

KOLTE-PATIL EMPLOYEES STOCK OPTION SCHEME - 2021

1. Name of the Scheme

This Scheme shall be termed the Kolte-Patil Employees Stock Option Scheme 2021 ("ESOS 2021"). The ESOS 2021 shall be effective on receipt of the approval from the shareholders in the Shareholders' Meeting dated 17 September 2021 and shall continue to be in force until the date on which all of the Options available for issuance as per the approval granted by the shareholders have been Vested and Exercised or granted but lapsed and the Board/Compensation Committee does not intend to re-issue such lapsed Options. The Board/Compensation Committee/ shareholders may, subject to compliance with applicable laws, at any time alter, amend, suspend or terminate ESOS 2021.

2. Purpose of the Scheme

Kolte-Patil Developers Limited (hereinafter referred to as "the Company"), a company incorporated and registered under the provisions of the Companies Act, 1956 having its registered office at Pune has structured this Scheme for its employees. The purpose of this Scheme is to attract, reward, motivate and retain its employees for high levels of individual performance and for unusual efforts to improve the financial performance of the Company, which will ultimately contribute to the success of the Company. This purpose is sought to be achieved through the grant of Options to the Employees to subscribe for Shares of the Company.

3. Definitions

Except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against.

- a. **"Applicable Laws"** shall mean laws of India to the extent applicable and as amended and modified from time to time. Accordingly, any actions taken hereunder shall be governed by and construed in accordance with, the laws of India.
- b. **"Acceptance Form"** shall mean the form, which the Grantee has to submit indicating his acceptance of the offer made to him to participate in the Scheme.
- c. **"Beneficiary"** means the person, persons, trust or trusts designated by a Participant or in the absence of any designation by the Participant, a person



or persons who is/are entitled by the will of the Participant to receive the benefits specified in the Scheme, 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 nomination form in the exercise of any powers conferred under the Scheme or any other agreements forming part thereof.

- d. **"Board"** means the Board of Directors of the Company.
- e. **"Cause"** means and includes the following: (i) convicted of an offence involving moral turpitude or an offence that disentitles the Participant from being associated with the Company in accordance with the Company's policies and/or Applicable Law; or (ii) commission of fraud, misappropriation or embezzlement by the Participant; (iii) wilful dishonesty, gross misconduct; (iv) abandonment of employment by the Participant; (v) termination of employment of the Participant by the Company Group for reasons relating to performance of such Participant or otherwise; (vi) circumstances as elaborated under the relevant contract of service between the Company and the Participant; and/or (vii) any other action(s) that, in view of the Committee is disruptive or detrimental to the functioning of the Company.
- f. **"Company"** means the Kolte-Patil Developers Limited, a company incorporated and registered under the provisions of the Companies Act, 1956 having its registered office at Pune.
- g. **"Committee"** means the Compensation Committee of the Board, consisting of majority of independent directors, that has been constituted by the Board under section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time for administration and superintendence of this Scheme pursuant to Clause 6 of the Scheme below.
- h. **"Closing date"** means the last date on which the offer of Options by the Company to a Participant can be accepted. In case the last date is a non working day, then it shall be the next working day.
- i. **"Corporate Action"** shall have meaning as understood under the SEBI Regulations.
- j. **"Eligible employee"** means an employee who qualifies for issue of Options under this Scheme and who fulfils the conditions as decided in the appraisal



process by the Committee and who is otherwise nominated by the Committee as being eligible for issue of Options.

However, the following persons shall not be eligible to participate in the Scheme:

- (i) a Promoter or any persons belonging to the Promoter group of the Company;
- (ii) a Director, who either by himself or through his relative or through any Body Corporate, directly or indirectly, holds more than 10 percent of the outstanding equity Shares of the Company;
- (iii) an independent director

k. "Employee" means

- (i) a permanent employee of the company who has been working in India or outside India; or
- (ii) a director of the company, whether a whole time director or not but excluding an independent director; or
- (iii) an employee as defined in clause (i) or (ii) of a subsidiary, in India or outside India, or of a holding company of the company but does not include—
 - (a) an employee who is a promoter or a person belonging to the promoter group; or
 - (b) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company;

l. "Exercise" means making of an application by the Participant to the Company for issue of Shares against the Vested Options of the Participant, in pursuance to this Scheme, on payment of the Exercise price.

m. "Exercise date" means the date on which the Participant Exercises his Options and in case of partial Exercise shall mean each date on which the Participant Exercises part of his Options.

n. "Exercise letter" shall mean the letter as prescribed by the Committee for the purpose of Exercising the Options along with a cheque / demand draft or any other mode of payment of Exercise Price for every Option that is being Exercised.

o. "Exercise period" means the time period after vesting of each grade of option within which the Participant should Exercise his right to apply for



allotment of Shares against the Options Vested in him in pursuance of the Scheme.

- p. **"Exercise price"** means the Market price (as defined herein) of the Shares, as on the Grant date, as may be prescribed in the Grant letter, or any other price, as determined by the Committee and mentioned in the Grant Letter, payable by the Participant for the Exercise of each Option Granted under the Scheme for the allotment of one Share.
- q. **"General meeting"** means a general meeting (including Extra ordinary general meeting) of the shareholders of the Company held in accordance with the Articles of Association of the Company and the applicable laws.
- r. **"Grant"** means the process by which a Grantee is given an Option.
- s. **"Grant date"** means the date as specified on the Grant letter on which the Options are granted to a Grantee by the Committee under the Scheme.
- t. **"Grant letter"** means the letter by which Grant of an Option is communicated to the Grantee and shall contain the terms and conditions specific to the Options Granted to the Grantee. The Grant letter, however, shall be subject to the provisions of the Scheme.
- u. **"Grantee"** shall mean an Employee at the time of Grant of the Option and who in the opinion of the Committee is declared to be eligible to participate under the Scheme.
- v. **"Group"** means two or more companies which, directly or indirectly, are in a position to
 - (i) exercise twenty-six per cent. or more of the voting rights in the other company; or
 - (ii) appoint more than fifty per cent. of the members of the board of directors in the other company; or
 - (iii) control the management or affairs of the other company;
- w. **"Independent director"** shall have the same meaning assigned to Regulations 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 (6) of the Companies Act, 2013.
- x. **"Market price"** means the latest available closing price, prior to the date of the meeting of the Board of Directors/Committee in which Options are Granted/Shares are issued, on the stock exchange on which the Shares of the company are listed. If the Shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered and as amended by SEBI from time to time, price as defined as market price by SEBI from time to time.



y. **"Option"** means a right given to an employee, but not an obligation to acquire and be allotted a Share of the Company at the Exercise price determined in accordance with Clause 11 of the Scheme below.

z. **"Participant"** means a Grantee who accepts an offer from the Company to participate in the Scheme pursuant to Clause 9 of the Scheme below.

aa. **"Promoter" means:**

- a) the person or persons, who are in overall control of the Company; or
- b) the person or persons who are instrumental in the formation of the Company or programme pursuant to which the Shares were offered to the public; or
- c) the person or persons named in the offer document as promoter(s).

Provided that the director or officer of the Company if he is acting as such only in his professional capacity will not be deemed to be a Promoter

Explanation: where a promoter of the Company is a body corporate, the promoter of that body corporate shall be deemed to be a promoter of the Company.

bb. **"Promoter group" means:**

- a) an immediate relative of the Promoter;
- b) persons whose shareholding is aggregated for the purpose of disclosing in the offer document "shareholding of the promoter group".

cc. **"Relative"** shall have the same meaning as defined under section 2(77) of the Companies Act, 2013. It includes immediate relative namely spouse, parent, brother, sister or child of the person.

dd. **"SEBI Regulations"** means the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 issued by the Securities Exchange Board of India under the Securities Exchange Board of India Act, 1992 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.

ab. **"Scheme"** shall mean the Kolte-Patil Stock Option Scheme 2021 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.

ac. **"Share"** means an Equity Share of the Company of face value of Rs. 10 each.

ad. **"Shareholder"** means the registered holder of equity Share in the share capital of the Company.

ae. **"Termination date"** means the date of termination of employment of the Participant with the Company.



af. "Unvested Option" means an Option, which is not a Vested Option.

ag. "Vesting" means the process of fulfilment of the criteria and conditions enumerated in the Scheme and / or Grant letter by a Participant in order to be eligible to Exercise the Options granted to him.

ah. "Vesting period" means the period during which the vesting of the Option granted to the Participant in pursuance of the Scheme takes place.

ai. "Vested Option" means an Option, in respect of which the relevant vesting conditions have been satisfied and the Participant has become eligible Exercise the Option.

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Securities and Exchange Board of India Act, 1992 or SEBI (Issue of Capital & Disclosure Requirements) Regulations 2018 or Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 or the Securities Contracts (Regulation) Act, 1956 or the Companies Act, 2013, or any statutory modification or re-enactment thereof, as the case may be.

4. Construction

- a. 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 Articles, which shall be interpreted solely in light of the contents thereof.
- b. Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- c. Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form.
- d. The term 'including' shall mean 'including without limitation', unless otherwise specified.

5. Eligibility

- a. No Employee shall be eligible for Grant of Options before his or her confirmation into the company i.e. not earlier than a period of 6 (Six) months from the date of joining. However, upon confirmation, his or her tenure of service, for the purpose of determining the quantum of options, shall be considered retrospectively from the date of joining.



- b. Besides satisfying the prima-facie condition mentioned above, only Employees as defined herein are eligible under this Scheme. Subject to this, the Committee shall, at its sole discretion, determine which Employee or category of Employees shall be eligible for Grant of Options and the terms of Grant thereof and accordingly, the Company would offer the Options to the identified Eligible Employees based on the performance, experience, loyalty etc.

6. Administration of the Scheme

6.1. The Scheme shall be administered by the Committee, which may delegate its duties and powers in whole or in part as it determines to one or more officers of the Company and/or to any one or more sub-committees. The Committee is authorized to interpret the Scheme, to establish, amend and rescind any rules and regulations relating to the Scheme, and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Scheme. The Committee may correct any defect, omission or reconcile any inconsistency in the Scheme in the manner and to the extent the Committee deems necessary or desirable. Any decision of the Committee in the interpretation and administration of the Scheme, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Grantee and/or Participants and their beneficiaries or successors). The Committee shall, *inter alia*, do the following:

- i. determining the Employees amongst the categories of Employees to whom the Options are to be Granted;
- ii. the time when the Options are to be Granted;
- iii. the quantum of Options to be Granted at various points in time;
- iv. the number of tranches in which the Options are to be Granted;
- v. the criteria for determining the number of Options to be Granted to Employees;
- vi. the number of Options to be apportioned/allocated for various grades of Employees;
- vii. the number of Options to be granted to each Employee;
- viii. determination of Exercise price;
- ix. the terms and conditions subject to which the Options Granted would Vest in the Employee;
- x. the date of Vesting of the Options Granted;
- xi. the terms and conditions subject to which the Vested Options would be Exercised by the Employee;



- xii. the date within which the Options have to be Exercised by the Employee;
- xiii. assignment of weightage to Company's performance, level/grade of Employee and such other criteria, for determining the Grant of Options including the quantum thereof;
- xiv. the Committee may prescribe different set of criteria for each of the tranche of Options/categories/the Eligible Employees, with respect to the tranches, performance benchmark, tenure of service, etc. in respect of the Scheme;
- xv. the number of Options reserved, if any, for granting to new Employees who would join the services of the Company;
- xvi. deciding the treatment of Unvested Options upon termination of employment or upon a Director ceasing to hold office or of Options that have lapsed due to non-exercise by any Employee(s);
- xvii. deciding adjustments to grant size and/or Exercise price of Options in case of bonus issue or rights issue or share split or consolidation of Shares;
- xviii. obtaining permissions from and making periodic reports to regulatory authorities, as may be required and ensuring compliance with all guidelines/regulations applicable to the Scheme;
- xix. framing suitable policies and systems to ensure that there is no violation of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, by any employee;
- xx. framing appropriate procedures for Granting, Vesting and Exercising of Options;
- xxi. determining feasibility for issuing Option through trust route;
- xxii. except for the total number of Shares available to the Scheme, the Committee may amend the terms and conditions of the Scheme at any time;
- xxiii. Committee may determine the date on which the Scheme shall end;
- xxiv. decide any other matter in best interest of the Scheme.

6.2. All decisions made by the Committee in the matter referred to above shall be conclusive and binding on all parties concerned (including, but not limited to, grantee and/or Participants and their beneficiaries or successors). Neither the Company nor the Committee shall be liable for any action or determination made in good faith with respect to the Scheme or any Option granted there under.

6.3. The Committee shall frame suitable policies and systems to ensure that there is no violation of:



- i. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- ii. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

7. Share limit

The maximum number of Shares that may be issued pursuant to Exercise of Options Granted to the Participants under this Scheme shall not exceed 25,00,000 (Twenty Five Lakhs Only) Shares of the Company. The Company reserves the right to increase or reduce such number of Shares as it deems fit.

8. Grant of Options

- 8.1. The Committee may, on such dates as it shall determine, Grant to such Eligible Employees as it selects, Options of the Company in accordance with the terms and conditions of the Scheme for the time being in force.
- 8.2. The Committee shall follow the following broad guidelines in selection of the Eligible Employees and the quantum of Options to be granted to them:
 - a) performance of the Employee
 - b) length of service of the Employee
 - c) present grade and compensation structure of the Employee
 - d) exceptional contribution made by the Employee
 - e) integrity and behavior of the Employee
 - f) such other parameters as it may decide.
- 8.3. Each Option will entitle the Participant to one Share of the Company.
- 8.4. The maximum number of Options Granted to any one Employee in a year will not exceed 1% of the issued equity share capital of the Company at the time of Granting of an Option, except where a specific separate resolution approved by the shareholders' of the Company in this regard, is obtained in a general meeting.
- 8.5. The grant of the Options by the Committee to the Grantee shall be made in writing and communicated through the Grant letter. The Grant letter shall state the number of Options offered, Exercise price, Vesting criteria and/or conditions, and the closing date of accepting the offer.
- 8.6. The closing date shall not be more than 60 (Sixty) days from the Grant date.



- 8.7. An offer made under clause 8.1 above 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 an offer made pursuant to Clause 8 above must deliver an Acceptance Form, prescribed by the Committee from time to time, duly completed as required therein to the 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 Committee determines otherwise, be deemed to have rejected the offer. Any Acceptance Form received after the closing date shall not be valid.
- 9.3. Upon receipt of a duly completed Acceptance Form from the Grantee in respect of the Grant, the Grantee will become a Participant. The Committee shall then issue to the Participant a Grant letter, prescribing the number of Options to which the Participant is entitled pursuant to the acceptance of such Grant and the number of Shares which the Participant will be entitled to subscribe pursuant to Exercise of such Options.

10. Vesting of Options

- 10.1. Subject to the terms contained herein, the acceptance in accordance with Clause 9 above, of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company, separate and distinct from the contract of employment entered into between the Grantee and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option.
- 10.2. Subject to Clause 10.3, the Committee shall make grants in 3 tranches over the term of the Plan. The vesting period under each of the tranche are as follows, provided that the minimum vesting period shall be 1 (one) year and maximum vesting period shall be 5 years:
- (a) The Option granted by the Committee shall vest in the following manners under Tranche I:
- (i) 20% of the Options at the end of one year from the Grant date.
 - (ii) 20% of the Options at the end of two year from the Grant date.
 - (iii) 20% of the Options at the end of three year from the Grant date.
 - (iv) 20% of the Options at the end of four year from the Grant date.
 - (v) 20% of the Options at the end of five year from the Grant date.



(b) The option granted by the Committee shall vest in the following manner under Tranche II:

- (i) 25% of the Options at the end of one year from the Grant date.
- (ii) 35% of the Options at the end of the two years from the Grant date.
- (iii) 40% of the Options at the end of the three years from the Grant date.

(c) The Option granted by the Committee shall vest in the following manner under Tranche III:

- (i) 10% of the Options at the end of the twelve months from the Grant date.
- (ii) 15% of the Options at the end of the eighteen months from the Grant date.
- (iii) 15% of the Options at the end of the twenty four months from the Grant date.
- (iv) 15% of the Options at the end of the thirty months from the Grant date.
- (v) 15% of the Options at the end of the thirty six months from the Grant date.
- (vi) 15% of the Options at the end of the forty two months from the Grant date.
- (vii) 15% of the Options at the end of the forty eight months from the Grant date.

(d) Vesting of Options, and Grants made under the Scheme would be a function of continuous employment of the Participant with the Company (passage of time) and achievement of performance criteria as specified by the Committee, and communicated to the Grantee in the Grant letter. The specific Vesting schedule and conditions subject to which Vesting would take place would be outlined in the Grant letter to be given to Grantee at the time of Grant of Options.

- 10.3. The option holder shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of Option granted to him, till the underlying Shares in respect of the Options are issued on Exercise of the Options.

11. Exercise Price

The Exercise price shall be determined by the Committee at the time of Grant of Option and shall be mentioned in the Grant letter. The Exercise price shall be paid to the Company in cash upon Exercise of the Options.

12. Exercise of Options



- 12.1. The Vested Options shall be Exercisable according to the terms and conditions as determined and set forth under the Scheme and/or the Grant letter.
- 12.2. Subject to clause 10 above and clause 13 below, the Participant can Exercise the Vested Options within the Exercise period. Such Exercise may be of all Vested Options or part of the Vested Options, subject to clause 12.5 below.
- 12.3. The Exercise period shall commence from the date of Vesting of Options and shall come to an end not later than 12 (Twelve) months from the date of Vesting of the Options.
- 12.4. Vested Options shall not be exercisable in any fractional form.
- 12.5. Exercise of the Options shall take place at such time designated by the Committee or the Company and by executing such documents as may be required under the applicable laws to pass a valid title to the relevant Shares to the Participant, free and clear of any liens, encumbrances and transfer restrictions save for those set out therein.
- 12.6. An Option shall be deemed to be Exercised only when the Committee receives the Exercise letter and the Exercise price from the Participant entitled to Exercise the Option.
- 12.7. On Exercise, the Participant can subscribe to the shares on the full payment of the Exercise price in respect of Exercise of the Option, and the Company shall allot the Shares to the Participants after completing the necessary formalities in this regard and subject to clause 12.5 of this Scheme above, or, if requested in writing by the Participant, to the Participant jointly with another person, provided the Committee / Company finds the Exercise letter complete and conditions of the Scheme and/or the Grant letter are complied with. Subsequent to allotment, no Participant should seek to sell or otherwise transfer the Shares until there is a confirmation from the Company that the listing procedures with respect to the allotted Shares have been completed.
- 12.8. There would be no lock-in period for the Shares issued, pursuant to Exercise of Options Granted, under this Scheme.
- 12.9. Notwithstanding anything else contained in this Scheme, if the Participant does not Exercise his Vested Options within the time specified in clause 12.3 and clause 13 below, the Options shall lapse and be cancelled.



12.10. There shall be no cashless Exercise of the Options.

13. Termination of employment

13.1. On death of a Participant

In the event of death of a Participant while in employment, all the Options granted to him till such date shall Vest in the Beneficiary of the deceased Participant. All the Vested Options shall be permitted to be Exercised within 2 (two) years from the date of the death of Participant. However, under no circumstances, Options can be Exercised by the beneficiary beyond the Exercise period. If such Vested Options are not Exercised by the Beneficiary within the aforesaid Exercise period of 2 (two) years, then such Vested Options shall lapse and be cancelled. The Company shall not have any further obligation in respect of such lapsed Options.

13.2. On disability of Participant

In the event of the termination of a Participant's employment with the Company due to total or permanent incapacity (i.e. incapacity to engage in work as a result of sickness, mental disability or otherwise or by reason of accident), all the Options Granted to him as on the date of such permanent incapacitation, shall Vest in him on that day. All the vested Options shall be permitted to be Exercised within 2 (two) years from the date of termination. However, under no circumstances Option can be Exercised beyond the Exercise period. If such Vested Options are not Exercised by the Participant within the aforesaid Exercise period of 2 (two) years, then such Vested Options shall lapse and be cancelled. The Company shall not have any further obligation in respect of such lapsed Options.

13.3. On attainment of Superannuation age

In case the service of the Participants with the Company is terminated due to retirement on superannuation, all the Unvested Options shall continue to vest as per schedule given in clause 10.2 above. All the Vested Options shall be permitted to be Exercised within 2 (two) years from the date of termination or within 3 (three) months from the date of Vesting, whichever is later. However, under no circumstances the Vested Options can be Exercised beyond the Exercise period. If such Vested Options are not Exercised by the Participant within the aforesaid Exercise period of 2 (two) years or 3 (three) months, as may be applicable, then such Vested Options shall lapse and be cancelled. The



Company shall not have any further obligation in respect of such lapsed Options.

13.4. Termination with Cause

In case the termination of employment of a Participant with the Company is due to any cause all Options (whether Vested or Unvested) shall lapse and be cancelled on the termination date and the contract referred to in clause 10.1 above shall stand automatically terminated. The Company shall not have any further obligation in respect of such lapsed Options.

13.5. Other termination

In case the service of the Participant with the Company is terminated due to resignation of the Participant from the Company or otherwise, all the Vested Options as on that date shall be permitted to be exercised within 3 (three) months from the date of termination or before the expiry of the Exercise period, whichever is earlier. If such Vested Options are not Exercised by the Participant within the aforesaid Exercise period, as may be applicable, then such Vested Options shall lapse and be cancelled. The Company shall not have any further obligation in respect of such lapsed Options.

13.6. Long Leave

Long leave of the Participant shall not have any effect on the Scheme as applicable to the Participant.

14. Notices and correspondence

14.1. Any notice required to be given by a Participant to the Company or the Committee or any correspondence to be made between a Participant and the Company or the Committee may be given or made to the Company at the registered office of the Company or to the Committee as may be notified by the Company in writing.

14.2. Any notice, required to be given by the Company or the Committee to a Participant or any correspondence to be made between the Company or the Committee and a Participant shall be given or made by the Company or the Committee on behalf of the Company at the address provided by the Participant in his acceptance form.



15. Nomination

Each Participant under the Scheme may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit under the Scheme is to be delivered in case of his or her death before he or she receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Participant, and 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.

16. Non-transferability of Options

Save as provided in Clause 13.1 above, the Options Granted herein, are personal to the Participant. The Options cannot be assigned, alienated, pledged, attached, hypothecated, sold, 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 law, and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void and unenforceable against the Company.

17. Corporate Action

In the event of the Corporate Action such as bonus issue, rights issue, stock split, merger, de-merger, transfer of undertaking, sale of a division or any such capital or corporate restructuring, the Company, in consultation with the Committee, subject to the provisions of the Scheme, may make suitable adjustments to the Grants made under this Scheme, but subject to the applicable rules and regulations, and in accordance with the SEBI Regulations.

18. Method of valuation

The Company shall conform to the accounting policies specified in the SEBI (Share Based Employee Benefits) Regulation, 2015. The Company shall use 'Intrinsic Value' method to value its options and to calculate employee compensation cost.

19. Tax Liability



In the event of any tax liability, including any tax liability due to change in the tax laws relating to Scheme, arising on account of the issue of the Options/conversion into Shares or any other event, to the employee, such tax liability shall be that of the employee alone.

20. Arbitration

In the event of a dispute arising out of or in relation to the provisions of this Scheme (including a dispute relating to the construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such dispute 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 reasonable attempts, which attempt shall continue for not more than 30 (Thirty) days, gives 10 (Ten) days' 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, India 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 parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law at Pune.

21. Governing Law

21.1. This Scheme and all agreements hereunder shall be governed by and construed in accordance with the applicable laws of India.

21.2. All amendments made from time to time to the SEBI Regulations, insofar as they apply to this Scheme, shall automatically form a part of this Scheme.

The Committee is authorized to give effect to such amendments in the text of this Scheme

21.3. The Participant agrees and acknowledges that the Participant has received and read a copy of the Scheme. The Options are subject to the Scheme. Any term of the Scheme that is contrary to the requirement of the Income Tax Guidelines or SEBI Regulations or any other applicable law or other Indian regulations shall not apply to the extent it is contrary.

22. Regulatory approvals



The Implementation of the Scheme, the granting of any Option under the Scheme and the issuance of any Shares under this Scheme shall be subject to the procurement by the Company and the Participants of all approvals and permits required by any regulatory authorities having jurisdiction over the Scheme, the Options and the Shares issued pursuant thereto. The Participants under this Scheme will, if requested by the Committee, provide such assurances and representations to the Company, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal requirements.

23. Modification of Plan

Subject to Applicable Law, the Committee may pursuant to a special resolution passed by the members of the Company at any time and from time to time revoke, add to, alter, amend or vary all or any of the terms and conditions of the Scheme /;

Provided that no variation, alteration, addition or amendment to this Scheme can be made if it is detrimental to the interest of the Participant/Grantee. Such right to vary, alter, add, or amend this Scheme as and when required, will be subject as always to SEBI Regulations. Further, no member of the Committee shall be primarily liable for any decision or action taken in good faith, with respect to this Scheme.

24. Miscellaneous provisions

- 24.1. The Participant shall have no rights as a shareholder until the name of the Participant has been entered in the register of members of the Company as the holder of the Shares provided hereunder to such Participant.
- 24.2. All Shares allotted on Exercise of Options will rank pari-passu with all other equity Shares of the Company for the time being in issue.
- 24.3. This Scheme shall not form part of any contract of employment between the Company and any eligible employee, and the rights and obligations of any eligible employee under the terms of his office or employment shall not be affected by his participation in this Scheme or any right which he may have to participate in it and this Scheme shall afford such an Eligible Employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.



- 24.4. This Scheme shall not confer on any person any legal or equitable rights against the Company or the Committee directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Committee.
- 24.5. The Company shall bear the costs of establishing and administering this Scheme, including any costs of the Company's auditors or any independent adviser in relation to the preparation of any confirmation by them or provision of any other service in relation to this Plan.
- 24.6. A Grantee shall, before accepting a Grant, obtain all necessary consents, if any, that may be required to enable him to accept the Grant and the Company to allot and issue to him in accordance with the provisions of this Scheme, the Shares due to be allotted and issued upon the Exercise of his Vested Options. By accepting a Grant and/or submitting the Acceptance form, the Participant 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.
- 24.7. By accepting a Grant, a Grantee expressly acknowledges that the Grant of Option 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 Scheme.
- 24.8. The acceptance of the Grant is entirely voluntary and the Company or the Committee does not guarantee any return on Shares.
- 24.9. This Scheme 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.
- 24.10. In the event that any term, condition or provision of this Scheme is being held to be a violation of any applicable law, statute or regulation the same shall be severed from the rest of this Scheme and shall be of no force and effect and this Scheme shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Scheme.
- 24.11. Where the employee is or remains, at the time of issue of Shares pursuant to Scheme or at any time before the Options are fully



Exercised, a foreign Employee, the issue will be made according to the applicable provisions of the Foreign Exchange Management Act, 1999 and the Rules made thereunder.

25. General Risk

Participation in this ESOS 2021 shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the market price of the equity and the risks associated with the investment are that of the Participant alone.


26. Term of the Scheme

- 26.1. The Scheme shall continue in effect for a maximum period of 5 years from the date of first Grant of Option unless terminated by the Company before the expiry of 5 years, in which case the Scheme shall terminate on that date.
- 26.2. Any such termination of the Scheme shall not affect Options already Granted and such Options shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Participants and the Committee/the Company.

27. Confidentiality

The Participant shall not divulge the details of the Scheme and/or his holdings to any person except with the prior written permission of the Committee unless so required to do under any statutes or regulations applicable to such Participant.

For Kotte-Patil Developers Ltd.


Vinod Patil
Company Secretary
Membership No. 13258

