies/Terms of Employment**" means the Company's (including its Subsidiary and Holding company(ies)) policies for Employees and the terms of employment as contained in the employment letter and the Company handbook, which includes provisions for securing confidentiality, non compete and non poaching of other Employees and customers.



“Committee / Compensation Committee (Compensation Committee)” means the Nomination & Remuneration Committee constituted by the Board under the provisions of Companies Act, 2013 and entrusted with the authority to formulate, implement, alter, amend, vary, suspend or terminate the Employee Stock Schemes including this Scheme.

- d. **Change in Control** shall inter-alia mean to include:
 - (i) Company's merger, de-merger, spin-off, consolidation, amalgamation, sale of business, dissolution pursuant to which the existing Shareholder as of the date of this Plan are no longer in Control of the Company;
 - (ii) Company's sale, lease or exchange of all or substantially all of the assets or undertaking;
 - (iii) adoption by the Company's shareholders of a plan of liquidation, dissolution or winding up;
 - (iv) acquisition (other than acquisition as elaborated in the foregoing clauses) by any company, person, entity or group of a controlling stake in the Company. For this purpose, control shall have the same meaning as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and the term ‘controlling stake’ shall be construed accordingly; or
 - (v) any other event, which in the opinion of the Board has a material impact on the Company's business.
- e. **Date of Vesting** shall mean the date on and from which the Employee has a right to exercise the Options granted to him under this Scheme.
- f. **Director** means a Member of the Board of the Company.
- g. **Eligibility Criteria** means the criteria as may be determined by the Compensation Committee, from time to time, for granting the Option to the Employees.
- h. **Employee or Employees** 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 clauses (a) or (b) of a Subsidiary company, in India or outside India, or of a Holding 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 any body corporate, directly or indirectly, holds more than ten percent of the outstanding Shares;

i. **"Employee Stock Option" or "Option"** means the option given to an Employee which gives him a right to purchase or subscribe at a future date, the shares offered by the Company, directly or indirectly, at a pre-determined price.

j. **"Employee Welfare Trust / Trust / ESOP Trust / EBT / EWT"** shall mean and include Kaveri Employees Trust(s) which has been authorized to undertake Secondary Acquisition of Shares for the purposes of the Scheme and such other trust/s set up for the benefit of Employees by the Company for the purposes of implementing employee benefit schemes.

k. **"Trustee"** shall mean the trustee of the Trust.

l. **"Scheme" or "ESOP 2018 / Plan"** means this Kaveri Seed Employee Stock Option Plan - 2018 which includes any amendment or modification made to it thereon.

m. **"Exercise"** means making of an application by an Option Grantee to the Trust/Compensation Committee for issue of shares or appreciation in form of cash, as the case may be, against Vested Options in pursuance of the Scheme;

n. **"Exercise Application"** is the application form in accordance with format provided in Annexure B, in which the Option Grantee has



to apply to the Trust/Compensation Committee along with a cheque/demand draft in respect of the Exercise Price and such other documents as may be prescribed pursuant to the provisions of this Scheme for exercising the Options vested in him.

o. **“Exercise Period”** means such time period after Vesting within which the Option Grantee should exercise his right to apply for shares against the vested options vested in him in pursuance of the Scheme in one or more tranches and as enumerated in the Letter of Grant provided that the Exercise Period shall in no event exceed the Closing Date.

Grant Date	Vesting Date	Exercise Period
31 st March 2020	31 st March 2021	4 years i.e. up to 31 st March, 2025
	31 st March 2022	3 years i.e. up to 31 st March, 2025
	31 st March 2023	2 years i.e. up to 31 st March, 2025
	31 st March 2024	1 year i.e. up to 31 st March, 2025

p. **“Exercise Price”** means the price, as determined by the Compensation Committee for each grant at a discount of up to 80% of the Market Price of the Shares one day prior to the Grant Date which the Option Grantee has to pay in order to Exercise each Option granted to him.

q. **“FEMA”** means the Foreign Exchange Management Act, 1999 and applicable regulations framed thereunder (including statutory modifications or amendments from time to time).

r. **“Grant”** means the process by which Options are granted under the Scheme to Employees of Company as per Eligibility Criteria.

s. **“Grant Date”** means the date on which the Compensation Committee approves the grant under the Scheme to an Employee.



- t. **"Letter of Grant"** means the letter issued by the Company / Trust intimating the Employee of the Options granted to him and detailing other terms and conditions of the terms of grant in a format as provided under Annexure A.
- u. **"Independent Director"** shall have the same meaning as assigned to it in Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and subsequent amendments thereof, if any and as prescribed by the Board.
- v. **"Market Price"** means the latest available closing price on a recognised stock exchange on which the Shares are listed and which had a higher trading volume.
- w. **"Holding Company / Parent Company"** means any future holding company of the Company.
- x. **"Option Grantee"** means an Employee to whom Options have been granted under the Scheme.
- y. **"Permanent Disability"** means any disability of whatsoever nature, be it physical, mental or otherwise, which permanently 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 Compensation Committee based on a certificate of a medical expert identified by the Board / Compensation Committee.
- z. **"Promoter"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations 2009
- aa. **"Promoter Group"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations 2009.

Provided where the promoter or promoter group of a company is a body corporate, the promoters of that body corporate shall also be deemed to be promoters of such company;



- bb. **“Retirement”** means retirement as per the policy of the Company.
- cc. **“Relative”** shall have the same meaning as defined under section 2(77) of the Companies Act, 2013
- dd. **“Secondary Acquisition”** means acquisition, in relation to the Shares, by the Trust on the platform of a recognised Stock Exchange for cash consideration in accordance with the provisions of the Applicable Law.
- ee. **“Shares”** means equity shares of the Company having face value of INR 2 each.
- ff. **“Stock Exchange”** means the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) or any other Stock Exchange in India on which the Company’s Shares are listed or to be listed.
- gg. **“Subsidiary company”** means any present or future subsidiary company of the Company, as defined in the Companies Act, 2013.
- hh. **“Unvested Option”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to exercise the Option.
- ii. **“Vesting”** shall mean the process by which the Employee is given the right to apply for Shares against the Options granted to him in pursuance of the Scheme.
- jj. **“Vesting Condition”** means any condition subject to which the Options granted would vest in an Option Holder.
- kk. **“Vesting Period”** shall mean the period as provided under Clause 5 within which the Options shall Vest upon fulfillment of the Vesting Conditions. In no case the Vesting Period shall be less than one year but in no event it shall be more than five years from the Grant Date.
- ll. **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.



2.2 Interpretation

In this Scheme, unless the contrary intention appears:

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

3. Authority and Ceiling

- 3.1 The number of Options that may be offered to any specific Employee, during any one year, shall be lesser than 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Company at the time of Grant under the Scheme subject to the limits laid down under FEMA and/or relevant rules and regulations in case of non-resident Employees.

4. Administration

- 4.1 The Scheme, shall be administered by the Compensation Committee via the Trust. All questions of interpretation of the Scheme or any Option shall be determined by the Compensation Committee and such determination shall be final and binding upon all persons having an interest in the Scheme or such Option(s). Since the Scheme hereunder is to be implemented via Trust, hence unless the context otherwise provides, reference to allotment of shares shall include transfer of Shares by the Trust in pursuance of Scheme.
- 4.2 The Trust may be additionally authorized by the Compensation Committee to administer the Scheme including communication with the Employees and other related matters.
- 4.3 The Compensation Committee shall in accordance with this Scheme and Applicable Law determine the following:
 - a. The quantum of Option(s) to be granted under the Scheme, per Employee, subject to the ceiling as specified in Clause 3.1 to 3.3;



- b. The Eligibility Criteria, inter alia, taking into consideration the grade, performance, merit, future potential contribution, criticality of the function, conduct of the Employee while deciding to Grant the Options to the Employees.
- c. The procedure for making a fair and reasonable adjustment in case of corporate actions such as merger, sale of division, stock split / consolidation, rights issues, bonus issues and others;
- d. The procedure and terms for the Grant, Vest and Exercise of Options in case of Employees who are on long leave;
- e. The procedure for cashless exercise of Options, if required;
- f. Approve forms, writings and/or agreements for use in pursuance of the Scheme;
- g. Devise, implement and execute permitted mechanism so as to facilitate, administer and expedite exercise of options and lay down rules, regulations, conditions, requirements and / or procedures for the same.

4.4 With regard to the matters specifically not provided for in this document or any other documents that may be issued in connection with the Option(s), the Board or the Committee shall have an absolute discretion to decide such matters in the manner deemed fit by them in the best interests of the Employees and the Company as may be permissible under the Applicable Laws for the time being in force. The decision of the Board or the Committee, as the case may be, shall be final and binding on the Employees.

4.5 Any dispute or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with this Scheme shall be referred to the Committee and shall be determined by it from time to time. All such determination / decision / interpretation by the Committee shall be final and binding on all the Employees affected thereby.



5. Vesting Schedule / Conditions

5.1 The Options granted under this ESOP 2018 would vest as per the following Vesting Period

S. No.	Vesting Date	No. of options Granted
1	1 st Anniversary of the Grant Date	20%
2	2 nd Anniversary of the Grant Date	20%
3	3 rd Anniversary of the Grant Date	25%
4	4 th Anniversary of the Grant Date	35%

Provided that the Committee under the Letter of Grant prescribe such additional Vesting Conditions (including performance parameters) that need to be additionally fulfilled by the Option Grantee.

In certain cases of Corporate Actions or such other circumstances as the Compensation Committee may deem fit, the Compensation Committee shall be authorized to change or vary (but not to the detriment to the interests of the Option Grantees) or accelerate the Vesting Period/Conditions.

6. Exercise Price

Payment of the Exercise Price shall be made by electronic transfer(s)/ crossed cheque(s) or a demand draft(s) drawn in favour of the Trust or in such other manner as the Compensation Committee may decide and communicate.

7. *Procedure for Exercise of Options*

7.1 Subject to such norms as may be prescribed by the Compensation Committee, the Vested Options can be exercised by the Option Grantee within the Exercise Period as applicable to the Option Grantee or within such time as may be prescribed by the Committee in this Scheme. In case the Options vested in the Option Grantee are not exercised within the prescribed timeline for any reason whatsoever, the Options granted to them shall lapse and be cancelled. The Compensation Committee may Grant such Options to any other Employee.



7.2 Secretarial/Corporate Finance Department of the Company in consultation with and subject to the direction of the Committee shall maintain the records of Grant and Vesting of the Options to the Employees.

7.3 The Option Grantee may, at any time during the Exercise Period, and subject to fulfillment of conditions of the Grant and Vesting, exercise the Options by submitting Exercise Application to the Trust/Committee. Along with the Exercise Application, the Option Grantee shall make the payment of an amount equivalent to the Exercise Price in respect of the number of Options exercised by him which shall be paid through any of the mechanisms conveyed by the Committee/Trust in this regard. The Committee may ask the Option Grantee to confirm extinguishment of the rights comprising in the Options then exercised by him.

8. The Effect of Death, Permanent Disablement, Resignation, Termination of the Employee, Long Leave and Corporate Actions, etc.

No Option shall vest in any Option Grantee if he ceases to be in the employment of the Company before the Vesting of the Options except in the following cases:

8.1 Death of the Option Grantee

In the event of death of an Option Grantee to whom the Options have been granted, all the Options granted to him shall be deemed to have been vested on the date of his death and shall be exercisable by his nominees and in the absence of any nominee, by the Employee's legal heirs and successors. All such Options shall be exercisable by the legal heirs, successors and/or nominees, as the case may be, within a period of up to 1 year from the date of death of the Employee or such extended period as approved by the Compensation Committee. To enable the Employees to nominate persons in respect of the Options, the Company shall make available to the Employees, nomination forms.

Provided however that the legal heir(s) / successor(s) shall be required to produce to the Company all such documents / indemnities as may be required by the Company to prove the succession of the assets of the deceased Employee. In case the proof of succession is not produced to the Company within one year from the date of death of the Employee or such further time as the Committee may permit in its absolute discretion, the Options vested shall lapse and stand cancelled.



Subject to anything contrary provided in the Regulations as amended from time to time, the terms and conditions of procedure of Exercise of Options provided in this Scheme, shall *mutatis mutandis*, apply to the procedure of Exercise of Options referred to in this Clause, unless the Committee decides otherwise.

8.2 Permanent Disablement

In the event of separation of an Employee to whom the Options have been granted, due to reasons of Permanent Disability the Option Grantee may Exercise the Vested as well as Unvested Option immediately after Permanent Incapacity but in no event later than one year from the date of separation from employment. In the event of death of the Option Grantee after such separation and before the expiry of one year from the date of such separation, the legal heirs, successors and/or nominees of such Option Grantee will be allowed to exercise all Vested Options of the Option Grantee before the expiry of one year from the date of such separation.

8.3 Retirement of an Option Grantee

In the event of separation from employment for reasons of normal retirement or a retirement specifically approved by the Company,

- a. all Vested Options should be exercised by the Option Grantee immediately after, but in no event later than six months from the date of such Option Grantee's retirement, and
- b. All Unvested Options will lapse as on the date of such retirement, unless otherwise determined by the Compensation Committee whose determination will be final and binding.

8.4 Resignation / Termination of Employment

- a. In the event of resignation, all Unvested Options, on the date of submission of resignation, shall expire and stand terminated with effect from that date. However, all Vested Options as on that date shall be exercisable by the Option Grantee before his last working day with the Company. If the Vested Options are not exercised within the time period mentioned in this clause, then such options shall lapse



and be cancelled forthwith. The Company shall not have any obligations towards the Option Grantee towards such lapsed Options.

- b. In the event of abandonment of employment by an Option Grantee without the Company's consent, all Options granted to him, including the Vested Options, which were not exercised at the time of abandonment of employment, shall stand terminated with immediate effect. The Compensation Committee/Board, at its sole discretion shall decide the date of abandonment by an Employee and such decision shall be binding on all concerned.

8.5 Termination of Employment due to Misconduct

- a. In the event of termination of the employment of an Option Grantee due to breach of policies of the Company or the Terms of Employment not restricted to termination due to misconduct, all Options granted to such Employee, including the Vested Options which were not exercised at the time of such breach shall stand terminated with effect from the date of such breach. The date of such breach shall be determined by the Compensation Committee, and its decision on this issue shall be binding and final. The nature of misconduct in any given case would be determined in accordance with the Company policy laid out by the Company in this regard. In the event of suspension of the Option Grantee and/or any enquiry being conducted against the Option Grantee for any reason, all the Options, whether granted or vested, in the Option Grantee shall stand suspended till such time the enquiry is completed. If the Option Grantee is found guilty of misconduct, all the Options, granted or vested, shall be forfeited.
- b. In the event of termination of employment of an Option Grantee for reasons other than breach of Terms of Employment or Company Policy, all Vested and Unvested Options as on the date of termination, shall stand terminated with effect from the date of termination by the Company.

8.6 Transfer / deputation of Employee

In the event of transfer/deputation of an Option Grantee from the Company to its Holding company, or Subsidiary company or vice-versa, the Unvested Options as on the date of transfer/deputation, will continue to vest as per the original schedule and be exercised, subject to the



compliance of the Applicable Law. The Options already vested can be exercised as per the original schedule and, subject to the compliance of the Applicable Law.

8.7 Long leave

If the Option Grantee is on a duly approved long leave, the Options granted to such Employee shall vest as per the Vesting schedule and can be exercised by him in accordance with the Scheme. Notwithstanding this, the Compensation Committee shall have discretion to modify the Vesting schedule, as it may deem fit.

Further, the Committee may decide not to vest or vest lesser number of Options than the Options already granted in the event it is found that the Option Grantee has not been regularly attending office for a substantial period of time without assigning any reason or without proper authority or has been found to have breached any of the terms of employment or Company Policies.

8.9 Corporate Actions

In the event of a Rights Issue, Bonus Issue, Stock split, Merger, Sale of Division and any other corporate action, the Committee shall make a fair and reasonable adjustment to the Exercise Price and/or the number of Options that may be granted / vested in the Employees.

While making adjustments as provided in Clause 8.8, the following shall be taken into consideration by the Committee:

- a. The Exercise Price of the Options and/or the number of the Options shall be adjusted in the manner such that the total value of the Options remain the same after the corporate action.
- b. The Vesting period and the life of the Options vested may be left unaltered as far as possible to protect the rights of the Option Grantees.

Illustration: In case of a share-split where the face value of the Shares is reduced below Rs. 2, the maximum number of Shares available for being granted under Scheme 2018 shall stand modified accordingly, so as to ensure that the cumulative face value (No. of Shares X Face value per Share) prior to such split remains unchanged after the Share split. Thus, for instance, if the face value of each share is reduced to Rs. 1, the total



number of shares available under Scheme would be 30,00,000 x 2 Equity Shares of Rs. 1 each.

9. Lapse of Options and Granting thereof

9.1 Without prejudice to the provisions contained under Clause above, the Options vested in an Option Grantee must be exercised by him within the Exercise Period as applicable to him or as determined by the Compensation Committee under Scheme. If the Options are not exercised by the Option Grantee concerned within the aforementioned period or such other extended period as the case may be, the right of the Option Grantee to apply for Shares shall stand forfeited and such Options shall forthwith lapse.

9.2 In the event of any Options lapsed pursuant to the provisions of this section, the said lapsed Options shall be available to the Committee for Grant to such other Employees as the Committee may decide and deem fit, provided that the Exercise Price of such Options shall be computed from the date of fresh Grant of such Options and not in accordance with the Original Exercise Price under the Scheme.

10. Non - Transferability of the Options

The Options granted to the Employees shall not be transferable by the Employees to any other person. However, in case of death of the Employee, the nominee(s) and/or the legal heirs/successors of the deceased Employees shall be entitled to exercise the Options as provided in the Clause under "*The Effect of Death, Permanent Disablement, Resignation, Termination of the Employee and Corporate Actions, etc*"

The Options granted to the Employee shall not be hypothecated, mortgaged/pledged or otherwise alienated in any other manner.

11. Rights as a Shareholder

The Employee shall not be able to exercise any rights of a shareholder in respect of the Options granted to him until he is allotted the requisite Shares upon his exercising the Options so granted to him in accordance with this Scheme.

No Employee shall have a right to receive any dividend or vote at any general meeting of the Company or in any manner enjoy the benefits of a shareholder in respect of Options granted or vested in the Employee, until



and unless Shares are allotted to the Employee upon exercise of the Options. All Shares issued consequent to such exercise shall rank pari-passu with the then existing Shares.

In case the Shares are held in an EWT, the trustees of an EWT, which is governed under the Regulations, shall not vote in respect of the Shares.

There will be no restriction on transferability of the Shares, which may be issued/ allotted on exercise of the Options vested pursuant to this Scheme. Also, there will be no lock-in period in respect of the Shares, which may be issued/ allotted on exercise of the Options vested pursuant to this Scheme.

12. Authority to vary/modify terms

The Committee shall, at its absolute discretion, have the right to vary / modify / amend the Scheme, in such manner and at such time or times as it may deem fit, subject however that any such modification/amendment shall not be detrimental to the interests of the Option Grantees and approval for such modification and/or the amendment, if and to the extent required, is obtained from the shareholders of the Company. In the even the Committee is making grants to foreign national/resident Employees, then the Committee is authorised to make such modifications, amendments, procedures, sub plans and the like as may be necessary or advisable to comply with the provisions of applicable laws in the countries or jurisdictions in which such Employees to whom Options are granted are situated.

Such right to vary/ modify / amend this Scheme as and when required will be subject as always to the Regulations, as amended from time to time. No member of the Committee shall be primarily liable for any decision or action taken in good faith with respect to this Scheme.

13. Right to make exceptions

The Compensation Committee has the right to make exception from applicability of any provisions of this Scheme thereunder to any Employee, at its sole discretion.

14. Other Terms and Conditions

- 14.1 If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the



Exercise Price or both would be made in accordance with the relevant SEBI regulations / guidelines and as decided by Compensation Committee.

- 14.2 The Compensation Committee may at its sole discretion, provide to the Employee, cashless system of exercise of Options. Under this system, the Company / the Trust may, *inter-alia*, arrange the mechanism for implementing the cashless exercise of Options.
- 14.3 **Change in Control :** In the event of a Change in Control, the Compensation Committee may, at its sole discretion, adopt any method of settlement appropriate in its view in consensus with the Applicable Laws, for the Vested and Unvested Options, including but not limited to, immediate Vesting and settlement of all Grants by the Option Grantees, assumption by the entity acquiring the Company of all responsibility under this ESOP 2018 in a manner that is not detrimental for the Option Grantees, or cancellation of Unvested Options on condition that the acquiring company shall grant new benefits to the Option Grantees on terms no less favourable than the terms and conditions existing before the cancellation. The Compensation Committee's determination shall be final, binding, and conclusive. The Compensation Committee shall interpret this Clause in a manner it believes in its sole discretion to be consistent with the intent to place the Option Grantees in substantially the same (or better) economic position that they would have had in the absence of such Change in Control.

15. Miscellaneous

15.1 Inability to obtain authority

The inability of the Company to obtain authority from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such Shares.

- 15.2 The grant of an Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to the contract of employment nor does the existence of a contract of employment between any person and the Company give such person any right or entitlement to have an Option granted to him in respect of any number of shares or any



expectation that an Option might be granted to him whether subject to any condition or at all.

- 15.3 Neither the existence of this Scheme nor the fact that an individual has on any occasion been granted an Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Scheme by being granted an Option on any other occasion.
- 15.4 The rights granted to an Option Grantee upon the grant of an Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 15.5 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Option in whole or in part.
- 15.6 All option Grantees will abide by all rules mentioned in the Code of Conduct of the Company in relation to prohibition of insider trading in relation to the Shares, to ensure that there is no violation of policies and systems framed by the rules mentioned there under. In case of any default on part of the Option Grantee, the decision of the Compensation Committee would final.
- 15.7 Nothing contained in the Scheme thereunder or in any Grant made hereunder shall:
 - (i) Confer upon the Employees any rights with respect to continuation of employment or engagement with the Company and/or its Subsidiaries/Holding Companies, or
 - (ii) Interfere in any way with the rights of the Company and/or its Subsidiaries/Holding Companies to terminate the employment or services of any Employee at any time.

16. Regulatory Approvals

The Scheme shall be subject to such regulatory approvals as may be required from time to time and the Scheme shall, at all times, comply with



the provisions of the Applicable Law. In the event of any difference between the provisions of the Scheme, and the Applicable Law, the provisions of Applicable Law shall prevail over the Scheme and the provisions of the Scheme shall be deemed to have been amended so as to be read in consonance with the Applicable Law.

17. Deduction/Recovery of Tax

The Company shall have the right to deduct from the Employee's salary or otherwise recover from the employee, any of the Employee's tax obligations arising in connection with the Option or the Shares acquired upon the Exercise thereof. Neither the Company nor the EWT shall have any obligation whatsoever to deliver Shares to the Option Grantee until such tax obligations have been satisfied by the Option Grantee. In the event of any amendments or modifications to the provisions of the Income Tax Act, 1961 and/or the rules framed there under as existing on the dates of this Scheme, the Compensation Committee shall have the power to amend or modify this Scheme at a suitable time without consent of the Employees, in order to ensure that the Company is in the same position as it would have been, had the amendments or modifications in the Income Tax Act, 1961 and/or rules framed there under have not been made.

18. Confidentiality

The Employees shall keep the details of the Options granted to them strictly confidential and shall not share/disclose the same with/to any other person. In case of non-adherence to the provisions of this Clause, the Committee shall have the authority to deal with such cases as it may deem fit in its absolute discretion.

The Company reserves the right to disclose the details of options granted to its employees in general or in particular, as may be required under any law or otherwise.

19. No Right to an Award

Neither the adoption of the Scheme / Series thereunder nor any action of the Committee shall be deemed to give the Employees any right to Option or to any other rights except as may be evidenced by a Letter of Grant.



20. Notices

All notices of communication required to be given by the Company to an Option Grantee by virtue of this Scheme or ESOP 2018 / shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company and any communication to be given by an Option Grantee to the Company in respect of Scheme or ESOP 2018 shall be sent to the address mentioned below:

The Company Secretary
Kaveri Seed Company Limited
513-B, 5th Floor, Minerva Complex,
S.D. Road, Secunderabad – 500 003, Telangana

21. Governing Law and Jurisdiction

- 21.1 The terms and conditions of the Scheme shall be governed by and construed in accordance with the laws of India.
- 21.2 The Courts of Hyderabad, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this the Scheme.
- 21.3 Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this Scheme:
 - a. in any other Court of competent jurisdiction; or
 - b. concurrently in more than one jurisdiction.



ANNEXURE A

LETTER OF GRANT

[to be printed on the letterhead of the Company]

Date: _____

Mr. [Name of the Employee]
[Address]

Dear Mr. _____

Subject: Kaveri Seed Employee Stock Option Plan - 2018 (“Scheme” or “ESOP 2018”) - Grant of Options

1. We are pleased to inform you that, Kaveri Seed Company Limited, has formulated and adopted the ESOP 2018 with a view to motivate the employees of the Company to continue extending their participation to the Company and enable the Company to achieve long term financial growth. The administration and implementation of the Plan has been entrusted to the Compensation Committee of the Company (“Compensation Committee”).
2. In this connection, it gives us immense pleasure to inform you that the Company, under the Scheme, has identified you as an Employee under the Eligibility Parameters and decided on the first mentioned date (“Grant Date”) to grant you [•] Options, representing [•] of shares of face value of INR [•] of the Company (“Shares”). These Options are exercisable at [•] per Option upon fulfillment of the Vesting Criteria, which is mentioned under Clause 3 of this letter.
3. The following is the Vesting Criteria applicable to the Options being granted to you under the Letter of the Grant:

Tranche of Options	Vesting Date
[•]	[•]

4. Exercise Period:

Subject to Clause 5, each tranche of Options may be Exercised within [•] from the Vesting Date. The Compensation Committee may extend this Exercise Period at its sole discretion and will inform you if it so exercises its discretion.



In the event, your employment with the Company is terminated then the Options granted to you hereunder shall be treated in the manner provided under the Scheme within the period mentioned thereunder

5. All the terms and conditions of the Scheme shall be read in conjunction with this Letter of Grant and are hereby deemed to have been incorporated in this Letter of Grant by way of reference and shall constitute a part of this Letter of Grant. In the event of any inconsistency between the Scheme and this Letter of Grant, the provisions of the Scheme shall prevail.
6. This Letter of Grant will be construed as per the internal policies of the Company and the Applicable Law.
7. Please sign at the bottom of this Letter of Grant to acknowledge and agree to the terms and conditions applicable to your Options and the provisions of the Scheme and return a copy of such signed Letter of Grant within a period of 7 days from the Grant Date to signify your acceptance of Grant and the accompanying terms and conditions of the Scheme 2018:

Attention: [•]

Address: [•]

Should you fail to return a copy of the signed Letter, the offer made hereunder this Letter of Grant shall lapse.

8. A 'Nomination Form' has also been annexed to this Letter of Grant. You are requested to kindly provide a complete and duly signed 'Nomination Form' along with the signed Letter of Grant.

Should you need any assistance or clarification in relation to the above, please contact Mr. _____.

Yours Faithfully,
For Kaveri Seed Company Limited

I accept:

Date

[Name of the Employee]
Date:

Encl: Nomination Form

**Annexure 1****NOMINATION FORM**

I, [●] residing at [●], employed with [●] ("Company") as [●] since [●] have been granted the following Options by Company under the Kaveri Seed Employee Stock Option Plan - 2018 ("Scheme" or "ESOP 2018"):

[●] Options granted vide Letter of Grant dated [●]

In the context of the above Options granted to me I hereby nominate the following person (Spouse / Children / Father / Mother, as *applicable*) who would be entitled to exercise the Options in terms of the Letter of Grant in the event of my death or Permanent Disability:

Name and Address of the Nominee	My relationship with the Nominee

Signature

Name : [●]

Designation: [●]

PAN No: [●]

Demat Account Details:

Residential Address: [●]

Thanking you,
Yours Sincerely,

[Name of the Employee]
Date:



To be completed by the Compensation Committee:

Received by: _____

Date received: _____

For Kaveri Seed Company Limited

Managing Director



ANNEXURE A

LETTER OF GRANT

[to be printed on the letterhead of the Company]

Date: _____

Mr. [Name of the Employee]
[Address]

Dear Mr. _____

Subject: Kaveri Seed Employee Stock Option Plan - 2018 (“Scheme” or “ESOP 2018”) - Grant of Options

9. We are pleased to inform you that, Kaveri Seed Company Limited, has formulated and adopted the ESOP 2018 with a view to motivate the employees of the Company to continue extending their participation to the Company and enable the Company to achieve long term financial growth. The administration and implementation of the Plan has been entrusted to the Compensation Committee of the Company (“Compensation Committee”).
10. In this connection, it gives us immense pleasure to inform you that the Company, under the Scheme, has identified you as an Employee under the Eligibility Parameters and decided on the first mentioned date (“Grant Date”) to grant you [•] Options, representing [•] of shares of face value of INR [•] of the Company (“Shares”). These Options are exercisable at [•] per Option upon fulfillment of the Vesting Criteria, which is mentioned under Clause 3 of this letter.
11. The following is the Vesting Criteria applicable to the Options being granted to you under the Letter of the Grant:

Tranche of Options	Vesting Date
[•]	[•]

12. Exercise Period:

Subject to Clause 5, each tranche of Options may be Exercised within [•] from the Vesting Date. The Compensation Committee may extend this Exercise Period at its sole discretion and will inform you if it so exercises its discretion.



In the event, your employment with the Company is terminated then the Options granted to you hereunder shall be treated in the manner provided under the Scheme within the period mentioned thereunder

13. All the terms and conditions of the Scheme shall be read in conjunction with this Letter of Grant and are hereby deemed to have been incorporated in this Letter of Grant by way of reference and shall constitute a part of this Letter of Grant. In the event of any inconsistency between the Scheme and this Letter of Grant, the provisions of the Scheme shall prevail.
14. This Letter of Grant will be construed as per the internal policies of the Company and the Applicable Law.
15. Please sign at the bottom of this Letter of Grant to acknowledge and agree to the terms and conditions applicable to your Options and the provisions of the Scheme and return a copy of such signed Letter of Grant within a period of 7 days from the Grant Date to signify your acceptance of Grant and the accompanying terms and conditions of the Scheme 2018:

Attention: [•]

Address: [•]

Should you fail to return a copy of the signed Letter, the offer made hereunder this Letter of Grant shall lapse.

16. A 'Nomination Form' has also been annexed to this Letter of Grant. You are requested to kindly provide a complete and duly signed 'Nomination Form' along with the signed Letter of Grant.

Should you need any assistance or clarification in relation to the above, please contact Mr. _____.

Yours Faithfully,
For Kaveri Seed Company Limited

I accept:

Date [Name of the Employee]
Date:
Encl: Nomination Form

**Annexure 1****NOMINATION FORM**

I, [●] residing at [●], employed with [●] ("Company") as [●] since [●] have been granted the following Options by Company under the Kaveri Seed Employee Stock Option Plan - 2018 ("Scheme" or "ESOP 2018"):

[●] Options granted vide Letter of Grant dated [●]

In the context of the above Options granted to me I hereby nominate the following person (Spouse / Children / Father / Mother, as *applicable*) who would be entitled to exercise the Options in terms of the Letter of Grant in the event of my death or Permanent Disability:

Name and Address of the Nominee	My relationship with the Nominee

Signature

Name : [●]

Designation: [●]

PAN No: [●]

Demat Account Details:

Residential Address: [●]

Thanking you,
Yours Sincerely,

[Name of the Employee]

Date:



To be completed by the Compensation Committee:

Received by: _____

Date received: _____

For Kaveri Seed Company Limited

Managing Director



ANNEXURE - B
EXERCISE APPLICATION FORMAT

From:

*[Name of the Employee]
[Designation], [Name of the Company]
Residential Address/Office Address
PAN: [•]*

To:

*Compensation Committee
Kaveri Seed Company Limited
[Address of the Company]*

Subject: Exercise of Options Granted under the Kaveri Seed Employee Stock Option Plan - 2018 ("Scheme" or "ESOP 2018")

Dear Sir

1. I was granted Options under the Scheme vide Letter of Grant dated [•] which entitles me to equal number of the shares of the Company ("Shares"). I am desirous of Exercising some/ all of the Vested Options. Set out below are the details of the Grant, Vested Options, Exercise Price and the number of Vested Options that I am hereby Exercising.

2. DETAILS OF OPTIONS:

Date of Grant		
Total number of shares of the Company covered by the Options granted under the Letter of Grant	[X] [Y]	
Exercise price per share	[•]	
Vesting of Options	Date of Vesting	Number of Options vested
Number of Options Exercised Till Date		

3. DETAILS OF EXERCISE OF OPTIONS:

Number Options being Exercised as of this Date	Total amount payable on Exercise (Number of Options being exercised * Exercise price per share)
--	---



4. DETAILS OF PAYMENT OF EXERCISE PRICE

- [•]: Enclosed cheque of INR [•] dated [•] made payable to the Trust
- [•]: Online transfer of INR [•] on [•] to the designated account of the Trust
- [•]: Deduct INR [•] from my Salary
- [•]: Combination of the above mentioned-methods, *[please provide]*
- [•]: Cashless Exercise
- [•]: Such other manner, as the Compensation Committee has intimated to the Option Grantee under Clause 7.3 of the Scheme or otherwise.

5. Upon receipt of the Exercise Price, request you to kindly allot the Shares underlying the Vested Options being Exercised herein. My demat account details are as under:

[•]

6. ACKNOWLEDGEMENT AND SIGNATURE

I hereby acknowledge that:

- (a) I have understood, signed and agreed with the terms and conditions of the Letter of Grant and the Scheme under which the Options detailed above were issued, and understand the tax consequences of an Exercise.
- (b) Issuance of Shares on Exercise of Options is subject to Applicable Law and compliances, and allotment of Shares thereof by the Company shall be upon due compliance of such Applicable Law.
- (c) The Company may have withholding tax obligation arising from the Exercise of the Options, which will be appropriated from my monthly salary enabling the Company to meet the said obligation. In the event that the salary is insufficient to cover the withholding taxes, I may be asked to deposit the amount of withholding tax with the Company as may be notified to me.
- (d) I am solely responsible for my individual tax filings in relation to the Granting, Vesting or Exercise of the Options Granted to me.
- (e) Upon allotment of Shares, I shall strictly adhere to the provisions of the Insider Trading Policies of the Company and co-operate with the Company in the matters concerning the said provisions as may be required. I will take pre-clearance from the compliance office prior to dealing in shares.

Thanking you,
Yours Sincerely,

[Name of the Employee]



Date:

To be completed by the Compensation Committee:

Received by: _____

Date received: _____



ANNEXURE - B
EXERCISE APPLICATION FORMAT

From:

*[Name of the Employee]
[Designation], [Name of the Company]
Residential Address/Office Address
PAN: [•]*

To:

*Compensation Committee
Kaveri Seed Company Limited
[Address of the Company]*

Subject: Exercise of Options Granted under the Kaveri Seed Employee Stock Option Plan - 2018 ("Scheme" or "ESOP 2018")

Dear Sir

1. I was granted Options under the Scheme vide Letter of Grant dated [•] which entitles me to equal number of the shares of the Company ("Shares"). I am desirous of Exercising some/ all of the Vested Options. Set out below are the details of the Grant, Vested Options, Exercise Price and the number of Vested Options that I am hereby Exercising.

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Date of Grant		
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Exercise price per share	[•]	
Vesting of Options	Date of Vesting	Number of Options vested
Number of Options Exercised Till Date		

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- [•]: Online transfer of INR [•] on [•] to the designated account of the Trust
- [•]: Deduct INR [•] from my Salary
- [•]: Combination of the above mentioned-methods, *[please provide]*
- [•]: Cashless Exercise
- [•]: Such other manner, as the Compensation Committee has intimated to the Option Grantee under Clause 7.3 of the Scheme or otherwise.

5. Upon receipt of the Exercise Price, request you to kindly allot the Shares underlying the Vested Options being Exercised herein. My demat account details are as under:

[•]

6. ACKNOWLEDGEMENT AND SIGNATURE

I hereby acknowledge that:

- (f) I have understood, signed and agreed with the terms and conditions of the Letter of Grant and the Scheme under which the Options detailed above were issued, and understand the tax consequences of an Exercise.
- (g) Issuance of Shares on Exercise of Options is subject to Applicable Law and compliances, and allotment of Shares thereof by the Company shall be upon due compliance of such Applicable Law.
- (h) The Company may have withholding tax obligation arising from the Exercise of the Options, which will be appropriated from my monthly salary enabling the Company to meet the said obligation. In the event that the salary is insufficient to cover the withholding taxes, I may be asked to deposit the amount of withholding tax with the Company as may be notified to me.
- (i) I am solely responsible for my individual tax filings in relation to the Granting, Vesting or Exercise of the Options Granted to me.
- (j) Upon allotment of Shares, I shall strictly adhere to the provisions of the Insider Trading Policies of the Company and co-operate with the Company in the matters concerning the said provisions as may be required. I will take pre-clearance from the compliance office prior to dealing in shares.

Thanking you,
Yours Sincerely,

[Name of the Employee]



Date:

To be completed by the Compensation Committee:

Received by: _____

Date received: _____



ANNEXURE - B
EXERCISE APPLICATION FORMAT

From:

*[Name of the Employee]
[Designation], [Name of the Company]
Residential Address/Office Address
PAN: [•]*

To:

*Compensation Committee
Kaveri Seed Company Limited
[Address of the Company]*

Subject: Exercise of Options Granted under the Kaveri Seed Employee Stock Option Plan - 2018 ("Scheme" or "ESOP 2018")

Dear Sir

1. I was granted Options under the Scheme vide Letter of Grant dated [•] which entitles me to equal number of the shares of the Company ("Shares"). I am desirous of Exercising some/ all of the Vested Options. Set out below are the details of the Grant, Vested Options, Exercise Price and the number of Vested Options that I am hereby Exercising.

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- [•]: Online transfer of INR [•] on [•] to the designated account of the Trust
- [•]: Deduct INR [•] from my Salary
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[•]

6. ACKNOWLEDGEMENT AND SIGNATURE

I hereby acknowledge that:

- (k) I have understood, signed and agreed with the terms and conditions of the Letter of Grant and the Scheme under which the Options detailed above were issued, and understand the tax consequences of an Exercise.
- (l) Issuance of Shares on Exercise of Options is subject to Applicable Law and compliances, and allotment of Shares thereof by the Company shall be upon due compliance of such Applicable Law.
- (m) The Company may have withholding tax obligation arising from the Exercise of the Options, which will be appropriated from my monthly salary enabling the Company to meet the said obligation. In the event that the salary is insufficient to cover the withholding taxes, I may be asked to deposit the amount of withholding tax with the Company as may be notified to me.
- (n) I am solely responsible for my individual tax filings in relation to the Granting, Vesting or Exercise of the Options Granted to me.
- (o) Upon allotment of Shares, I shall strictly adhere to the provisions of the Insider Trading Policies of the Company and co-operate with the Company in the matters concerning the said provisions as may be required. I will take pre-clearance from the compliance office prior to dealing in shares.

Thanking you,
Yours Sincerely,

[Name of the Employee]



Date:

To be completed by the Compensation Committee:

Received by: _____

Date received: _____



ANNEXURE - B
EXERCISE APPLICATION FORMAT

From:

*[Name of the Employee]
[Designation], [Name of the Company]
Residential Address/Office Address
PAN: [•]*

To:

*Compensation Committee
Kaveri Seed Company Limited
[Address of the Company]*

Subject: Exercise of Options Granted under the Kaveri Seed Employee Stock Option Plan - 2018 ("Scheme" or "ESOP 2018")

Dear Sir

1. I was granted Options under the Scheme vide Letter of Grant dated [•] which entitles me to equal number of the shares of the Company ("Shares"). I am desirous of Exercising some/ all of the Vested Options. Set out below are the details of the Grant, Vested Options, Exercise Price and the number of Vested Options that I am hereby Exercising.

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- [•]: Deduct INR [•] from my Salary
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- [•]: Cashless Exercise
- [•]: Such other manner, as the Compensation Committee has intimated to the Option Grantee under Clause 7.3 of the Scheme or otherwise.

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[•]

6. ACKNOWLEDGEMENT AND SIGNATURE

I hereby acknowledge that:

- (p) I have understood, signed and agreed with the terms and conditions of the Letter of Grant and the Scheme under which the Options detailed above were issued, and understand the tax consequences of an Exercise.
- (q) Issuance of Shares on Exercise of Options is subject to Applicable Law and compliances, and allotment of Shares thereof by the Company shall be upon due compliance of such Applicable Law.
- (r) The Company may have withholding tax obligation arising from the Exercise of the Options, which will be appropriated from my monthly salary enabling the Company to meet the said obligation. In the event that the salary is insufficient to cover the withholding taxes, I may be asked to deposit the amount of withholding tax with the Company as may be notified to me.
- (s) I am solely responsible for my individual tax filings in relation to the Granting, Vesting or Exercise of the Options Granted to me.
- (t) Upon allotment of Shares, I shall strictly adhere to the provisions of the Insider Trading Policies of the Company and co-operate with the Company in the matters concerning the said provisions as may be required. I will take pre-clearance from the compliance office prior to dealing in shares.

Thanking you,
Yours Sincerely,

[Name of the Employee]



Date:

To be completed by the Compensation Committee:

Received by: _____

Date received: _____