

Nuvama Wealth Management Limited
Employee Stock Appreciation Rights Plan - 2024

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Nuvama Wealth Employee Stock Appreciation Rights Plan 2024

1. Name, Objective and Term of the Plan

- 1.1. This Plan shall be called the “Nuvama Wealth Employee Stock Appreciation Rights Plan 2024 (Nuvama ESAR Plan 2024 or ESAR 2024)”.
- 1.2. The objective of Nuvama ESAR Plan 2024 is to reward the Eligible Employees of the **Company**, its Subsidiaries and Associate Companies (present or future) for their performance and to motivate them to contribute to the growth and profitability of the Company. The Plan aims to attract, retain and reward talent in the organisation.
- 1.3. Stock Appreciation Rights are an effective way of incentivizing the employees and are recognized internationally, as an instrument to align interest of employees with those of the Company paving way for a unified approach to the common objective of enhancing overall shareholder value creation and provide an opportunity to the employees to participate in the growth of the Company and create long-term wealth.
- 1.4. This Plan has been formulated by the Board of Nuvama Wealth Management Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 and has received approval of its Shareholders by way of a Special Resolution passed on October 11, 2024 through Postal Ballot in order to grant ESARs to its Employees.
- 1.5. Nomination and Remuneration Committee may, subject to compliance with Applicable Laws currently applicable to the Company and required approvals, if any, at any time alter, amend, suspend or terminate this ESAR 2024.
- 1.6. The Plan shall come into effect from the date of its approval by the shareholders and shall continue to remain in force until (i) it is withdrawn/ suspended/ terminated by the Board/ Committee; or (ii) the date on which all ESARs available for issuance under the Plan have been issued and exercised, whichever is earlier. Any such termination or expiry of this ESAR 2024 shall not affect the Grant, Vesting or Exercise of the SAR already issued under this ESAR 2024.

2. Definitions

- i. “**Abandonment**” shall mean discontinuation of employment by a Grantee without giving notice or without serving a period of notice as specified by the Company from time to time.
- ii. “**Act**” means the Securities and Exchange Board of India Act, 1992 (hereinafter may be referred as ‘SEBI’) together with the statutory modifications, amendments or re-enactments thereof from time to time.
- iii. “**Applicable Law**” means any prevailing Act, Rule or Regulation relating to Stock Appreciation Right, including and without limitation to the Companies Act, 2013, Securities and Exchange Board of India Act, 1992, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, Companies (Share Capital and Debenture) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (each as amended from time to time), and all relevant tax, securities, exchange control or corporate laws of India, or amendments thereof or of any relevant jurisdiction or of any Recognised Stock Exchange on which the Shares are listed or quoted.
- iv. “**Appreciation**” means the difference between the Market Price of the equity share of the Company and the ESAR price.
- v. “**Associate Company**” means an associate company of the Company as defined under section 2(6) of the Companies Act, 2013 and includes Joint Venture company
- vi. “**Beneficiary**” or “**Nominee**” shall mean the person or persons, trust or trusts designated by the Eligible Employee, or in the absence of any designation by the Eligible Employee, a person or persons who is/ are entitled

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

- vii. **"Board"** means the Board of Directors of the Company.
- viii. **"Cause"** means any of the following acts or omissions by an Eligible Employee in addition to any provisions prescribed in the offer or terms of employment amounting to misconduct or breach of terms of employment as determined by the Board or Committee after giving the Eligible Employee an opportunity of being heard. This may include the following scenario's or any other scenario's as may be determined by the Board or Committee of the Board.
 - 1. constant failure of the Eligible Employee in the opinion of the Board/Committee to achieve assigned performance targets and objectives;
 - 2. gross negligence, willful misconduct or insubordination of the Eligible Employee in connection with the performance of his duties and obligations towards the Company, which is detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise;
 - 3. breach by the Eligible Employee of any terms of his employment agreement or the Company's policies or other documents or directions of Company including the reasons of non-performance;
 - 4. fraud, moral, turpitude, misfeasance, breach of trust or wrongful disclosure of any secret and confidential information about of the Company or any of its affiliates to any third party;
 - 5. participating or abetting a strike in contravention of any law for the time being in force;
 - 6. Misconduct as provided under the labour laws after following the principles of natural justice.
 - 7. the Eligible Employee's pleading guilty to or conviction of an offense involving imprisonment,
 - 8. While in employment with the Company, Eligible Employee is in employment of the any other organization not being a Group Company or Affiliated company
- ix. **"Companies Act"** means the Companies Act, 2013 and rules made thereunder and include any statutory modifications or re-enactments thereof.
- x. **"Company"** means Nuvama Wealth Management Limited, a company incorporated and registered under the Companies Act, 1956 having its registered office 801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 and having its Corporate Identity Number: L67110MH1993PLC344634
- xi. **"Director"** shall have the same meaning as defined under section 2(34) of the Companies Act, 2013.
- xii. **"Eligibility Criteria"** means the criteria as may be determined by the Nomination and Remuneration Committee for grant of ESARs to Eligible Employees, from time to time.
- xiii. **"Eligible Employee"** means
 - 1) an employee as designated by the Company, who is exclusively working in India or outside 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 at all times excluding an independent director of the Company; or
 - 3) an employee as defined in sub-clauses (i) or (ii), of a group company including Subsidiary or its Associate

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company, 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;

- xiv. **"Employee Stock Appreciation Right or ESAR"** means a right given to a ESAR Grantee (but no obligation) entitling him/her to receive appreciation for a specified number of shares of the Company where settlement of such appreciation is made by way of issue of Equity Shares of the Company upon payment of Exercise Price.
- xv. **"ESARs Grantee"** means the Eligible Employee who has been granted ESARs under the Plan.
- xvi. **"ESAR price"** means the price as defined under Clause 10 and determined by the Nomination and Remuneration Committee and enumerated in the Grant Letter issued to the ESAR Grantee.
- xvii. **"Exercise"** of a ESAR means making a valid application by the ESAR Grantee to the Company for issue of shares against the ESARs vested in the ESAR Grantee under the Plan.
- xviii. **"Exercise Period"** means such time period after Vesting within which the Eligible Employee can exercise the right to apply for the shares against the ESARs vested under the Plan.
- xix. **"Exercise Price"** means the price, if any, payable by the ESAR Grantee/Beneficiary/Nominee at the time of Exercise of the Vested ESARs, as defined under Clause 11.7 under the Plan.
- xx. **"General Meeting"** means an annual general meeting or an extraordinary general meeting of the members of the Company held by the Company in accordance with the Articles of Association and Applicable Laws;
- xxi. **"Grant"** means the process by which the Company issues ESARs to the Eligible Employees under the Plan.
- xxii. **"Grant date / Date of Grant"** means the date on which the Nomination and Remuneration Committee approves the grant of ESAR
- xxiii. **"Holding Company"** means a holding company (present or future) as defined in sub- section (46) of section 2 of the Companies Act;
- xxiv. **"Insider"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- xxv. **"Independent Director"** shall have the same meaning assigned to it under the provisions of Companies Act, 2013 read together with the rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- xxvi. **"Letter of Grant"** shall mean the letter issued by the Company, substantially in the form provided for this Plan intimating an Eligible Employee of the ESARs granted to such Eligible Employee for acquiring a specified number of Shares at the Exercise Price and as per the Vesting Conditions described therein.
- xxvii. **"Long Leave"** means a sanctioned leave in excess of 90 days without break and without pay. Long Leave shall also include Sabbatical Leave without pay in full and exclude Maternity Leave.
- xxviii. **"Market Price"** means the latest available closing price on a Recognised Stock Exchange on which the Shares of the Company are listed on the date immediately prior to the Relevant Date.

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Explanation,—If such Shares are listed on more than one Recognised Stock Exchange, then the closing price on the Recognised Stock Exchange having higher trading volume shall be considered as the market price;

- xxix. **“Nomination and Remuneration Committee” or “the Committee”** or Committee means the Nomination and Remuneration Committee constituted by the Board of the Company, from time to time, which shall also perform the role of the Compensation Committee under the SEBI Regulations.
- xxx. **“Permanent Disability/Incapacity”** means any disability/incapacity of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Eligible employee from performing any specific job, work or task which the said Eligible Employee was capable of performing immediately before such disablement, as determined by the Plan Committee.
- xxxi. **“Promoter”** shall have the same meaning as assigned to the term under the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended read with Companies Act.
- xxxii. **“Promoter group”** shall have the same meaning assigned to the term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
- xxxiii. **“Relevant date”** means:
 - a. in the case of grant, the date on which the grant is made; or
 - b. in the case of exercise, the date on which ESAR Grantee/Beneficiary/Nominee exercises the ESAR;
- xxxiv. **“Relative”** shall have the same meaning as defined under section 2(77) of the Companies Act.
- xxxv. **“Retirement”** means retirement as per the policies/rules of the Company.
- xxxvi. **“SEBI Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended and re-enacted from time to time and includes any clarifications or circulars issued thereunder.
- xxxvii. **“Shareholder”** shall mean the registered holder of a Share from time to time.
- xxxviii. **“Stock Exchange or Recognized stock exchange”** means the National Stock Exchange of India Ltd (NSE), Bombay Stock Exchange Limited (BSE) or any other Recognized stock exchange in India on which the Company’s Shares are listed or to be listed in future and shall have the same meaning attributed to it under Section 2(j) of the Securities Contracts (Regulation) Act, 1956, as amended.
- xxxix. **“Subsidiary Company”** means a subsidiary of the Company (present or future) as per the definition under Section 2 (87) of the Companies Act, 2013.
 - xl. **“Share”** means the ordinary Equity Shares of the Company.
 - xli. **“Tax” or “Taxes”** shall mean any income tax, perquisite tax, fringe benefits tax or any other taxes, or any levy or any contribution or any sums due (by whatever name it is called) imposed on the Company or on an Eligible Employee, with respect to the Grant, Vesting and/ or Exercise of the ESAR in pursuance of this Plan;
 - xlii. **“Unvested ESAR”** means an ESAR in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Grantee has not become eligible to exercise the ESAR.
 - xliii. **“Vest” or “Vesting”** means process by which the Eligible Employee/Beneficiary becomes entitled to apply for Shares against the ESARs granted in pursuance of this Plan.

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- xliv. **“Vesting Condition”** means the conditions subject to which the ESARs granted under the Plan would Vest in the ESARs Grantee.
- xlv. **“Vesting Date”** shall mean the respective dates on and from which the ESARs Vests with the Eligible Employee/Beneficiary/Nominee and thereby becomes exercisable in pursuance of this Plan.
- xlvi. **“Vesting Period”** means the period, during which the Vesting of the ESAR granted to the ESAR Grantee takes place under the Plan.
- xlvii. **“Vested ESAR”** means an ESAR in respect of which the relevant Vesting Conditions have been satisfied and the ESAR Grantee/Beneficiary/Nominee has become eligible to exercise the ESAR.

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Companies Act, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (read with applicable circulars, notifications etc.), as amended from time to time, the Securities Contracts (Regulation) Act, 1956, or the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any statutory modification or re-enactment thereof, as the case may be.

3. Interpretation

3.1. In this Plan, 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 all other genders;
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

3.2. All references to laws or to any specific provision of any law shall mean all delegated legislation issued thereunder any legislation which replaces such law/provision and any amendments to such law, provision or amendment or re-enactment.

3.3. In the event of any inconsistency between the provisions of this Plan and the Articles of Association, then the provisions of the Articles of Association shall prevail and be deemed to have been incorporated herein by reference.

3.4. In the event of any inconsistency between the provisions of this Plan and the SEBI Regulations, then the provisions of SEBI Regulations shall prevail and be deemed to have been incorporated herein by reference.

4. Administration of the Plan

4.1. Subject to applicable laws, if any, the Committee is authorised to administer and supervise the Plan and shall be authorised to inter-alia decide the following conditions under the Plan:

- a) Adopt rules and regulations for implementing the Plan from time to time;
- b) The eligibility criteria for Grant of ESARs to the Eligible Employees;
- c) To identify Eligible Employees to whom the ESARs may be granted hereunder, based on the Eligibility Criteria
- d) Grant ESAR to the Eligible Employees
- e) The quantum of ESARs to be granted under this Plan per employee and in aggregate;

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- f) Terms and conditions in respect of Grant, Vesting, Vesting Schedule, Exercise Period and Exercise of ESARs by the Eligible Employees / ESAR Grantees which may be different for different class or classes of Eligible Employees/ ESAR Grantees falling in the same tranche;
- g) Determine the conditions under which ESARs, shares or other benefits as the case may be, may vest with employees and may lapse in case of termination of employment for misconduct;
- h) Determine the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of ESARs and to the ESAR 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 Committee:
 - i. the number and ESAR/Exercise Price of ESAR shall be adjusted in a manner such that total value to the Eligible Employee of the ESAR remains the same after the corporate action;
 - ii. the vesting period and the life of the ESARs shall be left unaltered as far as possible to protect the rights of the Eligible Employee(s) who is granted such ESARs;
- i) The procedure and terms for the Grant, Vesting and Exercise of ESARs in case of ESAR Grantee, who are on long leave;
- j) The procedure for vesting in case of separation / termination of employment, if required;
- k) Approve forms, writings and/or agreements for use in pursuance of the Plan.
- l) To discontinue or recontinue the Plan
- m) To construe and interpret the terms of the Plan and the ESARs granted pursuant to the Plan.
- n) To frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including the (a) SEBI (Prohibition of Insider Trading Regulations), 2015 and (b) SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the securities market) Regulations, 2003
- o) Any other matter as deemed necessary or incidental for the purpose of administration of this Plan.

4.2. The Committee may correct any defect, omission or reconcile any inconsistency in this Plan in the manner and to the extent the Committee deems necessary or desirable and to resolve any difficulty in relation to implementation of this Plan and take any action which the Board is entitled to take in relation thereto. No member of the Committee may act upon matters under this Plan specifically relating to such member of the Committee.

4.3. All questions of interpretation of the Plan shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Plan.

5. Designated Officer

5.1. Under the overall authority of the Committee, the Designated Officer(s), as notified by the Committee, shall be authorised and responsible to administer, implement and supervise the Plan and to perform following functions or such other functions as may be assigned by the Committee from time to time:

- a) Issue, amend, modify the letters of Grant of ESARs under the Plan as per approval of the Committee;
- b) Acceptance of the requests/ applications for exercise of ESARs;
- c) Execute, sign and deliver all letters, correspondence, certificates, undertaking and other deeds and documents on behalf of the Company for any purpose incidental or ancillary to the Plan;
- d) Represent the Company before any Government / Semi-Government or other authority for the purpose of the Plan;
- e) Determine whether an Eligible Employee has been terminated for Cause;
- f) Appoint any consultant, lawyer, professional etc. for any legal opinion, advice, views or to represent the Company before any statutory or non- statutory authority. Also, appoint valuer / chartered accountant to make independent calculation of ESAR Price and No. of ESARs.
- g) Cancel or suspend all or any of the ESARs granted whether vested or not under the Plan:
 - i. If required under any law for the time being in force or the order of any jurisdictional court;
 - ii. In the event the Eligible Employee's services are terminated for misconduct or irregularities or misconduct etc.

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- h) Do all such acts, deeds and things as may be required to be done to implement and administer the Plan or any other matter connected thereto under the Authority of the Board/ Committee.
- i) Delegate all or any of the powers vested to any officer or employee or the appointed representative(s) of the Company by way of a Letter of Authority;

6. Authority

- 6.1 Subject to Clause 13 of the Plan, the shareholders of the Company by way of special resolution dated October 11, 2024, approved the Plan authorizing the Committee to Grant ESARs not exceeding [REDACTED] units ('ESAR Pool') to the eligible Employees in one or more tranches, from time to time.
- 6.2 Exercise of Vested SAR would entitle the Eligible Employee(s) to apply for and be allotted, upon payment of Exercise Price, such number of Shares of the Company, from time to time, determined on the basis of Clause 11.5 below, upto a maximum of [REDACTED] Shares currently having face value of Rs. 10/- each ('Share Pool')
- 6.3 The maximum number of ESARs that shall be granted to any specific Eligible Employee of the Company under this Plan, in any financial year shall not exceed [REDACTED] units.
- 6.4 The maximum number of ESARs that shall be granted to any specific Eligible Employee of the Company under this Plan, in any financial year shall not be equal to or exceed 1% of the issued share capital (excluding outstanding warrants and conversions) of the Company, if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.
- 6.5 If an ESAR expires, lapses, gets cancelled, surrendered or becomes un- exercisable due to any reason/s, it shall be brought back to the ESAR Pool and shall become available for future Grants, subject to compliance with the provisions of Applicable Law.
- 6.6 Where Shares are allotted consequent upon Exercise of an ESAR under the Plan, the maximum number of ESAR and Shares that can be allotted under Plan as referred to in Clause 6.1 and 6.2 above shall stand reduced to the extent of such ESAR exercised and Shares allotted.

7. Eligibility under the Plan

- 7.1. Only Eligible Employees within the meaning of this Plan are eligible for being granted ESARs under this Plan. The specific Eligible Employees to whom the ESARs would be granted and their eligibility criteria would be determined by the Committee.
- 7.2. The Eligible Employees, who satisfy the Eligibility Criteria and selected by the Committee for grant of ESAR shall receive ESARs on the date of grant. The Committee may apply different eligibility criteria for Eligible Employees / set of Eligible Employees.
- 7.3. The appraisal process for determining the eligibility of the Eligible Employee will be determined by the Committee from time to time and will be based on criteria such as the grade of Eligible Employee, length of service, performance record, merit of the Eligible Employee, future potential contribution by the Eligible Employee and/or by any such criteria that may be determined by the Committee from time to time.

8. Grant and Acceptance of Grant

8.1. Grant of ESAR

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- 8.1.1. The Committee shall Grant such number of ESARs to all or select Eligible Employees, who satisfy the Eligibility Criteria, on such terms and conditions as may be decided by the Committee at its discretion and in accordance with the provisions of the Plan. The Eligible Employees can be given such numbers of ESARs as may be determined by the Committee from time to time. Provided however the total number of Equity Shares to be issued toward Appreciation of the ESARs to be granted under the Plan shall not exceed Share Pool defined in Clause 6.2 above.
- 8.1.2. The Grant of the ESAR by the Company to the ESAR Grantee shall be made in writing or through any other electronic medium identified by the Company and communicated to the ESAR Grantee by a Letter of Grant alongwith the copy of the Plan. The Letter of Grant shall specify the details of the Grant date, number of ESAR, the Vesting Period, schedule of Vesting, conditions for Vesting, the ESAR Price, Exercise Price, Exercise Period and any other terms and conditions that the Committee may deem necessary.
- 8.1.3. Except for provisions mentioned in clause 11.14, a Grant made under this Clause is personal to the Grantee, should be treated as confidentially by the Grantee and cannot be transferred in any manner whatsoever.

8.2. Acceptance of Grant

- 8.2.1. Any Eligible Employee who wishes to accept the Grant made under this Plan must deliver to the Company an acceptance of the letter of Grant as soon as possible but not more than 30 days from the date of the Grant, in a manner as specified in the Letter of Grant. In case no acceptance is received within 30 days from the Grant Date then the Grant shall be considered as deemed accepted by Eligible Employee. On receipt by the Company of the acceptance or deemed acceptance, the Eligible Employee will become an ESAR Grantee.
- 8.2.2. Each Vested ESAR, upon valid exercise, shall entitle the ESAR Grantee to receive appreciation in ESARs and such appreciation shall be settled in equity shares.

9. Vesting of ESARs

- 9.1. ESARs granted under the Plan would vest not earlier than one year and not later than 6 years from the Grant Date of such ESARs. The exact Vesting Period and schedule of Vesting shall be communicated to the ESAR Grantee through the Letter of Grant.
- 9.2. Subject to Clause 11.15, Vesting of ESARs would be subject to continued employment with the Company or its Subsidiary company(s), or its Associate Company(s) as the case may be.
- 9.3. The Committee may apply different vesting period and/or criteria for Eligible Employee / sets of Eligible Employees. The specific vesting schedule and vesting criteria would be stated in the Grant Letter provided to the ESAR grantee at the time of Grant.
- 9.4. ESARs which do not Vest on Vesting date on account of non-fulfilment of vesting conditions/criteria shall automatically lapse, without any obligations whatsoever on the Company (including the Board or Committee) and no rights in that regard will accrue to the Eligible Employee after such date. Such Unvested ESAR shall be brought back/revert to the ESAR Pool and may be granted at the discretion of the Board or Committee to any other Eligible Employee.
- 9.5. Subject to Applicable Laws, and unless the Committee decides otherwise, no ESAR shall vest in an Eligible Employee, if such Eligible Employee carries on or engages in, directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, any business which competes directly or indirectly with the whole or any part of the business carried on by the Company or any activity related to the business carried on by the Company. Decision of the Committee in this regard shall be final and conclusive and cannot be called in question by the Eligible Employee. For the sake of clarity, the restriction contained in this Clause shall not apply to any investment held as a portfolio by the

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Eligible Employee or any activity/ business carried out by the Eligible Employee pursuant to his duties as an Eligible Employee and shall not apply to the Nominee/Beneficiary of the Eligible Employee.

10. ESAR Price

- 10.1. The ESAR Price of the Grant made to the ESAR Grantee shall be decided by the Committee and shall be the average of the daily opening and closing price of the Shares of the Company, as quoted on the Recognised Stock Exchange, where the trading volume of Shares is higher, of each of the 20 trading days immediately prior to the Relevant Date.
- 10.2. The ESAR Price shall be communicated to the ESAR Grantee in the Letter of Grant.

11. Exercise and Settlement of ESAR

- 11.1. The Exercise Period for ESARs Vested under the Plan shall be decided by the Committee and would be between 1 to 5 years from the Vesting Date.
- 11.2. The Committee may apply different Exercise Period for Eligible Employee / sets of Eligible Employees. The exact Exercise Period would be stated in the Grant Letter provided to the ESAR grantee at the time of Grant.
- 11.3. Subject to terms of this Plan and subject to Applicable Laws, an ESAR Grantee/ Beneficiary/Nominee can Exercise Vested ESAR only within the exercise period and only by applying to the Company during the Exercise Period, by way of an Exercise Application and upon payment of the Exercise Price and applicable Taxes, if any.
- 11.4. The Designated Officer can decide the procedure for the exercise of ESAR and Allotment of Shares.
- 11.5. Upon Exercise of Vested ESAR, ESAR Grantee/Beneficiary/Nominee shall be eligible to received Appreciation in ESAR. Such Appreciation shall be settled in Equity Shares of the Company as per the below formula:

No of Equity shares to be issued =

$$\left\{ \frac{(\text{Market Price of Equity Shares of the Company for the Relevant Date} - \text{ESAR Price}) \times \text{No. of ESARs Exercised}}{(\text{Market Price of Equity Shares of the Company for Relevant Date} - \text{Exercise Price})} \right\}$$

- 11.6. In compliance to Section 53 of the Companies Act, these above-mentioned Equity Shares will be allotted only upon receipt of Exercise Price from the ESAR Grantee/Beneficiary/Nominee upon Exercise of ESAR.
- 11.7. The Exercise Price shall be equal to the face value of the Equity Shares of the Company.
- 11.8. Fractional shares, if any, shall be settled in cash, considering the price of the Equity Shares of the Company on the date immediately preceding the date of Exercise.
- 11.9. Where shares are issued consequent to Exercise of ESARs by the ESAR grantee, the Shares Pool as referred to in Clause 6.2 above shall stand reduced to the extent of such shares allotted.
- 11.10. At the time of allotment/ transfer of Shares pursuant to a valid Exercise, the Eligible Employee/ Beneficiary/Nominee may be required to sign or execute such documents as may be considered necessary by the Committee or Designated Officer to lawfully execute/ enforce various provisions of this Plan.
- 11.11. Upon settlement of Vested ESAR, the Vested ESAR shall stand extinguished.
- 11.12. The Unexercised ESAR shall lapse on expiry of the Exercise Period.

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- 11.13. Subject to compliance with the provisions of the Applicable Laws, all expired, lapsed, forfeited and cancelled ESARs shall be brought back to the ESARs Pool and shall become available for future grants.
- 11.14. The right of an ESAR Grantee to have ESARs Vested in him or her under this Plan, is contingent upon the ESAR Grantee continuing in the service of the Company. On the happening of certain events the ESARs will vest and can be exercised as per the provisions outlined in the table below:

S. No.		Vested ESARs*	Unvested ESARs
1	Resignation or termination (other than due to Cause or misconduct or breach of company policies/ terms of employment)	All Vested ESARs as on date of submission of resignation/date of termination may be exercised by the ESAR Grantee upto the last working day with the Company.	All Unvested ESARs on the date of submission of resignation shall stand cancelled with effect from that date.
2	Termination on account of Cause	All Vested ESARs which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested ESARs on the date of such termination shall stand cancelled with effect from the termination date.
3	Retirement	All Vested ESARs can be exercised by the ESAR Grantee immediately after, but in no event, later than six months from the date of such retirement.	All Unvested ESARs shall continue to Vested as per the Vesting Schedule and Conditions specified in Clause 9 above and can be exercised within the Exercise Period.
4	Death	All Vested ESARs may be Exercised by the Beneficiary/Nominee or legal heirs immediately after, but in no event, later than six months from the date of Death.	All the Unvested ESARs as on the date of death shall vest immediately and may be Exercised by the Beneficiary/Nominee or legal heirs immediately after, but in no event, later than six months from the date of Death.
5	Permanent disability/ incapacity	All Vested ESARs may be Exercised by the ESAR Grantee or, if the ESAR grantee is himself, unable to exercise due to such incapacity, the Beneficiary/Nominee or legal heirs, immediately after, but in no event, later than six months from the date of such incapacity	All the Unvested ESARs as on the date of such permanent incapacity shall vest immediately and can be exercised by the ESAR Grantee or, if the ESAR Grantee is himself, unable to exercise due to such incapacity, the Beneficiary/Nominee or legal heirs, immediately after, but in no event, later than six months from the date of such incapacity
6	Abandonment*	All Vested ESARs which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested ESARs on the date of such termination shall stand cancelled with effect from the termination date.
7	Any Other Reason	Treatment of Vested ESARs shall be decided as per the discretion of the Committee	All Unvested ESARs on the date of such termination shall stand cancelled with effect from the termination date.

*The Committee, at its sole discretion shall decide the date on which ESARs shall lapse and such decision shall be binding on all concerned.

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- 11.15. **Long leave:** For the purposes of this Plan, Long Leave will not be treated as continuous employment / service by a ESAR Grantee. In such an event, the vesting period shall be extended by a period which is equal to the leave period unless Committee decides otherwise.
- 11.16. The rights granted to a ESAR Grantee upon the grant of an ESAR shall not afford the ESAR Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with any present or past member of the group or associated company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 11.17. In the event of transfer or deputation of an Eligible Employee from the Company to its Holding Company or Subsidiary company (ies) (present or future) or Associate Company (present or future), prior to Vesting or Exercise, the Vesting and Exercise as per the terms of the Plan shall continue even after the transfer or deputation.
- 11.18. In the event that an Eligible Employee who has been granted benefits under this Plan, 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 ESARs 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 Eligible Employee.

12. Ranking, listing of shares and rights of shareholders

- 12.1. The Shares issued on the Exercise of Vested ESARs shall rank pari-passu with all the existing Shares subject to such exceptions and restrictions as may be specified in Articles of Association and this Plan.
- 12.2. The Shares issued on Exercise of Vested ESARs shall be listed immediately as per the SEBI Regulation on all Recognised Stock Exchange where the existing Shares are listed subject to compliance of all the Applicable Laws and Regulations.

13. Corporate Action

- 13.1. In case of Corporate Action, including but not limited to Share split, merger, demerger, sale of division, consolidation, rights issues, bonus issues and other corporate actions, the Committee in accordance with applicable Laws shall ensure while taking into consideration the global best practices in this area that adjustment to ESAR Price, Exercise Price, Number of ESARs granted, accelerated vesting, Adjustment of Vesting Conditions, etc, shall be appropriately made without prejudice to the interest of the Eligible Employee. The decision of the Board / Committee on whether such action is necessary and the extent of such action by the Board shall be final and binding.
- 13.2. In case of a Share split or consolidation, if the revised face value of the Share is less or more than the current face value as prevailing on the date of coming into force of this Plan, the maximum number of ESARs available for being granted and maximum number of Shares for being allotted under the Plan as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (no. of ESARs X face value per underlying Share) prior to such Share split or consolidation remains unchanged after adjusting for such Share split or consolidation.
- 13.3. The Committee may determine the procedure for making fair and reasonable adjustments to the number of ESAR and the terms and Conditions of this Plan in case of corporate actions such as further capitalization, mergers, sale of division and others (so as to ensure the economic value of the benefits granted are not materially altered by either the corporate action, or the adjustment required as a result of the corporate action).

14. Beneficiary/Nominee Designation

- 14.1. Each Eligible Employee under this Plan may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit accrued to such Eligible Employee under this Plan 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 Eligible

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Employee, shall be in a form prescribed by the Company and will be effective only when filed by the Eligible Employee in writing with the Company during the Eligible Employee's lifetime.

15. Arbitration

15.1. In the event of a dispute arising out of or in relation to the provisions of this Plan or any communication in relation thereto (including a dispute relating to the Construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such disputes through an amicable settlement. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after a reasonable attempt, which attempt shall continue for not more than 90 days, gives 90 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 Mumbai under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator shall give a reasoned award in writing. The arbitrator shall also decide on the costs of the arbitration proceedings. The parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law at Mumbai. Nothing in this Clause will however limit the right of the Company to bring proceedings against any Eligible Employee in connection with this Plan:

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

16. Withholding Tax or Any Other Sums

16.1. All Shares issued to the Eligible Employee/Beneficiary/Nominee on exercise of ESARs granted under this Plan, dividend or any other amounts payable by the Company to the Eligible Employee/Beneficiary/Nominee pursuant to this Plan shall be subject to all applicable taxes, withholding tax and/ or any levy and/ or any contribution and/ or any sums due (by whatever name it is called) arising due to participation in this Plan (in or outside India), if any, and the Company accordingly, may withhold/ recover such taxes and/ or levy and/ or contribution and/ or payment in full unless Company decides to withhold in part.

16.2. Notwithstanding anything contained in any other Clauses of this Plan, if the Grant of the ESAR and/ or the Vesting of Option and/ or the Exercise of the ESARs and/ or allotment or transfer of the Shares under the Plan and or at any time while this Plan is in operation shall be subject to any levy and/ or taxes or contribution or payment (by whatever name called), if any, that is levied on or payable by the Company (in or outside India), then such taxes and/ or levy and/ or contribution and/ or payment shall be recovered in full, unless the Company at its sole discretion decides to recover in part from the Eligible Employee.

16.3. Notwithstanding anything else contained in this Plan, no Shares/ sale proceeds therefrom, as the case may be, shall be issued/ allotted/ transferred/ disbursed to the Eligible Employee/ Nominee, on Exercise of the ESARs under this Plan, unless appropriate levies/ taxes/ contributions/ payments as given in this Clause are recovered in full, unless the Company at its sole discretion decides to recover only a part of the same from the Eligible Employee or Beneficiary.

17. Authority to vary terms

The Committee may at any time and from time to time and Applicable Laws:

- a. Revoke, add to, add addendum to the Plan, alter, amend or vary all or any of the terms and conditions of this Plan or all or any of the rights and obligations of the Grantee/Beneficiary; and should be in the interest of the of the Grantee/Beneficiary.

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- b. Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Grantee/ Beneficiary. Each of such sets of special terms and conditions shall be restricted in its application to those Grantee/ Beneficiary;
- c. Formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Grantee/ Beneficiary separately and each of such sets of special terms and conditions shall be restricted in its applications to such Grantee/ Beneficiary;
- d. The Company may by special resolution in a General Meeting vary the terms of the Plan offered pursuant to an earlier resolution of the shareholders but not yet exercised by the Eligible Employee provided such variation is not prejudicial to the interests of the Eligible Employees. Except otherwise provided under the Applicable Laws, if such variation to the terms of the Plan is prejudicial to the interest of the employee, the same shall be only with the consent of the employees. The notice for passing such special resolution for variation of terms shall disclose the relevant information as required under Applicable Laws.

18. Accounting and Disclosures

- 18.1. The Company shall follow the laws/regulations applicable to accounting and disclosure related to Employee Stock Options, including section 133 of the Companies Act but not limited to SEBI Regulations as well as the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the regulatory authorities from time to time, including the disclosure requirements prescribed therein, as and when applicable to the Company.
- 18.2. The Company shall make disclosures to the prospective ESAR Grantees containing statement of risks, information about the Company and salient features/Plan document in a format as prescribed under SEBI Regulations or any other Applicable Law as in force.
- 18.3. The Company shall disclose details of Grant, Vest, Exercise and lapse of the ESARs on the website of the Company and in the Directors' Report or in an annexure thereof as prescribed under Companies Act, SEBI Regulations or any other Applicable Laws as in force.
- 18.4. The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the Secretarial Auditors of the Company that the Plan has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the Company in the general meeting.

19. Governing Laws

- 19.1. This Plan and all agreements thereunder shall be governed by and construed in accordance with the Applicable Laws of India. The Grant of ESARs and issue and allotment / transfer of Shares under this Plan shall entitle the Company to require the Eligible Employee to comply with such requirements of Applicable Laws as may be necessary in the opinion of the Committee. In case of any conflict between the provisions of this Plan and any provisions, rules, regulations or guidelines issued under Applicable Laws, the provisions of the Applicable Laws shall override the provisions of this Plan to the extent of such conflict.
- 19.2. In the event that any Applicable Laws render this Plan as illegal or void, this Plan shall automatically be treated as withdrawn and cancelled and the Company shall have no obligation or liability whatsoever towards any Eligible Employee including in relation to any Vested ESARs or Unvested ESARs. The inability of the Company to obtain approval from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and transfer of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to Grant the ESARs or issue / transfer the Shares.

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19.3. In order to comply with regulation of any other country or to avail any tax or other benefits, Committee may at its sole discretion and in compliance with Applicable Laws, formulate an addendum to this Plan for Eligible Employees employed in that country and made applicable to such Eligible Employees from the date determined by the Committee.

19.4. In case any ESARs are granted to any Eligible Employee being resident outside India belonging to the Company working outside India, the provisions of the Foreign Exchange Management Act, 1999 and Rules or Regulations made thereunder and any other Applicable Laws in or outside India as amended and enacted from time to time shall be applicable, and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vest, Exercise of ESARs and allotment of Equity Shares thereof.

20. Notices

20.1. All notices of communication required to be given by the Company to an ESAR Grantee by virtue of this Plan shall be in writing or electronic mode. The communications shall be made by the Company in any one or more of the following ways:

- i. Sending communication(s) to the address of the ESAR Grantee available in the records of the Company; or
- ii. Delivering the communication(s) to the ESAR Grantee in person with acknowledgement of receipt thereof; or
- iii. Emailing the communication(s) to the ESAR Grantee at the official email address provided, if any, by the Company to the prospective /existing ESAR Grantee during the continuance of employment or at the email address provided by the ESAR Grantee after cessation of employment.

20.2. Any communication to be given by an ESAR Grantee to the Company in respect of Plan shall be sent to the person at the address mentioned below or email id at:

Sr. No	Designation	Address	Email
1	Head – HR	8th Floor, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400051	esop@nuvama.com
2	Head- Company Secretary		secretarial@nuvama.com

21. Severability

21.1. In the event any one or more of the provisions contained in this Plan shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Plan in which case the Plan shall be construed as if such invalid, illegal, or unenforceable provisions had never been set forth herein, and the Plan shall be carried out as nearly as possible according to its original intent and terms.

22. Confidentiality

22.1. An ESAR Grantee must keep the details of the PLAN and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case ESAR Grantee is found in breach of this Clause on confidentiality, all unexercised ESARs shall stand cancelled immediately. The decision and judgement of the Committee regarding breach of this Clause on confidentiality shall be final, binding and cannot be questioned by ESAR Grantee. 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.

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- 22.2. On acceptance of the Grant of Option offered by the Company, it shall be deemed that as if the ESAR Grantee has authorized the Company to disclose information relating to the ESAR Grantee during the process of implementation of the Plan or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need-to-know basis.
- 22.3. "Confidential Information" includes any and all information related confidential and privileged information, trade secrets, employment related information, strategies, administration, research in connection with the Company or Promoters of the Company, commercial, legal, scientific, technical data, business and financial information about costs, profits, markets, sales, customers and bids, business plans, marketing, future developments, product developments and new products concepts, schematics, techniques, suggestions, development tools and processes, computer programs, designs, drawings, manuals, electronic codes, device drivers, formulas and improvements, software demonstration programs, routines, algorithms, computer systems, techniques, documentation, designs, procedures, ideas, know-how, formulas, inventions (whether patentable or not), improvements, concepts, records, files, memoranda, reports, drawings, plans, price list, customer lists, vendor/partner lists, forecasts, apparatus, modules, samples, prototypes or parts thereof or any project names, product names, project information through visual images, distributor(s) and representative(s) list, employee(s), salary, benefits, payroll information, documents, books, papers, drawing, model, sketches, and the like provided to or made available to the employee by the Company or developed by the employee to facilitate his/ her work or that the employee is able to know or has obtained access by virtue of his/ her employment or position with the Company, as the case may be.
- 22.4. In furtherance of this Plan, the Grantee confirms that:
- i. the Grantee shall not engage himself/ herself in activities that have or will have an adverse impact on the reputation of the Company or Promoters of the Company.
 - ii. while during employment with the Company, the Grantee shall engage exclusively in the work assigned by the Company and shall not take up any independent or individual assignments, whether the same is part time or full time, (in an advisory capacity or otherwise) and whether directly or indirectly.
 - iii. the Grantee shall not, directly or indirectly, engage in any activity or have any interest in, or perform any services for any person who is involved in activities which are or shall be (in the sole opinion of the Board) in conflict with the interests of the Company or Promoters of the Company.
 - iv. in consideration of the ESARs granted to the Grantee, as also, opportunities, training and access to new techniques and know-how that has been made available to the Grantee, the Grantee shall also strictly abide by any and all of the terms of the employment agreed by the Grantee.
 - v. the Grantee shall maintain as secret and confidential all Confidential Information and shall not use or divulge or disclose any such Confidential Information except as may be required under any obligation of law (subject to obtaining the consent of the Company) or as may be required by the Company.
 - vi. the Grantee understands that the Grant of the Option is limited only to the Shares of the Company, and the Grantee shall have no recourse to the shares of any other company in any manner whatsoever.
 - vii. the Grantee understands that "Confidential Information" means any or all information about the Company or Promoters of the Company that satisfies one or more of the following conditions:
 - viii. such information which has not been made generally available to the public, save and except for information disclosed to the public with the consent of the Company; or
 - ix. such information which is critical, in the Company's opinion, to the Company's current or anticipated business activities or those of a customer or supplier or associate or channel partner of the Company or Promoters of the Company and the disclosure of the same would affect their competitiveness; or
 - x. such information which either has been identified as confidential by the Company or Promoters of the Company (either orally or in writing) or has been maintained as confidential from outside parties and is recognized as intended for internal disclosures only; or
 - xi. such information which either is of a nature that it gives a distinct edge to the Company or Promoters of the Company over competition when not shared with the competition, or is likely to give any advantage to the competition or any other organization/ person/ group of persons when shared with the organization/ person/ group of persons; or
 - xii. such information which is required to be kept confidential by any requirement of law.

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23. Other terms and conditions

- 23.1. The Grant Letter duly signed by the Designated Officer of the Company shall be conclusive evidence of the entitlement of the Eligible Employee to the ESARs mentioned in the Grant Letters. The Grant Letter shall inter alia contain Grant Date, Vesting schedule, Vesting Conditions, Number of ESARs granted and the disclosures as specified under the SEBI regulations.
- 23.2. The ESARs shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 23.3. ESARs shall not be transferable to any person except in the event of death of the ESAR Grantee or inability to exercise due to Permanent Incapacity, in which case Clause 11.14 would apply.
- 23.4. Nothing herein is intended to or shall give the ESAR Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc) in respect of any shares covered by the Grant unless the ESAR Grantee Exercises the ESARs and becomes a registered holder of the shares of the Company.
- 23.5. If the Company issues bonus or rights shares, the ESAR Grantee will not be eligible for the bonus or rights shares in the capacity of an ESAR Grantee. However, an adjustment to the number of ESARs or the ESAR Price or both would be made in accordance with sub-Clause 13 of the Plan.
- 23.6. There shall be no additional lock-in period for the shares allotted upon Exercise of ESARs unless Board/Committee decides otherwise.
- 23.7. No amount is payable at the time of grant of ESAR.
- 23.8. The Equity shares allotted to the ESAR grantee upon conversion of the ESARs shall be subject to the provisions of the Articles of Association of the Company.
- 23.9. The Shares will not be issued to a ESAR grantee pursuant to the exercise of ESAR unless the exercise of such ESAR and the delivery of such Shares comply with Applicable Laws.

24. General Risks

- 24.1. Participation in the Plan shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the equity and the risks associated with the investments is that of the ESAR Grantee alone. The ESAR Grantee is encouraged to make considered judgment and seek adequate information /clarifications essential for appropriate decision.
- 24.2. Vesting of ESARs would be subject to continued employment with the Company or Subsidiary company(s) or Associate Company(s), as the case may be. Thus, the ESARs would Vest on completion of Vesting Period.