



**TILAKNAGAR INDUSTRIES LIMITED**

**TILAKNAGAR STOCK APPRECIATION RIGHTS SCHEME 2024**

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## **PART A: STATEMENT OF RISKS**

An investment in SARs Units is subject to risk as the value of Equity Shares may go up or down. You should carefully consider all the information in this SAR Scheme, including the risks and uncertainties described below, before making an investment in the SARs Units. If profitability and financial condition of the Company gets affected, the price of the SARs Units could decline and you may lose all or part of your investment in the SARs Units. Unless specified or quantified in the SAR Scheme, We are not in a position to quantify the financial or other implication of any of the risks.

In addition, SARs Units are subject to the following additional risks:

- 1. Concentration:** The risk arising out of any fall in value of Equity Shares is aggravated if the Employee's holding is concentrated in the Equity Shares of a single Company.
- 2. Leverage:** Any change in the value of the Equity Shares can lead to a significantly larger change in the value of the SARs Units.
- 3. Illiquidity:** The SAR Units cannot be transferred to anybody and therefore, the Employee cannot mitigate his/her risks by selling the whole or part of his/her benefits before they are exercised.
- 4. Vesting:** The SARs Units will lapse if the employment is terminated prior to vesting. Even after the SARs Units are vested, the unexercised SARs Units may be forfeited if the employment is terminated for gross misconduct.

## **PART B: INFORMATION ABOUT THE COMPANY**

### **1. Business Profile of the Company**

Established in 1933 as The Maharashtra Sugar Mills Limited by the illustrious industrialist and visionary Shri M. L. Dahanukar alias Babasaheb Dahanukar, Tilaknagar Industries Limited (TI) was named after the revered freedom fighter Bal Gangadhar Tilak and was one of Maharashtra's first private sugar factories, which served the Nation for over five decades. In the 1970s, the Company started making alcohol and quickly became one of the most well-known manufacturers of alcobev in India.

#### **Present and Main Business Activity:**

The Company along with its subsidiaries/associates is in the business of alcohol beverages. Due to its core competency in alcoholic beverages and conscious efforts, the Company swiftly established its distinct identity in the liquor industry. Today its brand portfolio consists of unique brands which enjoy excellent consumer preference solely due to its quality and competitive price structure.

### **2. Abridged Financial Information**

The abridged financial information for the audited financial information for the last 5 (Five) years along with the last audited accounts is available on the website of the Company at the link: <https://tilind.com/investors-financial-reporting/>

### **3. Risk Factors**

- **Regulatory challenges**

The Indian alcohol business is highly regulated and each state has its own rules with respect to indirect taxes and duties, which can impact business operations. In addition, there are multiple regulatory considerations with respect to pricing, licensing, plant set-up, marketing & advertising and distribution. All these rules and regulations serve to create barriers to entry for both new and existing players.

- **Inflation**

The past year has seen multiple inflationary headwinds, owing to the Russia-Ukraine conflict, which has further impacted profitability of the industry.

- **Availability of Raw Material risk**

One of the most crucial risks that the Company may face is the availability of raw materials at any given point in time at an optimum price level.

- **Adequate Availability of Power risk**

The Power requirements for running a plant of such standards are very high. The availability of the required power at all times is also a crucial risk.

- **Marketing risk**

A diverse target audience with varying requirements and different levels of disposable income creates a complex market landscape. Catering to this diverse market introduces risks to the Company..

- **Human Capital risk**

The availability and sourcing of the right professionals into the Company is crucial for its operations.

Management perception: Some of the risks are normal to the nature of industry in which the Company operates and others are beyond the control of the Company.

#### **4. Continuing Disclosures**

The Option Grantee will receive copies of all documents that are sent to the Members of the Company. This shall include the Annual Accounts of the Company as well as notices of meetings and the accompanying explanatory statements.

**STOCK APPRECIATION RIGHTS SCHEME 2024**  
**(SAR SCHEME)**

**1. Name, Objective and Term of the SAR Scheme**

**A. Introduction of the Scheme:**

1.1 This Scheme shall be called as the “Tilaknagar - Stock Appreciation Rights Scheme – 2024” hereinafter referred as “**SAR Scheme**”.

1.2 The SAR Scheme was recommended by the Nomination Remuneration Committee/ Compensation Committee on February 12, 2024, approved by the Board of Directors and the Shareholders of the Company on February 12, 2024 and August 27, 2024 respectively.

1.3 The SAR Scheme shall be effective from August 27, 2024, being the date of the Shareholders approval.

**B. Term of the SAR Scheme**

1.4 The SAR Scheme shall continue in effect unless terminated by the Board of Directors.

1.5 Any such termination of the SAR Scheme shall not affect SARs Units already granted and such SARs Units shall remain in full force and effect as if the SAR Scheme had not been terminated unless mutually agreed otherwise between the Grantee / Nominee(s)/ Legal Heir(s) and the Company.

**C. Purpose of the SAR Scheme**

1.6 The Purpose of the SAR Scheme includes the following:

1.6.1 To motivate the Employees to contribute to the growth and profitability of the Company.

1.6.2 To retain the key Employees and reduce the attrition rate of the Company.

1.6.3 To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long-term interests of the Company.

1.6.4 To create a sense of ownership and participation amongst the Employees, to share the value they create for the Company in the years to come and

1.6.5 To provide additional deferred rewards to Employees.

These objectives / purposes are sought to be achieved through grant of Stock Appreciation Rights (“SARs”) Units to the Eligible employees of the Company and its Subsidiary(ies), Associate(s) and Group Company(ies).

## **2. Definitions and Interpretation**

### **2.1 Definitions**

The terms defined in this **SAR Scheme** shall have the meaning herein specified and terms not defined in this SAR Scheme shall have the meaning as defined in the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Companies Act, 2013, and the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SBEB & SE), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, FEMA Act, 1999 or in any statutory modifications or re-enactments thereof, as the case may be.

- i. **“Abandonment”** means absence of the Employee from work for a period of 30 days or more without having communicated any reason of absence to the Company.
- ii. **“Applicable Law”** means every law relating to Employee Benefit Schemes in force, including, without limitation to, Companies Act, 2013, SBEB & SE, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, FEMA Act, 1999 as amended and all relevant revenue, tax, securities or exchange control regulations or corporate laws of India to the extent applicable.
- iii. **“Appreciation”** means the difference between the market price of the Equity Share of the Company on the date of exercise of SARs Units or the date of vesting of SARs Units, as the case may be, and the SAR price.
- iv. **“Board”** or **“Board of Directors”** means the Board of Directors for time being of the Company which includes any Committee(s) authorized by the Board of Directors in this behalf.



- v. **“Committee”** means Nomination and Remuneration Committee, constituted or re-constituted by the Board from time to time, as formulated under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to supervise the SAR Scheme comprising of such members of the Board as provided under Section 178 of the Companies Act.
- vi. **“Companies Act”** means The Companies Act, 2013 and includes any statutory modifications or re-enactments thereof.
- vii. **“Company”** means Tilaknagar Industries Limited.
- viii. **“Corporate Action”** means a change in the capital structure of the Company as a result of Bonus Issue, Rights Issue, Split of Shares and Consolidation of Shares.
- ix. **“Director”** shall have the same meaning as defined under section 2(34) of the Companies Act, 2013.
- x. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Board of Directors for granting the SARs Units to the eligible employees.
- xi. **“Employee”** means
  - a. an employee as designated by the Company, who is exclusively working in India or outside India; or
  - b. 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
  - c. an employee as defined in sub-clauses (a) or (b), of a Group Company including Subsidiary or Associate Company, in India or outside India, or 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.

An employee *shall continue* to be an employee *during the period of* (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company and any Group Company.

- xii. **“Exercise”** means making of an application, in such a manner and in such format as may be prescribed by the Committee, from time to time, by the Grantee to the Committee/ Company/ Trust for Equity Shares against the vested SARs Units.
- xiii. **“Exercise Period”** means the time period after vesting within which an Employee can exercise his/her right to apply for Equity shares against the vested SARs Units in pursuance of the SAR Scheme.
- xiv. **“Exercise Price”** means the price payable by the Employee for exercising the SARs Units granted to him/her in pursuance of the SAR Scheme.
- xv. **“Grant”** means the issue of SARs Units to the Grantee(s) under the SAR Scheme.
- xvi. **“Grant Date”** means the date on which the Committee / Trust approves the grant.  
**Explanation:** For accounting purposes, the grant date will be determined in accordance with applicable accounting standards.
- xvii. **“Grantee”** shall mean an eligible Employee to whom SARs Units have been granted under the SAR Scheme.
- xviii. **“Group Company (ies)”** means two or more companies which, directly or indirectly, are in a position to—
  - (a) exercise twenty-six percent or more of the voting rights in the other company; or
  - (b) appoint more than fifty percent of the members of the Board of Directors in the other company; or
  - (c) control the management or affairs of the other company;
- xix. **“Independent Director”** shall have the same meaning assigned to it under the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015/ Companies Act.

- xx. **“Market price”** means the latest available closing price on a recognized stock exchange on which the Equity Shares of the Company are listed on the date immediately prior to the relevant date.

Explanation – As the Equity Shares of the Company are listed on more than one recognized stock exchange, the closing price on the recognized stock exchange having higher trading volume shall be considered as the market price.

- xxi. **“Permanent Incapacity”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps a Grantee from performing any specific job, work or task which the said Grantee was capable of performing immediately before such disablement, as determined by the Committee based on a certificate of a medical expert identified by the Company.
- xxii. **“Promoter”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- xxiii. **“Promoter Group”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- xxiv. **“Recognized Stock Exchange”** means a stock exchange which has been granted recognition under section 4 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);
- xxv. **“Relative”** shall have the same meaning as defined in Section 2(77) of the Companies Act, as amended from time to time.
- xxvi. **“Relevant date”** means:
- a. in the case of grant, the date of the meeting of the Nomination and Remuneration Committee in which the grant is made; or

- b. in the case of exercise, the date on which the notice of exercise is given to the Company/Committee/ Trust, as the case may be, by the Grantee;
- xxvii. **“Retirement”** means retirement as per the rules of the Company.
- xxviii. **“SAR price”** means the base price defined on the grant date of SARs for the purpose of computing appreciation;
- xxix. **“Secondary Acquisition”** means acquisition of existing Equity Shares of the Company by the Trust on the platform of a recognised Stock Exchange;
- xxx. **“SAR Scheme”** shall mean “Tilaknagar Stock Appreciation Rights Scheme – 2024” and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof from time to time.
- xxxi. **“SEBI (SBEB & SE) Regulations”** or SEBI (SBEB) Regulations means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof.
- xxxii. **“SEBI (LODR) Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof.
- xxxiii. **“Shares”** means Equity Shares and Securities convertible into equity shares of the Company.
- xxxiv. **“Stock Appreciation Rights or SARs Unit”** means a right but not an obligation granted to a Grantee to receive Appreciation on the Shares of the Company, wherein the settlement of such Appreciation shall be made by Shares of the Company.
- Explanation 1**—A SARs Unit settled by way of Shares of the Company shall be referred to as equity settled SARs.
- xxxv. **“Subsidiary Company”** or **“Subsidiary”** shall have the same meaning as defined in regulation 2 of SEBI (LODR)

Regulations and section 2(87) of the Companies Act, 2013, as amended from time to time.

- xxxvi. **“Trust”** means an Employee Welfare Trust established by the Company in accordance with SEBI (SBEB) Regulations with the objective of facilitating the administration of the SAR Scheme;
- xxxvii. **“Trustee”** means trustee of the Trust as defined under the SEBI (SBEB) Regulations;
- xxxviii. **“Unvested SARs Unit”** means a SARs Unit which is not vested.
- xxxix. **“Vested SARs Unit”** means a SARs Unit, which has vested in pursuance to the SAR Scheme and has thereby become exercisable.
- xl. **“Vesting”** means the process by which the Grantee becomes entitled to receive the benefit of a grant made to him/her under the SAR Scheme.
- xli. **“Vesting Date”** means the date on and from which the SARs Units vests with the Grantees and thereby becomes exercisable.
- xlii. **“Vesting Period”** means the period during which the vesting takes place.

## **2.2 Interpretation**

**In this document, unless the contrary intention appears:**

- a) The singular includes the plural and vice versa.
- b) The word “person” includes an individual, a firm, a body corporate or unincorporated body or authority.
- c) Any word or expression importing the masculine, feminine or neutral genders only, shall be taken to include all three genders.
- d) Any word which is not defined under the Scheme shall be interpreted in line with SEBI (SBEB & SE) Regulations, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 or the

Companies Act, 2013 and any statutory modifications or re-enactments thereto, shall have the meaning respectively assigned to them in those legislations.

- e) Article headings are for information only and shall not affect the construction of this document.
- f) A reference to an article is respectively a reference to an Article of this document.
- g) Reference to any Act, Rules, Statute or Notification shall include any statutory modifications, substitutions or re-enactments thereof.

### **3. Implementation & Administration**

- 3.1 The SAR Scheme will involve secondary acquisition of Shares of the Company and accordingly, will be undertaken through the Trust for extending benefits to Employees wherein the Company will distribute the Appreciation in the form of Shares in accordance with the SAR Scheme.

Provided that if prevailing circumstances so warrant, the Company may change the mode of implementation of the SAR Scheme subject to the condition that a fresh approval of the Shareholders by way of a special resolution is obtained prior to implementing such a change and that such a change is not prejudicial to the interests of the Grantees.

- 3.2 The SARs Units shall be, upon exercise, settled by way of Shares and the Committee/Trust shall take all steps required under the applicable laws to enable such Settlement.
- 3.3 The Company will extend loan to provide financial assistance to the Trust for undertaking secondary acquisition of Shares of the Company for the purpose of implementation of the SAR Scheme.
- 3.4 The Trust shall acquire Shares through secondary acquisition such that the secondary acquisition in a financial year shall not exceed 2% of the paid-up Equity Share Capital of the Company as at the end of the previous financial year or any other limit as may be prescribed under the applicable law(s) from time to time.
- 3.5 Subject to applicable Laws and the framework laid down by the Board of Directors, the SAR Scheme shall be administered by the

Board, which may delegate some or all of its administrative power(s) to any other Committee of the Board or Trust for proper administration of the SAR Scheme.

- 3.6 The Board/ Committee is authorized to interpret the SAR Scheme, to establish, amend and rescind any provisions relating to the SAR Scheme and to make any other determinations that it deems necessary or desirable for the administration and implementation of the SAR Scheme. However, any such amendment will be within the prescribed limits as per SBEB Regulations and no such amendment will be detrimental to the Employees.
- 3.7 The Board/Committee may correct any defect, omission or reconcile any inconsistency in the SAR Scheme in the manner and to the extent the Board/ Committee deems necessary or desirable and to resolve any difficulty in relation to implementation of the SAR Scheme and take any action which the Board is entitled to take.
- 3.8 The acts of majority of the members of the Committee present at any meeting (at which the quorum is present) or acts approved in writing by a majority of the entire Committee shall be the acts of the Committee for the purpose of the SAR Scheme. No member of the Committee may act upon matters under the SAR Scheme specifically relating to such member.
- 3.9 Any decision of the Committee in the interpretation and administration of the SAR Scheme, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all the parties concerned (including but not limited to, Grantee and/or Employee and their Nominees/Legal heirs).
- 3.10 The Committee shall, subject to applicable laws, *inter alia*, have powers to do the following:
  - 3.10.1 To delegate its administrative powers to Trust.
  - 3.10.2 To decide upon re-granting of the SARs Units which were lapsed, forfeited or surrendered under any provisions of the SAR Scheme.
  - 3.10.3 To increase or decrease the pool of SARs Units to be granted under SAR Scheme.
  - 3.10.4 To increase or decrease the pool of Shares to be granted under SAR Scheme.
  - 3.10.5 To identify the Employees eligible to participate in the SAR Scheme.

- 3.10.6 To finalize the eligibility criteria for grant of SARs Units.
- 3.10.7 To determine the number of SARs Units to be granted to each Grantee and in aggregate subject to the pool of SAR Units of the SAR Scheme.
- 3.10.8 To decide upon granting of SARs Units to new Joinees.
- 3.10.9 To determine the grant date.
- 3.10.10 To grant SARs Units to one or more eligible Employees. This can be delegated to the Trust.
- 3.10.11 To calculate the SARs Unit Price and discount / premium thereof, if any.
- 3.10.12 To extend the period of acceptance of grant.
- 3.10.13 To decide the vesting period subject to minimum and maximum period of vesting as stated in SAR Scheme.
- 3.10.14 To determine the vesting schedule for each Grantee.
- 3.10.15 To determine the Employees eligible for vesting of SARs Units.
- 3.10.16 To finalize the eligibility criteria for vesting of SARs Units.
- 3.10.17 To calculate the Exercise Date Price.
- 3.10.18 To determine and fix the exercise window(s).
- 3.10.19 To decide upon the mode and manner of exercise.
- 3.10.20 To calculate the Appreciation.
- 3.10.21 To determine the number of Shares to be transferred by the Trust after calculation of Appreciation upon exercise of SARs Units.
- 3.10.22 To decide upon treatment of vested and unvested SARs Units in cases of cessation of employment as specified in the SAR Scheme.
- 3.10.23 To decide upon the treatment of vested and unvested SARs Units in the event of Corporate Actions taking into consideration the following:
  - a. the number and price of SARs Units shall be adjusted in a manner such that the total value of the SARs Units to the Employee remains the same after the Corporate Action;
  - b. the vesting period and the life of SARs Units shall be left unaltered as far as possible to protect the rights of the Employees who have been granted such SARs Units.
- 3.10.24 To cancel all or any granted SARs Units in accordance with the SAR Scheme.
- 3.10.25 To accelerate the vesting of SARs Units on a case to case basis, subject to completion of minimum 1 year from the date of grant.
- 3.10.26 To decide upon treatment of vested and unvested SARs Units in cases of dispute between the Grantee and Company.
- 3.10.27 To finalize letters and other documents, if any,



required to be issued under the SAR Scheme. This can be delegated to the Trust.

- 3.10.28 To re-price the SARs Units which are not exercised, whether or not they have been vested, if the SARs Units is rendered unattractive due to fall in the price of the Shares in the market.
- 3.10.29 To establish, amend, suspend or waive such rules and regulations as it shall deem appropriate for the proper administration of the SAR Scheme.
- 3.10.30 To specify the time period within which the employee shall exercise the vested SARs Units in the event of termination or resignation of an Employee.
- 3.10.31 To obtain permissions from, making periodic reports to regulatory authorities, as may be required and ensuring compliance with all guidelines applicable in this regard;
- 3.10.32 To specify the conditions under which SARs Units may vest in Employees and may lapse in case of termination of employment for misconduct.
- 3.10.33 To determine or impose other conditions to the granted SARs Units under the SAR Scheme, as it may deem appropriate.
- 3.10.34 To determine the procedure for buy-back of SARs Units granted under the SAR Scheme , if to be undertaken at any time by the Company, and the applicable terms and conditions, in accordance with the applicable laws.
- 3.10.35 To frame suitable policies and procedure to ensure that there is no violation of securities laws, including the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 as amended, by the Company or the Employees.
- 3.10.36 To authorize the Trust to purchase the Shares from the secondary market to implement the SAR Scheme;
- 3.10.37 To authorize the Trust to sell the Shares in secondary market in the following circumstances:
  - a. on vesting or exercise, as the case may be, of SARs Units under the SAR Scheme;
  - b. participation in buy-back or open offers or delisting offers or any other exit offered by the Company

- generally to its shareholders, if required;
  - c. for repaying the loan, if the unappropriated inventory of Shares held by the Trust is not appropriated within the timeline as prescribed under the SEBI regulations;
  - d. winding up of the scheme(s).
  - e. based on approval granted by the SEBI to an applicant, for the reasons recorded in writing in respect of the schemes covered by Part C of Chapter III of SEBI (SBEB & SE) Regulations, upon payment of a non-refundable fee of rupees one lakh or such other fees as may be applicable time to time, to the Board along with the application by way of direct credit in the bank account of SEBI through NEFT/RTGS/IMPS or any other mode allowed by the Reserve Bank of India.
- 3.11 The powers and functions of the Committee can be specified, varied, altered or modified from time to time by the Board of Directors, subject to the rules and regulations as may be in force. The Board of Directors may further provide that the Committee shall exercise certain powers only after consultation with the Board of Directors and in such case, the said powers shall be exercised accordingly.
- 3.12 A member of the Committee shall abstain from participating in and deciding on any matter relating to grant of any SAR Units to himself.

#### **4. Loan to the Trust, Utilization, repayments terms, etc.**

- 4.1 The Company will provide financial assistance to the Trust for undertaking secondary acquisition of Shares of the Company for the purpose of implementation of the SAR Scheme. The terms of such loans shall *inter alia* include the following:
- a. **Amount of loan and term:** - The maximum amount of the loan to be given by the Company and outstanding at any point of time shall not exceed 5% of the aggregate of the paid-up share capital and free reserves of the Company for previous financial year for acquisition of equity shares from the secondary market for the purpose of implementation of the SAR Scheme, subject to overall limits, if any, specified under the Companies Act or the SEBI (SBEB & SE) Regulations.

- b. **Tenure of Loan/Repayment terms:** The tenure of such loan shall be concluded either on the objects of the Trust being accomplished or the repayment of loan is made, whichever is earlier. The exact repayment terms shall be mutually determined between the Company and the Trustee(s).
- c. **Utilisation:** The loan will be utilised by the Trust for the objects of the Trust as mentioned in the Trust Deed i.e. for acquisition of Shares of the Company through secondary acquisition for the purpose of implementation and administration of the SAR Scheme in accordance with the SBEB & SE and other applicable laws.
- d. **Repayment:** The Trust shall repay the loan to the Company from the proceeds realised from exercise of SARs Units by the Grantees and the accruals of the Trust during the tenure of the Scheme or termination of the Scheme.
- e. **Interest on loan:** The Company proposes to make an interest free provision of money, not exceeding 5% of the aggregate of the paid-up share capital and free reserves of the Company, from time to time. However, the Committee reserves the rights to amend the terms and conditions including interest on loan extended to the Trust, subject to applicable laws, including the applicable provisions of the Companies Act and the Rules framed thereunder. Such interest rates shall be as agreed between the Company and the Trust on an annual basis for every financial year, provided that such interest rate shall be equal to the average interest rate incurred, if any, by the Company in the relevant previous financial year.

## 5. Pool of the Scheme

- a. The Trust can undertake secondary acquisition of Equity Shares of the Company so that the total number of shares under secondary acquisition held by the Trust shall not exceed 5% of the existing paid-up equity share capital of the Company for the previous financial year restricted to an upper limit of 50,00,000 Equity Shares of Rs. 10/- each of the Company.
- b. The maximum numbers of shares that may be acquired through secondary market in a financial year by the Trust shall not exceed 2% of the paid-up Equity Share capital of the Company as at the end of the previous financial year. The total number of shares under secondary acquisition held by the Trust shall not exceed 5% of the paid-up equity capital of the Company as at the end of the financial year immediately

prior to the year in which the shareholders' approval is obtained or such number of equity shares as provided in Article 5a whichever is lower.

- c. If any SARs Units granted under the SAR Scheme lapses or is forfeited or surrendered under any provision of the SAR Scheme, such SARs Units shall be available for further grant under the SAR Scheme unless otherwise determined by the Committee.
- d. In case of any corporate action(s) such as rights issue, bonus issue, merger, demerger, sale of division, expansion of capital, change in capital structure and others, if any, additional SARs Units of the Company shall be granted to the Employees for the purpose of making a fair and reasonable adjustment to the SARs Units granted to them, the above ceiling in terms of number of equity shares shall be deemed to be increased/reduced in proportion to the changes in equity shares in the aforesaid corporate action(s).
- e. The Company reserves the right to increase or reduce such number of SARs Units as it deems fit subject to such limits as may be provided by SBEB regulations from time to time

## **6. Eligibility and Applicability**

6.1 The Committee may on the basis of all or any of the following criteria, decide on the Employees who are eligible for the grant of SARs Units under the SAR Scheme and the terms and conditions thereof.

- Longevity of service : It will be determined on the basis of tenure of employment in the Company/ Group Company.
- Performance of Employee: Employee's performance during the financial year on the basis of the decided parameters in the Company / Group Company.
- Performance of Company: Performance of the Company as per the standards set by the Board of Directors/ Committee.
- Any other criteria as decided by the Committee in consultation with Board of Directors from time to time.

6.2 The Employees satisfying the eligibility criteria shall be termed as eligible Employee.

6.3 New Joinee(s) can also participate in the SAR Scheme based upon the discretion of the Board.

- 6.4 Nothing in the SAR Scheme or in any SARs Units granted pursuant to the SAR Scheme shall confer on any Employee, any right or obligation to continue in the employment of the Company or interfere in any way with the right of the Company to terminate the Employee's employment at any time.
- 6.5 The appraisal process for determining the eligibility of the Employee will be specified by the Board and including, but not limited to the date of joining of the Employee with the Company, grade of the Employee, performance evaluation, period of service with the Company, seniority of employee, performance record, merit of the employee, relevance of the function performed, future contribution potential of the employee and/or such other criteria as may be determined by the Board at its sole discretion.
- 6.6 The SAR Scheme shall be applicable to the employees of the Company, its Subsidiary(ies), Associate(s) and Group Company(ies) in India and abroad.

## **7. Grant of SARs Units**

- 7.1 The Committee shall grant SAR Units to one or more eligible Employees, in accordance with the terms and conditions of the SAR Scheme for the time being in force and subject to Employee's employment terms or his continuity in the employment or as mutually agreed in the grant letter or other parameters as set out by the Committee.
- 7.2 Subject to availability of SARs Units in the pool under the SAR Scheme, the maximum number of SARs Units that can be granted to any eligible Employee during a year shall not be equal to or exceeding 1% of the paid up capital of the Company of the respective financial year (which number shall be adjusted in lieu of adjustments/ re-organisation of the capital structure of the Company from time to time).
- 7.3 The grant of SARs Units shall be communicated to the eligible Employees in writing through grant letter specifying the vesting date, number of SARs Units granted, SARs Price, vesting schedule and other terms and conditions thereof.
- 7.4 No amount shall be payable by an Employee at the time of grant of SARs Units.
- 7.5 Upon grant, an eligible Employee shall become Grantee under the SAR Scheme.

- 7.6 The SARs Units granted to the eligible Employees shall not be transferable to any other person.
- 7.7 The SARs Units granted to the eligible Employees shall not be pledged, hypothecated, mortgaged or otherwise encumbered or alienated in any other manner.
- 7.8 At the time of grant, the Committee shall calculate the SARs Price.
- 7.9 For the purpose of Article 7.8 above, SARs Price shall be calculated on the basis of the Market Price, as per the discretion of the Committee, with or without providing suitable discount / charging premium, it deems fit.

## **8. Method of Acceptance**

- 8.1 Any Grantee who wishes to accept the grant made pursuant to the SAR Scheme, shall confirm the acceptance by delivering a signed copy or by e-mail or by any other electronic means to the Committee or any of its authorized representatives within 15 (Fifteen) working days (*of the Company*) from the date of receipt of the grant letter. The Committee may extend the said period of 15 (Fifteen) working days for such duration as it may deem fit for the benefit of the Grantee.
- 8.2 Any Grantee who fails to return the signed copy of grant letter and/or fails to provide his acceptance within the above-mentioned time period shall, unless the Committee determines otherwise, be deemed to have accepted the grant.
- 8.3 The Grantee is not required to pay any amount at the time of acceptance of the Grant.
- 8.4 Subject to the terms contained herein, the acceptance in accordance with this Article, of a grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each SARs Unit shall, on such acceptance, be an Unvested SARs Unit.

## **9. Vesting of SARs Units**

- 9.1 Vesting period shall commence from the date of grant subject to a

minimum of 1 (One) year from the grant date and a maximum period 4 (Four) years or such other period from the grant date, at the discretion of and in the manner prescribed by the Committee. The vesting schedule (i.e. exact proportion in which and the exact period over which the SARs Units would vest) would be determined by the Committee, subject to the minimum vesting period of one year from the date of grant of SARs Units.

Provided further that in the event of death or permanent incapacity of a Grantee, the minimum vesting period of one year shall not be applicable and in such instances, the SARs Units shall vest in terms of SEBI (SBEB & SE) Regulations, on the date of the death or permanent incapacity.

- 9.2 The SARs Units granted under the SAR Scheme shall vest in one or more tranches.
- 9.3 Vesting of SARs Units can vary from Grantee to Grantee as per the discretion of the Committee whose decision shall be final and binding.
- 9.4 The vesting schedule will be clearly defined in the grant letter of respective Grantees subject to minimum and maximum vesting period as specified in Article 9.1 above.
- 9.5 The Actual vesting would be subject to the continued employment of the Grantee and may further be linked with certain performance criteria, including those mentioned in the SAR Scheme, as determined by the Committee and mentioned in the grant letter.
- 9.6 The Committee shall have the power to modify or accelerate the vesting schedule on a case-to-case basis subject to the minimum gap of 1 (One) Year between the grant and first vesting.
- 9.7 The SARs Units which get lapsed due to performance criteria in any of the vesting, if any, will get lapsed from the hands of the Grantee. However, the Committee, may still allow the vesting of SARs Units for which the eligibility criteria is not met, if it so deems fit, either on wholly or proportionately basis.
- 9.8 For any fraction entitlement, to which the Grantee would become

entitled to upon vesting of SARs Units (*other than the last tranche of vesting*), the SAR Units to be actually vested, be rounded off to the nearest lower integer. Accordingly, in the last vesting, the number of the SARs Units to be vested shall include the SARs Units which was not earlier vested due to fraction adjustment.

9.9 The vesting of SARs Units shall be communicated to the eligible Grantees in writing through vesting letter.

9.10 The Grantee is not required to pay any amount at the time of vesting of the SARs Units.

## **10. Exercise of SARs Units**

10.1 The vested SARs Units can be exercised by Grantees, either wholly or in part, after submitting the exercise application during the exercise windows, as specified by the Committee, from time to time, within the overall exercise period from the date of respective vesting, as may be decided by the Committee.

10.2 The vested SARs Units shall be exercisable according to the terms and conditions as determined and mentioned under the SAR Scheme and the vesting letter. However, no fraction of a vested SARs Units shall be exercisable.

10.3 Notwithstanding anything contained elsewhere in the SAR Scheme, the Committee may not pay the appreciation by way of SARs Units, in the event of the Grantee being found to be involved in fraud, misfeasance, gross negligence, breach of trust or like event(s) and in such an event(s) the rights under the SARs Units (whether vested or not) shall lapse, forthwith, without any claim on, or recourse to the Company.

10.4 If the Vesting or Exercise of SARs Units is prevented by any law or regulation in force and the Grantee is forbidden to exercise the SARs Units under such law or regulation, then in such an event the Company shall not be liable to compensate the Grantee in any manner whatsoever.

10.5 Notwithstanding anything else contained in this SAR Scheme, if the Grantee does not exercise his vested SARs Units within



the time specified, the SARs Units shall stand lapsed.

- 10.6 The Committee shall have the power to cancel all or any of the SARs Units granted under the SAR Scheme, if so required, under any law for the time being in force or the order of any jurisdictional court. In the event of any such cancellation, the Company shall not be liable to compensate the Grantee in any manner.
- 10.7 The Committee may give an option to acquire equivalent number of SAR units on which the Appreciation has been calculated upon payment of SAR price.
- 10.8 The mode and manner of the Exercise shall be communicated to the Grantees individually upon vesting of SARs Units.
- 10.9 If the SARs Units are not exercised within the exercise period they shall lapse and be cancelled forthwith. The Company shall not have any obligations to the SARs Units holder towards such lapsed SARs Units.

## **11. Calculation of Appreciation and mode of payment**

- 11.1 Upon duly exercise of SARs units, the Committee shall calculate the amount of appreciation, arising on such SARs Units, as specified in Sub-Article (iii) of Article 2.1 of the SAR Scheme.

**“Appreciation”** shall be the difference between the Exercise Date Price and the SAR Price.

**“SAR Price”** shall be the price calculated by the Committee in accordance with Article 7.8 and 7.9 of the SAR Scheme.

**“Exercise Date Price”** shall be the Market Price of the Shares of the Company as on the date of exercise.

- 11.2 Appreciation to be paid in Shares: Upon valid exercise of SARs Units, the Committee shall calculate the number of Shares to be transferred whose value shall be equivalent to the appreciation. For the purpose of this Article the number of Shares shall be calculated in a manner given below:

**No of shares = [Appreciation (per SAR Unit) \* No. of SARs Units exercised] / Exercise Date Price**

- 11.3 The resulting number of Shares shall be transferred to the Grantee by the Trust on payment of Exercise Price, if any.
- 11.4 The payment shall be paid by a cheque or demand draft, NEFT or any other banking channel in the name of the Trust set up for implementing the SAR Scheme. The details of the bank account shall be communicated to the Grantees individually upon vesting of SARs Units.
- 11.5 Further any fraction entitlement, to which the Grantee would become entitled to upon exercise of SARs Units would be settled in cash.
- 11.6 Cashless Exercise of SARs: If the SAR grantee chooses the cashless exercise of SARs as specified by the Committee, the Trust may sell shares equivalent to the calculated Appreciation on the Stock Exchange. From the proceeds, the Trust will deduct applicable taxes and the exercise price, and the remaining amount will be paid in cash to the SAR grantee.
- 11.7 The tax amount on appreciation shall be paid by the Grantee to the Company/Trust in the month of exercise by way of cheque, demand draft or NEFT as decided by the Committee, whose decision shall be final and binding.
- 11.8 If appreciation comes negative, then Committee may extend the exercise period whose decision shall be final and binding.
- 11.9 The amount paid by the Employee, if any, for the exercise of SARs Units may be refunded, if the SARs Units are not exercised by the Employee within the exercise period.

## **12. Cessation of Employment**

Subject to the employment terms of an Employee, the following terms shall be applicable:

### **12.1 In the event of cessation of employment due to death**

- a) All SARs Units granted as on date of death would vest in the Legal Heirs/ Nominees of the Grantee on that day.

The SARs Units would be exercisable by the Legal Heirs / Nominees within a period of 12 (Twelve) months from the date of death or expiry of exercise period, whichever is earlier, or such period as may be decided by the Committee on case-to-case basis, failing which all the unexercised SARs Units shall lapse irrevocably and the rights there under shall be extinguished.

- b) All other terms and conditions of the SAR Scheme shall apply to such SARs Units. Provided that, in order to exercise the SARs Units of the deceased Grantee, the Legal Heirs / Nominee have to submit the following documents to the Company, to the satisfaction of the Board of Directors and the Board of Directors may its discretion waive off the requirement to submit any of the documents:

**A. In case nominee is not appointed**

- Copy of the Succession Certificate / Probate of Will / Letter of administration
- No objection certificate from the other legal heirs
- Photo copy of the death certificate duly attested by the relevant authority (English translated version if in vernacular language)
- Specimen signature of the person(s) in whose name Shares are to be transmitted (duly attested by the bank)
- Copy of PAN card of the applicant (self – attested).
- Copy of address proof (self – attested)

**B. In case nominee is appointed**

- Photo copy of the death certificate duly attested by the relevant authority (English translated version if in vernacular language)
- Specimen signature of the person(s) in whose name Shares are to be transmitted (duly attested by the bank)
- Copy of PANcard of the applicant (self – attested).
- Copy of address proof (self – attested)

**12.2 In the event of cessation of employment due to Permanent Incapacity**

All SARs Units granted to Grantee as on date of permanent incapacity would vest in Grantee on that day. The SARs Units would be exercisable within a period of 12 (Twelve) months from the date of permanent incapacity or expiry of exercise period, whichever is earlier, failing which all the unexercised SARs Units shall lapse irrevocably and the rights there under shall be extinguished.

**12.3 In the event of cessation of employment due to resignation or termination**

*(not due to misconduct, moral turpitude or ethical/ compliance violations or like event)*

a) All unvested SARs Units, on the date of cessation, shall expire and stand terminated with effect from that date unless otherwise determined by the Committee whose decision will be final and binding.

b) All vested SARs Units as on that date shall be exercisable by the Grantee within the ongoing exercise window (if applicable) or the next exercise window (if no exercise window is running as on the date of acceptance of resignation) or such other time period as may be decided by the Committee on a case to case basis. The vested SARs Units not so exercised shall lapse irrevocably and the rights thereunder shall be extinguished.

**12.4 In the event of cessation of employment due to Retirement/ Superannuation**

a) All unvested SARs Units, on the date of cessation, shall continue to vest in accordance with the respective vesting schedules even after retirement or superannuation unless otherwise determined by the Committee whose decision will be final and binding. The vested SARs Units shall be exercisable within the exercise period as per the original terms of grant.

b) All vested SARs Units shall be exercisable by the Grantee within the exercise period as per the original terms of grant.

- c) The vested SARs Units not so exercised shall lapse irrevocably and the rights there under shall be extinguished.

**12.5 In the event of separation from employment who have vacated the office due to retirement**

- a) All unvested SARs Units, on the date of cessation, shall continue to vest in accordance with the respective vesting schedules even after retirement unless otherwise determined by the Committee whose decision will be final and binding. The vested SARs Units shall be exercisable within the exercise period as per the original terms of grant.
- b) All vested SARs Units shall be exercisable by the Grantee within the exercise period as per the original terms of grant.
- c) The vested SARs Units not so exercised shall lapse irrevocably and the rights there under shall be extinguished.

12.6 In the event that a Grantee is transferred or deputed to an Associate Company prior to vesting or exercise of SARs Units, the vesting and exercise of SARs Units, as per the terms of grant, shall continue in case of such transferred or deputed Grantee even after the transfer or deputation.

12.7 In the event of abandonment of service by the Grantee, all SARs Units (Vested or Unvested) at the time of abandonment of service, shall stand terminated forthwith. The date of abandonment of service by the Grantee shall be decided by the Committee at its sole discretion which decision shall be binding on such Grantee.

12.8 In the event of a Grantee going on Long Leave, i.e. absence from the office for more than three months, the treatment of SARs Units granted to him/her, whether vested or not, shall be determined by the Committee, whose decision shall be final & binding.

12.9 In the event that 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 SARs Units 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.

12.10 In the event where a Dispute arises between Grantee and the Company, vesting and/or exercise of SARs Units will be put on

hold till the date of settlement, to the satisfaction of the Committee.

12.11 The Committee may modify the terms for cessation of employment as mentioned in foregoing paras 12.1 to 12.9

### **13. Lock in Requirements**

13.1 The Shares allotted / transferred to the Grantees pursuant to exercise of SAR Units are not subject to such lock-in period.

### **14. Voting Rights**

- a. The Trust would be considered as the registered Shareholder of the Company till the date of transfer of Equity Shares to the Employees.
- b. The Trustees shall not be entitled to vote in respect of any shares or securities held by the Trust.
- c. Once the Equity Shares are transferred to the Employees upon their Exercise, then the Employees will be treated as the Shareholder(s) of the Company and shall exercise the right to vote in respect of such equity shares

### **15. Other Terms and Conditions**

15.1 Nothing herein is intended to or shall give the Grantee, any right to status of any kind as a Shareholder of the Company in respect of any Share covered by the grant unless the Grantee exercises the SARs Units and becomes the registered Shareholder (member) of the Company.

15.2 The Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise the SARs Units in whole or in part.

15.3 The Grantee shall abide by the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, Company's Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information adopted by the Company under SEBI (Prohibition of Insider Trading) Regulations, 2015, as may be

amended from time to time. Further, the Grantee shall indemnify and keep indemnified the Company in respect of any direct or indirect liability arising as a result or consequence of the violation of above, if applicable.

- 15.4 The maximum quantum of benefits that will be provided to every eligible Employee under the SAR Scheme shall be equivalent to the appreciation which shall be the difference between the Exercise Date Price and the SAR Price and consequent transfer of Equity Shares having same value as that of appreciation earned.

## **16. Notices and correspondence**

- 16.1 Any notice required to be given by a Grantee to the Company or the Committee or any correspondence to be made between a Grantee and the Company or the Committee may be given or made to the Company/ Committee at the corporate office or registered office of the Company or at the place as may be notified by the Company / Committee in writing or at the specific designated email id of the Company.
- 16.2 Any notice, required to be given by the Company or the Committee to a Grantee or any correspondence to be made between the Company or the Committee and a Grantee shall be given or made by the Company or the Committee on behalf of the Company at the address provided by the Grantee while accepting the SARs Units granted to him/her or at the official email Id of the Grantee.

## **17. Nomination of Beneficiary**

- 17.1 Each Grantee under the SAR Scheme may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit under the SAR Scheme is to be delivered in case of his/her death before he/she receives all of such benefits. Each such nomination shall revoke all prior nominations by the same Grantee, be in a form prescribed by the Company and will be effective only when filed by the Grantee in writing with the Company during the Grantee's lifetime.
- 17.2 If the Grantee fails to make a nomination, then the SARs Units

shall Vest on his/her legal heirs in the event of his/her death.

## **18. Corporate Action**

- 18.1 Except as hereinafter provided, any grant made may be subject to adjustment, by the Committee, at its discretion, as to the number and price of SARs Units, as the case may be, in the event of Corporate Action.
- 18.2 If there is a 'corporate action' of the Company before the SARs Units granted under this SAR Scheme are exercised, the Grantee shall be entitled on exercise of the SARs Units, to such number of resultant Shares to which he/she would have been entitled as if all of the then outstanding SARs Units exercised by him/her, had been exercised before such 'Change in the Capital Structure' had taken place and the rights under the SARs Units shall stand correspondingly adjusted. In the event of a corporate action, the Committee, subject to the provisions of applicable laws, shall make fair and reasonable adjustments under the SAR Scheme, as it deems fit, with respect to the SARs Units, exercise price and make any other necessary amendments to the SAR Scheme for this purpose. The vesting period and life of the SARs Units shall be left unaltered as far as possible.
- 18.3 In the event of dissolution or liquidation of the Company, any vested SARs Units outstanding under the SAR Scheme shall be cancelled if not exercised prior to such event and no compensation shall be payable in respect of the SARs Units so cancelled.

## **19. Disclosure and Accounting Policies**

- 19.1 The Company shall comply with the requirements of IND – AS 102 and shall use Fair value method and the fair value of SARs Units would be calculated as per the prescribed method under the applicable regulations.
- 19.2 Compensation cost will be booked in the books of accounts of the Company over the vesting period.
- 19.3 The Company shall comply with the disclosures requirements



and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB & SE) Regulations or as may be prescribed by regulatory authorities from time to time.

## **20. Taxability on the Grantee**

20.1 The exercisable SARs Units are subject to the applicable provisions of the Income Tax Act, 1961.

20.2 There would be double points of taxation on the Grantee.

- **Point 1:** At the time of exercise, the difference between the fair market value of the Shares as on date of exercise and the exercise price will be added as a perquisite under salary in the month of exercise. The Grantee will be liable to pay the taxes at the individual slab rate in which he falls.
- **Point 2:** At the time of sale of the Shares of the Company by the Grantee, the concerned Employee would be liable to income tax as per the applicable provisions of the laws at the time of sale of the Shares.

## **21. Surrender of SARs Units**

21.1 Any Grantee to whom the SARs Units are granted under this SAR Scheme, may at any time, surrender his SARs Units to the Company. In such case the Company would not be liable to pay any compensation to the Grantee on account of his surrender of SARs Units. The SAR Units so surrendered will be added back to the pool of the SAR Scheme and pursuant to this the Grantee shall cease to have all rights and obligations over such SAR Units.

**The Trustee - SAR Scheme - 2024**  
**Secretarial Department**  
**Tilaknagar Industries Ltd.**  
**Industrial Assurance Building, 3<sup>rd</sup> Floor**  
**Churchgate, Mumbai 400 020**  
**or**  
**Tilaknagar, Tal.Shrirampur, Dist. Ahmednagar, Shrirampur,**  
**Maharashtra, India, 413720**

## **22. Arbitration**

- 22.1 In the event of a dispute arising out of or in relation to the provisions of this SAR Scheme (including a dispute relating to the construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such dispute through an amicable settlement. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after reasonable attempts, which attempt shall continue for not more than 30 (Thirty) days, gives 10 (Ten) days notice thereof to the other party in writing.
- 22.2 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, India under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof for the time being in force. The arbitrator(s) shall give a reasoned award in writing. The arbitrator(s) shall also decide on the costs of the arbitration proceedings. The parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law at Mumbai.

## **23. Governing Law and Jurisdiction**

- 23.1 This SAR Scheme and all related documents thereunder shall be governed by and construed in accordance with the SEBI (SBEB & SE) Regulations and other applicable laws of India.
- 23.2 Any term of the SAR Scheme that is contrary to the requirement SEBI (SBEB & SE) Regulations or any applicable laws shall not apply to the extent it is contrary.
- 23.3 The Courts at Mumbai shall have exclusive jurisdiction on any matter arising out of this SAR Scheme.

## **24. Regulatory Approvals**

24.1 The implementation of the SAR Scheme, the Granting of any SARs Units under the SAR Scheme and the Transfer/ issuance of any Shares under this SAR Scheme shall be subject to the procurement by the Company and the Grantee / Nominee / Legal Heirs of all approvals and permits, if any, required by any regulatory authorities having jurisdiction over the SAR Scheme. The Grantee / Nominee / Legal Heirs under this SAR Scheme will, if requested by the Board of Directors / Company, provide such assurances and representations to the Company or the Committee, as the Board of Directors may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirement.

## **25. Modification of SAR Scheme**

25.1 Subject to the applicable laws, the Committee may, at any time:

25.1.1 Revoke, add to, alter, amend or vary all or any of the terms and conditions of the SAR Scheme or all or any of the rights and obligations of the Grantee.

25.1.2 Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the specific Grantee or class or category of Grantees. Each of such sets of special terms and conditions shall be restricted in its application to those specific Grantee or class or category of such Grantees.

25.2 Any amendment, variation or modification under the SAR Scheme shall not be prejudicial to the interest of the Grantees of the Company.

## **26. Confidentiality**

26.1 Notwithstanding anything contained in this SAR Scheme, the Grantee shall not divulge the details of the SAR Scheme and/or his/her holdings to any person except with the prior written permission of the Committee unless so required to do under the applicable laws or any statutes or regulations applicable to such Grantee.

\*\*\*\*\* End of the Scheme \*\*\*\*\*