



# Employee Stock Option Plan – 2023

**SAMHI Hotels Limited**

March 11, 2023

This Employees' Stock Option Plan 2023 - I (hereinafter referred to as "ESOP – 2023") is pursuant to the authority granted in terms of the approvals by (i) the Board (as defined herein below) at its meeting dated 9th March 2023; and (ii) the shareholders by way of a special resolution at a general meeting of the Company (as defined herein below) held on 11th March 2023, in accordance with the provisions of the Companies Act, 2013, read with the relevant rules made therein.

ESOP – 2023 applies to all Grantees (as defined herein below) in accordance with the terms set forth hereinafter.

It shall be deemed to have come into force in accordance with Clause 5 below.

## 1. Definitions and Interpretations

1.1. The terms defined in this section shall, for all purposes of this ESOP - 2023, have the meanings herein specified.

- a) "**Applicable Law**" means any statute, law, regulation, ordinance, rule, judgment, order, decree, bye-law, approval, directive, guideline, policy, requirement or other Governmental restriction or any similar form of decision of, or determination by, or any interpretation or administrative order having the force of law in India of any of the foregoing by, any Government authority having jurisdiction over the matter in question including Companies Act, 2013 and Securities and Exchange Board of India (Share Based Employee Benefit and Sweat Equity) Regulations, 2021, as amended from time to time.
- b) "**Board**" means the board of directors of the Company;
- c) "**Companies Act**" means the Companies Act, 2013, including the rules and notifications thereof, as amended from time to time and any statutory modification or re-enactment thereof;
- d) "**Company**" means SAMHI Hotels Limited, a company incorporated under the provisions of the Companies Act, 1956, holding corporate identification number U55101DL2010PLC211816, having its registered office at Caspia Hotels Delhi, District Centre Crossing, Opp. Galaxy Toyota Outer Ring Road, Outer Ring Rd., Haider Pur, Shalimar Bagh, Delhi-110088, and includes its successor or assigns;
- e) "**Eligible Employee**" shall have the meaning as set forth in clause 7 of this ESOP – 2023;
- f) "**Employee**" means
  1. an employee as designated by the Company who is exclusively working in India or out of India; or
  2. a director of the Company, whether a whole-time director or not, including a non-executive Director, who is not a promoter or member of the promoter group, but excluding an independent director; or
  3. an employee (as defined in sub-clauses (1) or (2) above) of a group company including Subsidiary or its associate company, in India or outside India, or of a holding company of the company, but does not include: an employee who is a promoter or a person belonging to the promoter group, or a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% (ten percent) of the outstanding Shares of the Company;

- g) **“Employee Compensation”** means the total cost incurred by the Company towards employee compensation including basic salary, dearness allowance, other allowances, bonus and commissions including the value of all perquisites provided, but does not include:
1. the fair value of the Option granted pursuant to the ESOP – 2023; and
  2. the discount at which Share(s) are issued pursuant to the ESOP – 2023;
- h) **“Exercise”**, in relation to Options, means making of an application, in the form of an Exercise Notice, by a Grantee to the Company for issue of Shares against his Vested Options in accordance with the Grant and ESOP - 2023;
- i) **“Exercise Notice”** means the application/notice by which a Grantee requests the Company to allot Shares against his Vested Options in accordance with the Grant and ESOP - 2023;
- j) **“Exercise Period”** means such period after Vesting within which a Grantee should Exercise his right to apply for Shares against his Vested Options in accordance with the Grant and ESOP - 2023. The Exercise Period shall be within 3 (three) years from the respective Vesting milestones outlined in Clause 11.1 herein;
- k) **“Exercise Price”** means the price payable by the Grantee for exercising his Vested Options in accordance with the Grant and ESOP - 2023 which shall be equal to the face value of the Share, i.e. INR 1 (Indian Rupee One);
- l) **“Grant”** means a written agreement between an Eligible Employee and the Company, in the form of an award agreement set out in Schedule I to this ESOP – 2023, confirming the (i) grant of Option(s) pursuant to this ESOP – 2023 and evidencing the terms and conditions upon which they may be Exercised, and (ii) upon such Exercise, the issuance of the Share(s);
- m) **“Grant Date”** means the date of the Grant;
- n) **“Grantee”** means an Eligible Employee who has executed the Grant and has signed his acceptance thereof;
- o) **“IPO”** means the initial public offering of the Shares which results in the listing and commencement of trading of the Shares on a recognised stock exchange in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- p) **“Nomination and Remuneration Committee”** means the Nomination and Remuneration Committee constituted or reconstituted by the Board from time to time under Section 178 of the Companies Act and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and being designated as the compensation committee, and entrusted with the authority to formulate, implement, supervise and administer, inter alia, ESOP - 2023, as specified under the SEBI SBEB Regulations;
- q) **“Option”** means the option given to an Eligible Employee pursuant to this ESOP – 2023 that gives him a right to convert the Option at a future date, into Shares offered by the Company, at Exercise Price. This is a right but not an obligation granted to an Eligible Employee pursuant to the ESOP – 2023 to apply for and be allotted fully paid-up Shares

of the Company at the Exercise Price, during or within the Exercise Period, subject to the requirements of Vesting. Each Option granted would represent the right to apply for 1 (one) Share of the Company.

- r) **“Performance Condition(s)”** means conditions, if any, required to be met along with the time condition for Options to vest. These performance condition(s) shall be specified by the Nomination and Remuneration Committee on an annual basis. The Performance Condition(s) shall be based on certain targeted achievements of the Performance Parameter. The targets shall be communicated to the Grantee at the beginning of each financial year. It is hereby clarified that the Performance Condition(s) shall not be application for the first Vesting milestone set out in Clause 11.1(a) herein.
- s) **“Performance Parameter”** means the revenue and EBIDTA performance of the Company of the last completed financial year.
- t) **“SEBI SBEB Regulations”** means Securities and Exchange Board of India (Share Based Employee Benefit and Sweat Equity) Regulations, 2021, as amended from time to time;
- u) **“Share(s)”** means equity shares of SAMHI Hotels Limited of a face value of INR 1 (Indian Rupee One) each;
- v) **“Subsidiary”** means any present or future subsidiary of the Company as defined under the Companies Act whether incorporated in India or outside India;
- w) **“Vested Option”** means an Option in respect of which the relevant Vesting Period is over; and Performance Conditions required, if any, for Options to vest have been met;
- x) **“Vesting”** means the process by which a Grantee becomes entitled, but not obligated, to receive the benefit of a Grant, which includes, the right to Exercise an Option, under and in accordance with the Grant and ESOP 2023; and
- y) **“Vesting Period”** means the period during which the Vesting of Option granted under the ESOP 2023 takes place;

## 1.2. Interpretations

In this document, unless otherwise stated or intention appears:

- a) all other expressions shall have the meaning ascribed to it in the Companies Act or any statutory modification or re-enactment thereof, as the case may be;
- b) words denoting the singular shall include the plural and vice versa;
- c) words importing a gender include every gender;
- d) heading and bold type face are only for convenience and shall not affect the interpretation hereof;
- e) references to the word “include” or “including” shall be construed without limitation;
- f) reference to a clause is a reference to its clauses in this –ESOP - 2023; and
- g) references to any statute or statutory provision or rule or regulation shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted.

## 2. Purposes

The purpose of the ESOP – 2023 is:

- a) to enable the Company to attract and retain talented human resources by offering them an opportunity to acquire a continuing equity interest in the Company which will reflect their efforts in building the growth and the profitability of the Company; and/or
- b) to provide existing Employees an opportunity for investment in the Company's equity interest in recognition of their efforts to grow and build the Company.

## 3. Quantum of Shares subject to the ESOP – 2023

The total number of Options granted by the Company in accordance with ESOP - 2023 shall be up to **5,477,860 Options**. Each Option when exercised will be converted into 1 (one) Share of the Company. In the case of outperformance by the Company, the Board may consider an additional grant for the Eligible Employees. The pool of Shares can be increased post approval from the Board and shareholders and in accordance with applicable law.

## 4. ESOP – 2023 Administration

- 4.1. ESOP – 2023 shall be administered by the Nomination and Remuneration Committee.
- 4.2. The Nomination and Remuneration Committee shall, inter alia, interpret the ESOP – 2023, prescribe, amend and rescind rules and regulations relating to the ESOP – 2023 and make all other determinations necessary or advisable for its administration. The decision of the Nomination and Remuneration Committee on any question concerning the interpretation of the ESOP – 2023 or its administration with respect to any Option granted pursuant to the ESOP – 2023 shall be final and binding upon all Eligible Employees.
- 4.3. No member of the Nomination and Remuneration Committee shall be liable for any action or determination made in good faith with respect to the ESOP – 2023 hereof.
- 4.4. Notwithstanding anything stated herein, but subject to the provisions of the Companies Act, SEBI SBEB Regulations and other applicable laws, the Nomination and Remuneration Committee, in its absolute discretion, has been authorized to determine all the terms governing the ESOP – 2023, including any variation thereof and including but not limited to:
  - a) the quantum of Option(s), per employee and in aggregate under ESOP – 2023;
  - b) the kind of benefits to be granted under the ESOP – 2023;
  - c) the conditions under which Options may vest in employees and may lapse in case of termination of employment for misconduct;
  - d) the Exercise Period within which the Eligible Employee can exercise the Option(s) and that Option(s) would lapse on failure to exercise the same within the Exercise Period subject to Applicable Law;
  - e) the specified time period within which the Eligible Employee shall exercise the Vested Option(s) in the event of termination or resignation;
  - f) the right of an Eligible Employee to exercise all the Option(s), vested in him at one time or at various points of time within the Exercise Period;

- g) the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of Option(s) and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, inter alia, be taken into consideration by the compensation committee:
    - i. the number and price of Option(s) shall be adjusted in a manner such that total value to the Eligible Employee of the Option(s) remains the same after the corporate action;
    - ii. the Vesting Period and the life of the Option(s) shall be left unaltered as far as possible to protect the rights of the Employee(s) who is granted the Option(s)
  - h) the Grant, Vesting and Exercise of Option(s) in case of Employees who are on sabbatical;
  - i) eligibility to avail benefits under the ESOP – 2023, in case of employees who are on sabbatical;
  - j) the procedure for funding the Exercise of Option(s); and
  - k) the procedure for buy-back of specified securities (as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018), if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
    - i. permissible sources of financing for buy-back;
    - ii. any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
    - iii. limits upon quantum of specified securities that the Company may buy-back in a financial year.
- 4.5. Each Grantee shall be provided a copy of this ESOP – 2023 and a copy of the Grant executed by him/her.
- 4.6. The Nomination and Remuneration Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company and its Employees, as applicable.

## 5. Effective Date

- 5.1. Following the adoption of the ESOP – 2023 by the Board, the ESOP – 2023 shall become effective from the date, on which it is approved by the shareholders of the Company.
- 5.2. The shareholders of the Company have granted their approval for introduction of ESOP – 2023 by way of a special resolution passed at the general meeting of the Company held on 11th March 2023.

Thus, the effective date of the ESOP – 2023 is **11th March 2023**.

## 6. Grant of Options

The Nomination and Remuneration Committee may grant Options to the Eligible Employees either:

- a) at the time of joining employment of the Company or a Subsidiary; or
- b) at the time of regular performance reviews and depending upon the nature of review that such Eligible Employee obtains; or
- c) at any other time that the Nomination and Remuneration Committee may deem fit.

## **7. Eligibility**

- 7.1. The Nomination and Remuneration Committee will determine and designate from time to time such Eligible Employees to whom Options are to be issued and the number of such Options in the Grant pursuant to the ESOP – 2023.
- 7.2. In determining the eligibility of an Employee to receive Options under the ESOP – 2023, the Nomination and Remuneration Committee may consider the qualification, experience, hierarchy level in the organization or performance of an Employee as indicated by the annual performance appraisal, minimum period of service, the position and responsibilities of an Employee, the nature and value to the Company of his services and accomplishments, his present and potential contribution to the success of the Company, past service and geographical location and such other factors that the Nomination and Remuneration Committee may deem relevant (“**Eligible Employee**”).
- 7.3. In case of directors, the eligibility would depend on the period for which the office of the director is held by the incumbent or proposed to be held by the incumbent and such other factors as Nomination and Remuneration Committee may think appropriate. The Nomination and Remuneration Committee at its discretion may extend the benefits of the – ESOP - 2023 to a new director.

## **8. Terms and Conditions of Options**

Options shall be subject to the following terms and conditions and to such other terms and conditions (not inconsistent with the ESOP – 2023 and the applicable laws) as shall from time to time be approved by the Nomination and Remuneration Committee and incorporated in the ESOP – 2023.

- a) No Employee shall have any right to demand from the Company for a Grant, nor shall the Company have any such obligation to any Employee.
- b) It is clearly understood that neither the Grant/Vesting of any Options to an Eligible Employee, per se, assure accrual of a benefit or profit nor the participation of an Eligible Employee in the ESOP – 2023 shall be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the market price of the Shares or due to the performance of the Company and the risks associated with the investments is that of the Eligible Employee alone.
- c) Upon completion of the Vesting Period and subject to achievement of the Performance Condition(s), in accordance with Clause 11.2 below the Grantee shall have the right, subject to Clause 11.2 below, to convert his Vested Options and subscribe to Shares equivalent to the number of Options held by him. Even after the completion of the Vesting Period, the Grantee will not be entitled to any dividends, rights issue or bonus

Shares issued until such time as the Options are Exercised and Shares issued thereunder are allotted to the Grantee.

## **9. Governmental Regulations**

- 9.1. This ESOP – 2023 shall be subject to all applicable laws, rules, and regulations and to such approvals by any governmental agencies/authorities as may be required, including but not limited to the SEBI SBEB Regulations. The allotment/grant of Shares/Options in accordance with this ESOP – 2023 shall entitle the Company to require each Eligible Employee to comply with such requirements of law as may be necessary in the opinion of the Company.
- 9.2. The Board shall make all the relevant disclosures in the director's report in relation to this ESOP – 2023 as are required under the Companies Act, SEBI SBEB Regulations and the Companies (Share Capital and Debentures) Rules, 2014.
- 9.3. The Company shall follow and confirm to applicable accounting policies issued by the Institute of Chartered Accountants of India from time to time and/or accounting policies as per the Companies Act as applicable.
- 9.4. The participant shall comply with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003, to the extent applicable, as well as any code of conduct or such similar policy, procedure or system formulated or adopted by the Board and communicated to the participant from time to time. Any violation of applicable laws or code of conduct may result in cancellation of all vested and unvested Options as well as subject the participant to disciplinary action at the discretion of the Company.

## **10. Option Accounting and Disclosures**

- 10.1. In respect of Options granted during any accounting period, the accounting value of the Options shall be treated as another form of Employee Compensation in the financial statements of the Company. The Company shall conform to the disclosures and the accounting policies specified in applicable laws, including the SEBI SBEB Regulations, as amended from time to time.
- 10.2. The Company shall make disclosures to the prospective Grantees containing statement of risks, information about the Company and salient features of the ESOP 2023 - I in a format as prescribed under SEBI SBEB Regulations.

## **11. Vesting Period**

- 11.1. Unless otherwise specified in the Grant, Vesting of the Options granted pursuant to ESOP 2023 – I shall be done in the following manner:
  - a) 25% (twenty five percent) of Options shall vest upon completion of 1 (one) year from the Grant Date  
  
Subject to achievement of Performance Conditions the following;
  - b) 25% (twenty five percent) of Options shall vest upon expiry of 2 (two) years from the Grant Date;



- c) 25% (twenty five percent) of Options shall vest upon expiry of 3 (three) years from the Grant Date; and
  - d) 25% (twenty five percent) of Options shall vest upon 4 (four) years from the Grant Date.
- 11.2. Subject to other terms of this ESOP – 2023, the Vesting of the Options for a particular financial year, is subject to the achievement of the Performance Condition(s), if any, in the following manner:
- a) 100% (one hundred percent) of the Options shall vest upon achievement of 100% (hundred percent) of the Performance Condition(s);
  - b) 75% (seventy five percent) of the Options shall vest upon achievement 80% (eighty percent) of the Performance Condition(s); and
  - c) No Options shall vest upon achievement of less than 80% (eighty percent) of the Performance Condition(s).

Provided that, subject to continued employment till 4 years from the Grant Date, if Performance Conditions are achieved on a cumulative basis covering Performance Conditions as specified for Vesting under the Grant issued under 11.1(b), 11.1(c) and 11.1(d) at the end of 4 years from the Grant Date, any unvested Options on account of non-achievement of Performance Conditions in respective years would vest. The assessment of Nomination & Remuneration Committee shall be binding to decide if the targets have been met on a cumulative basis.

## 12. Exercise of Vested Options

A Grantee has the right to convert any number of his Vested Options into Shares in full or in tranches at any time during the Exercise Period subject to the following conditions:

- a) the Option may be Exercised during the continuance of a Grantee's employment with the Company and / or Subsidiary(ies) subject to the provisions of clause 11 and 15.
- b) The Vested Options may be Exercised by a Grantee during the Exercise Period only by way of an Exercise Notice specifying the number of Vested Options to be Exercised. The Option shall be deemed to be Exercised when an Eligible Employee pays to the Company a consideration equal to the respective Exercise Price of the Option and upon the satisfaction of the tax liability set out in Clause 23.
- c) As soon as practicable on receipt of the Exercise Notice and receipt of the Exercise Price thereof, the company secretary of the Company shall make the necessary arrangement for allotment of Shares in lieu thereof. The Shares allotted shall rank pari-passu with all the existing Shares of the Company and any right attached to such Shares issued pursuant to the Exercise of any Option shall be with reference to a date subsequent to the date of allotment of the Shares.
- d) In case, the Grantee does not Exercise the Vested Options during the Exercise Period, they will lapse, be cancelled forthwith and no rights will accrue after that date.
- e) Funding the exercise of Options: For the purpose of funding the Exercise of Options, the Nomination and Remuneration Committee shall be entitled to specify such procedures and/or mechanisms for funding the Exercise of the Options as may be necessary and the same shall be binding on the Grantee. Subject to compliance with applicable law and

the procedures determined by the Nomination and Remuneration Committee in this regard, cashless Exercise may be undertaken, among other methods, by enabling the sale of corresponding Shares on the stock exchange(s).

### **13. Lock-in period sale of Shares exercised under ESOP – 2023**

The Shares allotted upon Exercise of Vested Options in accordance with the ESOP – 2023 are not subject to any lock-in period except as maybe required under applicable laws from time to time including the code of conduct framed by the Company after consummation of the IPO of the Company, under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

### **14. Variation of the terms of ESOP – 2023**

The Nomination and Remuneration Committee may, subject to compliance with the provisions of the Companies Act, the SEBI SBEB Regulations, or any other applicable law at any time at its discretion change the terms and conditions of this ESOP – 2023. However, such varied terms may not be detrimental to the interests of the Grantees or such Eligible Employees and the approval of the shareholders in general meeting has been obtained unless the terms are varied to meet any regulatory requirements.

### **15. Resignation or Termination of Employment**

15.1. If a Grantee's employment with the Company terminates for Cause (as defined below), then the Options, to the extent not previously exercised, will lapse on the date of such termination of employment.

“Cause” shall include (i) engaging by a Grantee in wilful, reckless or grossly negligent misconduct which is determined by the Nomination and Remuneration Committee to be detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise, or (ii) a Grantee pleading guilty to or conviction of a felony, or (iii) fraud, misfeasance, breach of trust or wrongful disclosure of any secret or confidential information about the Company by the Grantee to any third party, or (iv) employment of a Grantee in any other organisation or provision of services by a Grantee for any other organisation without prior permission of the Company.

15.2. If a Grantee's employment with the Company terminates due to voluntary resignation on the part of the Grantee, then all Options not vested in the Employee as on the date of termination shall lapse forthwith. The Vested Options can be exercised by an Employee prior to the expiry of Exercise Period or within 90 days of date of termination, whichever is earlier. If a Grantee's employment with the Company terminates due to completion of his employment contract, then all Options which are not vested at the time of such termination shall lapse forthwith. The Vested Options can be exercised by such Grantee prior to the expiry of Exercise Period. For the purposes of this clause 15.2, employment shall be deemed to have terminated on the last day of such Grantee's employment with the Company.

However, resignation on account of leaving the Company for joining any of the group company of the Company will be regarded as employment transfers within the Company and will not be regarded as resignation or termination under this clause.

If a Grantee is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing company, prior to the Vesting or Exercise, the

treatment of Options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Grantee.

15.3. If a Grantee should die while in the employment of the Company, all the Options granted to such Grantee shall vest, with effect from the date of his death, in his legal heirs or nominees; and if a Grantee should or suffer total and permanently disability while in the employment of the Company, all the Options granted to such Grantee shall vest, from the date of his total and permanent disability, in him or his legal heirs or designated nominees; and the Options must be exercised as below:

a) in case of death, prior to expiry of Options or within 1 (one) year from the date of death whichever is earlier, or such extended time provided by the Nomination and Remuneration Committee; and

b) in case of total and permanent disability, prior to expiry of Options or within 1 (one) year from the date of total and permanent disability whichever is earlier, or such extended time provided by the Nomination and Remuneration Committee.

15.4. In the event of cessation of employment of the Grantee due to retirement or superannuation, then all Options granted to the Grantee would continue to vest in accordance with this ESOP – 2023 and the applicable laws.

15.5. In the event of a termination of employment for reasons other than those referred above, all Options which have not vested will lapse forthwith. The Vested Options can be exercised by the Employee prior to the expiry of Exercise Period or such extended period as determined by the Nomination and Remuneration Committee.

## **16. Vesting and Exercise of Options in case of Employees on sabbatical**

16.1. The period of leave shall not be included in determining the Vesting Period in the event an Eligible Employee is on a sabbatical. In all other conditions, including earned leave, maternity leave and sick leave, the period of leave shall be included to calculate the Vesting Period.

16.2. A Grantee on leave other than a sabbatical can Exercise his/her Option as per the terms of the Grant.

## **17. Vesting and Exercise As per Grant**

Notwithstanding anything, in the event the Vesting and/or manner of exercise and/or process in relation thereto is different in the Grant, the terms as per the Grant would prevail over ESOP -2023, subject to applicable law.

## **18. Non-Transferability**

18.1. Save as otherwise provided in this ESOP – 2023, each Option granted in accordance with the ESOP – 2023 shall by its terms be non-transferable by the Grantee, and each Option shall be exercisable during the Grantee's lifetime only by the Grantee subject to Clause 15.3.

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

## **19. Changes in Capital**

- 19.1. Save as otherwise provided in Clause 19 of this ESOP – 2023 the existence of the ESOP – 2023 and Grant shall not affect, in any way, the right or power of the Board or the shareholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company’s capital structure or its business, or any merger, amalgamation or demerger of the Company or Subsidiary, any issue of debt, preferred or preference stock, the authorization or issuance of additional Shares to existing or non-existing shareholders of the Company, the dissolution or liquidation of the Company or its Subsidiaries, any sale or transfer of all or part of its assets or business or any other corporate act or proceeding.
- 19.2. (i) Upon changes in the outstanding Shares by reason of a stock dividend, stock split, reverse stock split, sub-division, recapitalization, reclassification, merger, consolidation (whether or not the Company is a surviving corporation), combination or exchange of Shares, separation, or reorganization, or in the event of an extraordinary dividend, “spin-off”, liquidation, other substantial distribution of assets of the Company or acquisition of property or stock or other change in the capital of the Company, or the issuance by the Company of Shares without receipt of full consideration thereof, or rights or securities exercisable, convertible or exchangeable for Shares of such capital stock, or any similar change affecting the Company’s capital structure, the aggregate number, class and kind of Shares available under the –ESOP - 2023 pursuant to which Options may be granted and the number, class and kind of Shares under each outstanding Option and the Exercise Price per Share applicable to any such Option shall be appropriately adjusted by the Board along with such approvals as may be necessary to preserve the benefits or potential benefits intended to be made available under the –ESOP – 2023 or with respect to any outstanding Options or otherwise necessary to reflect any such change, in a manner that the Board and / or the Nomination and Remuneration Committee deems fit.
- (ii) Fractional Shares resulting from any adjustment in Options pursuant to clause 19.2(i) shall be aggregated until, and eliminated at, the time of Exercise of the affected Options. Notice of any adjustment shall be given by the Nomination and Remuneration Committee to each participant whose Options have been adjusted and such adjustment (whether or not such notice is given) shall be effective and binding for all the purposes of the ESOP – 2023.

## **20. Change in Control**

In the event of the liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets or business of the Company or a Subsidiary, the Board may take such steps, as it deems fit in its discretion, and on such terms and conditions as it deems appropriate. No Grantee shall have any right to prevent the consummation of any of the foregoing acts affecting the number of Shares available to such Grantee.

## **21. Rights as a Shareholder**

The Grantee shall have no rights as a shareholder of the Company with respect to the Options granted until such time as the Options have been Exercised, Exercise Price relating to such Option has been paid and the Shares have been allotted and delivered to him.

## **22. No Right of Employment**

The Grant of Options in accordance with this ESOP – 2023 does not create a right to continued employment with the Company, or its Subsidiaries. Nothing in this ESOP – 2023

or Grant shall interfere with or limit in any way the right of the Company, or its Subsidiary to terminate the employment of the Grantee at any time.

### **23. Tax Liability**

- 23.1. In the event of any tax liability, including any tax liability arising on account of change in the tax laws relating to ESOP 2023, arising on account of the Grant of Options and /or allotment of the Shares to a Grantee, the liability shall be that of the Grantee alone and the Company shall be indemnified to the extent of applicable taxes, if any, levied at any point of time upon the Company in this regards.
- 23.2. No Shares shall be issued to the Grantee or beneficiary, on Exercise of the Options under this –ESOP - 2023 unless appropriate taxes as required under the applicable tax laws, are discharged. Such taxes may either be deducted from the Grantee’s salary and / or can be separately discharged by the Grantee by giving a cheque / demand draft to the Company for the said amount.
- 23.3. The Company shall have the right to deduct from the salary, for any obligation towards tax deduction arising in connection with the Option or the Shares acquired upon the Exercise thereof if not fulfilled by the Grantee within the prescribed period under applicable law.
- 23.4. The Company shall have no obligation to deliver Shares or to release Shares in pursuance of the Option until the Company’s tax deducting obligations, if any, have been satisfied by the Grantee.
- 23.5. All tax liabilities arising on disposal of the Shares after Exercise would be handled by the Grantee.

### **24. Notices**

All notices under the ESOP 2023, including the Exercise Notice, shall be in writing, and if to the Company, shall be delivered to the principal office addressed to the attention of the company secretary and if to the Eligible Employee shall be delivered personally or mailed to the Eligible Employee at the address appearing in the payroll records of the Company. Such address may be changed at any time by a written notice to the other party.

### **25. Termination of the ESOP - 2023**

- 25.1. The –ESOP - 2023 shall terminate upon the earliest to occur of the following:
- a) The effective date of a resolution adopted by the Nomination and Remuneration Committee terminating the –ESOP - 2023; or
  - b) The date all Shares subject to the –ESOP - 2023 are allotted and delivered pursuant to the Scheme - I’s provisions; or
  - c) 5 (five) years from the date the –ESOP - 2020 is approved by the Company’s shareholders.
- 25.2. No Options may be granted under ESOP - 2023 after the earliest to occur of the events or dates described in the foregoing paragraphs (a) through (c) of this Section but Options granted heretofore shall continue in force beyond that date pursuant to these terms.

25.3. No such termination of ESOP - 2023 shall affect the previously accrued rights of any Grantee hereunder and all Options previously granted hereunder shall continue in force and in operation after the termination of ESOP - 2023, except as they may be otherwise terminated in accordance with the terms of ESOP - 2023 or the Grant.

**26. Liquidity**

The Shares acquired upon Exercise of Options can only be sold through a stock market, where the Shares of the Company are listed, subject to satisfaction of regulatory conditions, if any.

**27. Confidentiality**

The Grantee specifically confirms and covenants to the Company that he is aware that the information regarding his/ her ESOP entitlements to this Grant is strictly confidential and that the Grantee cannot reveal/share the information with any of his/her peers, colleagues, co-employees or with any employee and/ or associate of the Company or its Subsidiaries or any other company of the group. In case Grantee is found in breach of this confidentiality undertaking, the Company has an undisputed right to forfeit the Options granted and all vested and unvested Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this confidentiality undertaking shall be final and binding upon the Grantee.

Signature of Grantee

SAMHI Hotels Ltd. (Authorized Signatory)

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Name of Grantee:

Date:

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Designation:

Date: