

Amended Employee Stock Option Plan 2018

Original Scheme approved by shareholders on June 13, 2018

Amended Scheme approved by shareholders on June 20, 2022



Chalet Hotels Limited

Registered Office: Raheja Tower, Plot No.C-30, Block' G', N of Baroda, BKC, Bandra (E),
Mumbai – 400 051.

CIN: L55101MH1986PLC038538

CHALET HOTELS LIMITED

Regd. Office: Raheja Tower, Plot No.C-30, Block 'G', Next to Bank of Baroda, BKC, Bandra(E), Mumbai - 400051

CIN: L55101MH1986PLC038538

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1. Name, Objectives and Term of the Plan

- 1.1 This employee stock option Plan shall be called the '**Chalet Hotels Private Limited - Employee Stock Option Plan 2018**' (hereinafter referred to as "**ESOP 2018**"/ "**Plan**").
- 1.2 The primary objective of the Plan is to reward the key Employee for his association, dedication and contribution to the goals of the Company. The Company intends to use this Plan to attract, retain and motivate key talent working with the Company, as the case may be, by way of rewarding their high performance and motivate them to contribute to the overall corporate growth and profitability. The Company views employee stock options as long-term incentive tools that would enable the Employee not only to become co-owner, but also to create wealth out of such ownership in future.
- 1.3 The Plan was established with effect from June 13, 2018 on which the shareholders of the Company have approved the Plan by way of a special resolution and it shall continue to be in force until (i) its termination by the Company as per provisions of Applicable Laws, or (ii) the date on which all of the Options available for issuance under the Plan have been issued and exercised, whichever is earlier.
- 1.4 Further, the plan is amended with effect from June 20, 2022 on which the shareholders of the Company have approved the Plan by way of a special resolution and it shall continue to be in force until (i) its termination by the Company as per provisions of Applicable Laws, or (ii) the date on which all of the Options available for issuance under the Plan have been issued and exercised, whichever is earlier.
- 1.5 Subject to provisions of Clause 16 of this Plan, the Board or the Committee as authorized may at any time alter, amend, suspend or terminate the Plan.

2. Definitions and Interpretations

2.1 Definitions

- i. "**Applicable Laws**" means every law relating to the Options, to the extent applicable, including and without limitation to the Companies Act, regulations of the Securities and Exchange Board of India, namely SEBI (Share Based Employee Benefit) Regulations, 2021 particularly in connection with or after Listing, all relevant tax, securities, exchange control, corporate laws, or amendments thereof including any circular, notification issued thereunder, of India or of any relevant jurisdiction or of any Stock Exchange on which the Shares may be listed or quoted.

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- ii. **“Board”** means the Board of Directors of the Company.
- iii. **“Committee”** means the Nomination and Remuneration Committee of the Board, as constituted or reconstituted from time to time under Section 178 or any other relevant provisions of the Companies Act, with a view to administer and supervise the employee stock option plans of the Company including this Plan.
- iv. **“Companies Act”** means the Companies Act, 2013, rules made thereunder, and includes any statutory modifications or re-enactments thereof.
- v. **“Company”** means Chalet Hotels Private Limited, a company incorporated under the provisions of the Companies Act, 1956, having CIN: L55101MH1986PLC038538 and having its registered office at Raheja Tower, Plot No.C-30, Block 'G', N of Baroda, BKC, Bandra (E), Mumbai - 400 051, Maharashtra.
- vi. **“Director”** means a member of the Board of the Company.
- vii. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee, including but not limited to performance criteria, for determining the eligibility of Employee for Grant of Options under the Plan.
- viii. **“Employee”** means Mr. Sanjay Sethi, Managing Director and Chief Executive Officer (CEO) of the Company.
- ix. **“Employee Stock Option”** means a right granted to the Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date Share(s) underlying such right at a pre-determined price.
- x. **“ESOP 2018”** means this ‘Chalet Hotels Limited - Employee Stock Option Plan 2018’ under which the Company is authorized to grant Options to the Employee.
- xi. **“Exercise”** of an Option means expression of an intention by the Option Grantee to the Company to purchase the Shares underlying the Options vested in him, in pursuance of this ESOP 2018, in accordance with the procedure laid down by the Company for Exercise of Options.
- xii. **“Exercise Period”** means such time period commencing after Vesting within which the Employee should exercise the Options vested in him in pursuance of the Plan, as more particularly specified at sub-clause 8.2 of the Plan.
- xiii. **“Exercise Price”** means the price determined by the Committee as per provisions of this Plan and specified in the Grant Letter, being payable by the Employee in order to

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exercise the Options vested in him in pursuance of the Plan.

- xiv. **“Fair Market Value”** means fair market value of a Share of the Company as determined by a registered valuer or independent valuer as required under the Companies Act;

Provided that after Listing, the term ‘Fair Market Value’ shall refer to “Market Price” within the meaning of the SEBI SBEB Regulation.

- xv. **“Grant”** means issue of Options to the Employee under the Plan.

- xvi. **“Grant Letter”** means the formal communication as regards Grant made by the Company to the Employee containing specific details of the Grant.

- xvii. **“Independent Director”** means a Director within the meaning of Section 149(6) of the Companies Act.

Provided that upon Listing, the term “Independent Director” defined hereinabove shall have meaning as defined in the SEBI SBEB Regulations.

- xviii. **“Listing”** means listing of the Company’s Shares on any recognized Stock Exchange and shall be deemed to include the initial public offering (IPO) of Shares.

- xix. **“Misconduct”** means any of the following acts or omissions by the Employee in addition to any provisions prescribed in the offer or terms of employment amounting to violation or breach of terms of employment as determined by the Board after giving the Employee an opportunity of being heard:

- (i) dishonest statements or acts of the Employee, with respect to the Company;
- (ii) any misdemeanour involving moral turpitude, deceit, dishonesty or fraud committed by the Employee;
- (iii) gross negligence, misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company;
- (iv) breach by the Employee of any terms of his employment agreement or the Company’s policies or other documents or directions of Company;
- (v) participating or abetting a strike in contravention of any law for the time being in force;
- (vi) misconduct as provided under the labour laws after following the principles of natural justice; and
- (vii) Any other not included above but defined as misconduct in the Company’s rules or Employee handbook and / or employment agreement and/or appointment letter.

- xx. **“Option”** means an Employee Stock Option within the meaning of this Plan.

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- xxi. **“Option Grantee”** means the Employee who has been granted an Option and has accepted such Grant as required under the Plan and shall deem to include nominee/ legal heir of the Option Grantee in case of his/her death to the extent provisions of the Plan are applicable to such nominee/ legal heir.
- xxii. **“Permanent Disability”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps the Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined in this regard based on a certificate of a medical expert identified by the Company.
- xxiii. **“Plan”** means ESOP 2018 within the meaning of this document.
- xxiv. **“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, as amended.
- xxv. **“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, as amended.
- xxvi. **“Retirement”** means retirement as per the rules of the Company.
- xxvii. **“SEBI SBEB Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations 2021, as amended from time to time, read with all circular and notifications issued thereunder.
- xxviii. **“Shares”** means equity shares of the Company of the face value of Rs.10 (Ten) each fully paid-up including the equity shares arising out of the Exercise of Options granted under this Plan.
- xxix. **“Stock Exchange”** means the National Stock Exchange of India Limited (NSE), BSE Limited (BSE), or any other recognized Stock Exchange in India on which the Company's Shares are listed or to be listed in future.
- xxx. **“Unvested Option”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to exercise the Option.
- xxxi. **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.
- xxxii. **“Vesting”** means earning by the Option Grantee, of the right to Exercise the Options

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granted to him in pursuance of the Plan.

xxxiii. **“Vesting Condition”** means the condition/s prescribed, if any, subject to satisfaction of which the Options granted would vest in the Option Grantee.

xxxiv. **“Vesting Period”** means the period during which the Vesting of the Option granted to the Employee, in pursuance of the Plan takes place.

2.2 Interpretation

In this Plan, unless the contrary intention appears:

- (a) the Clause headings are for ease of reference only and shall not be relevant for interpretation;
- (b) a reference to a clause number is a reference to its Sub-clauses;
- (c) words in singular number include the plural and vice versa;
- (d) words importing a gender include any other gender;
- (e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference; and
- (f) the terms defined above shall for the purposes of this Plan have the meanings herein specified and terms not defined above shall have the meanings as defined in the Companies Act or Applicable Laws including SEBI SBEB Regulations, as the context requires. Reference to any Act, Rules, Statute or Notification shall include any statutory modifications, substitution or re-enactment thereof.

3. Authority and Ceiling

3.1 The shareholders of the Company have vide their resolution dated June 13, 2018 approved the Plan authorizing the Committee to grant not exceeding 2,00,000 (Two Lakh) Options to the eligible Employee in one or more tranches, from time to time, which in aggregate shall be exercisable into not more than 2,00,000 (Two Lakh) Shares of face value of Rs.10 each fully paid up, with each such Option conferring a right upon the Employee, upon payment of the Exercise Price, to obtain one Share in the Company of the face value of Rs.10/- in accordance with the terms and conditions as may be decided under the Plan.

3.2 The maximum number of Options that may be granted to Employee shall not exceed 2,00,000 (Two Lakh) Options per such eligible Employee. However, the Committee reserves the right to decide the number of Options to be granted and the maximum number of Options that can be

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granted to the Employee within this ceiling.

- 3.3 If an Option expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the Options reserve specified above and shall become available for future Grants, subject to compliance with the provisions of the Applicable Laws.
- 3.4 Where Shares are issued consequent upon exercise of an Option under the ESOP 2018, the maximum number of Shares that can be issued under ESOP 2018 as referred to in Clause 3.1 above shall stand reduced to the extent of such Shares issued.
- 3.5 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 Shares available for being transferred under Plan as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares X face value per Share) prior to such Share split or consolidation remains unchanged after such Share split or consolidation. Thus, for example, if the prevailing face value of each Share is Rs.10 per Share and the revised face value after the Share split is Rs.5 per Share, the total number of Shares available under Plan would be (Shares reserved at Sub-Clause 3.1 x 2) Shares of Rs.5 each. Similarly, in case of bonus issue, etc. the available number of Shares under Plan shall be revised to restore the value.

4. Administration

- 4.1 The ESOP 2018 shall be administered by the Committee. All questions of interpretation of the ESOP 2018 or any Option shall be determined by the Committee and such determination shall be final and binding upon the Employee having an interest in the ESOP 2018 or in any Option issued thereunder.
- 4.2 The Committee shall in accordance with this Plan and Applicable Laws determine the following:
 - (a) the quantum of Options to be granted under the ESOP 2018 to Employee, subject to the ceiling as specified in Para 3.1; the Eligibility Criteria for grant of Option to the Employee;
 - (b) the Exercise Period within which the Employee should exercise the Option and that the Option would lapse on failure to exercise the Option within that Exercise Period;
 - (c) the specified time period within which the Employee shall exercise the Vested Option in the event of termination or resignation of the Employee;
 - (d) the right of the Employee to exercise all the Options vested in him at one time or at various points of time within the Exercise Period;
 - (e) the procedure for making a fair and reasonable adjustment to the number of Options and/or to the Exercise Price in case of corporate actions such as rights issues, bonus

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issues, merger, sale of division/undertaking and others. In this regard following shall be taken into consideration by the Committee:

- (i) the number and the price of Options shall be adjusted in a manner such that total value of the Option remains the same after the corporate action; and
 - (ii) the Vesting Period and the life of the Option shall be left unaltered as far as possible to protect the rights of the Option Grantee.
- (f) the procedure and terms for the Grant, Vesting and Exercise of Option in case of Employee who is on long leave;
- (g) the conditions under which Option vested in Employee may lapse in case of termination of employment for misconduct;
- (h) the procedure for cashless Exercise of Option, if required; and
- (i) approve forms, writings and/or agreements for use in pursuance of the ESOP 2018;
- 4.3 Post Listing, the Committee shall also frame suitable policies and systems to ensure that there is no violation of: (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time); (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 (as amended from time to time); and any other regulation as may be notified by the Securities and Exchange Board of India or any other authority from time to time, by the Company and the Employee.

5. Eligibility and Applicability

- 5.1 Only Employee is eligible for being granted Options under Plan. The specific Employee to whom the Options would be granted and the Eligibility Criteria would be determined by the Committee at its sole discretion.
- 5.2 The Plan shall be applicable to the Company and any successor company thereof and Options may be granted to the Employee of the Company, as determined by the Committee at its sole discretion.

6. Grant and Acceptance of Grant

6.1 Grant of Options

- (a) Grants contemplated under the Plan shall be made only one time or as decided by the Committee at its discretion.
- (b) Grant of Option under the Plan shall be made in writing by the Company to the

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Employee by way of Grant Letter containing specific details of the Grant, and disclosure requirements, as prescribed under Applicable Laws.

6.2 Acceptance of the Grant

- (a) If the Employee wishes to accept the Grant made under this Plan, he must deliver to the Company a duly signed acceptance of the Grant on or before the 60th day from the date of the Grant as specified in the Grant Letter.
- (b) On receipt by the Company of the signed acceptance, the eligible Employee will become the Option Grantee. On failure to deliver such acceptance before the specified date, shall result in rejection of the Grant and lapse of Options unless the Committee determines otherwise.

7. Vesting Schedule/ Conditions

7.1 Options granted under Plan shall vest not earlier than **1 (One) year** and not later than maximum Vesting Period of **3 (Three) years** from the date of Grant. The Committee may at its discretion change the Vesting schedule provided that such change is not detrimental to the interest of the Employee.

7.2 The following Vesting schedule shall apply to the Grants made under this Plan:

Dates of Vesting	Percentage of Options to vest
On 1 st anniversary from the date of Grant	33% of Options granted
On 2 nd anniversary from the date of Grant	33% of Options granted
On 3 rd anniversary from the date of Grant	34% of Options granted

7.3 Vesting of Options would be subject to continued employment with the Company and thus the Options would vest essentially on passage of time. In addition to this, the Committee may also specify certain performance criteria subject to satisfaction of which the Options would vest.

7.4 As a prerequisite for a valid Vesting, the Option Grantee is required to be in employment or service of the Company on the date of Vesting and must neither be serving his notice for termination of employment/ service, nor be subject to any disciplinary proceedings pending against him on such date of Vesting. In case of any disciplinary proceedings against the Option Grantee, the relevant Vesting shall be kept in abeyance until disposal of the proceedings and such Vesting shall be determined accordingly.

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7.5 The Vesting schedule and Vesting Conditions subject to which Vesting would take place would be outlined in the Grant Letter.

7.6 Vesting of Options in case of Employee on long leave

The period of leave shall not be considered in determining the Vesting Period in the event the Employee is on a sabbatical. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Committee.

7.7 Power to accelerate Vesting in certain cases

- (i) The Committee shall have the power to accelerate Vesting of all Unvested Options upon or in connection with happening of Listing subject to minimum Vesting Period of one year.
- (ii) The Options remaining unvested as on date of meeting of the Committee considering the proposal for such acceleration, may at the discretion of the Committee be deemed to vest with effect from that date or from such other date as the Committee may determine.
- (iii) In case, after approval of acceleration of Vesting of Unvested Options by the Committee, there occurs no Listing, on consideration of which Committee would have approved such acceleration, such non-occurrence shall lead to automatic cancellation of such acceleration as if such proposal was never considered nor approved by the Committee as a result of which such Unvested Options shall be subject to normal Vesting schedule.

8. Exercise

8.1 Exercise Price

- (a) The Exercise Price per Option shall be **Rs.320/- (Rupees Three Hundred and Twenty)**.
- (b) Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company or in such other manner as the Board may decide from time to time.

8.2 Exercise Period*

(a) Exercise while in employment/ service

Subject to Listing, the Exercise Period in respect of a Vested Option shall be a maximum period of **4(Four) years** from the date of Vesting of Options

(b) Exercise Period in case of separation from employment/ service

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Subject to maximum Exercise Period stated above and subject to provisions of Clauses 9 and 10 below, the Vested Options can be exercised as under:

S. No.	Separations	Vested Options	Unvested Options
1	Resignation / Termination (other than due to Misconduct)	<p>Prior to Listing, all the Vested Options as on date of resignation / termination shall be exercisable by the Option Grantee within such period as shall be notified under Clauses 9 & 10 of the Plan.</p> <p>After Listing, such Vested Options can be exercised by the Option Grantee within 6 (Six) months from the last working day in the Company.</p>	All the Unvested Options as on date of resignation /date of termination shall stand cancelled with effect from date such resignation/ termination.
2	Termination due to Misconduct	All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All the Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	Retirement	<p>Prior to Listing, all the Vested Options as on date of Retirement shall be exercisable by the Option Grantee within such period as shall be notified under Clauses 9 & 10 of the Plan.</p> <p>After Listing, such Vested Options can be exercised by the Option Grantee within 6 (Six) months from the last working day in the Company.</p>	All the Unvested Options shall continue to vest as per the Vesting Schedule originally prescribed , even after date of Retirement unless otherwise decided by the Committee.
4	Death	<p>Prior to Listing, all the Vested Options may be exercised by the Option Grantee's nominee or legal heirs within such period as shall be notified under Clauses 9 & 10 of the Plan.</p> <p>After Listing, such Vested Options can be exercised by the Option Grantee's nominee or legal heirs immediately after, but in no event later than 12 (Twelve) months from the date of death of the Option Grantee.</p>	All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir in the manner prescribed for the Vested Options.
5	Permanent Disability	<p>Prior to Listing, all the Vested Options may be exercised by the Option Grantee within such period as shall be notified under Clauses 9 & 10 of the Plan.</p> <p>After Listing, such Vested Options can be exercised immediately after, but in no</p>	All the Unvested Options as on the date of incurring such disability shall vest immediately and may be exercised by the Option Grantee or his nominee in the manner prescribed for the Vested Options.

*Amended vide the Shareholders Approval dated June 20, 2022

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		event later than 12 (Twelve) months from the date of incurring such incapacity.	
6	Termination due to reasons apart from those mentioned above	The Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of such termination shall stand cancelled unless otherwise required by Applicable Laws.

8.3 The Options shall be deemed to have been exercised when the Option Grantee makes an application in writing to the Company or by any other mode or means as decided by the Committee, for obtaining of Shares against the Options vested in him/her, subject to payment of Exercise Price and compliance of other requisite conditions of Exercise including satisfaction of applicable tax thereon, to the extent applicable.

8.4 Lapse of Options

The Options not exercised within the respective Exercise Periods prescribed in Clauses 8.2, 9 and 10 shall lapse on expiry of such Exercise Period. The Option Grantee shall have no right or recourse over such lapsed Options.

9. Special provision for Exercise in case of Listing

9.1 Notwithstanding anything contained elsewhere in the Plan, in case the Company proposes Listing, all the Vested Options held by the Option Grantee (including nominee or legal heir of a deceased Option Grantee) who ceases to be in employment/ service of the Company, can be exercised only during the period notified by the Board in this behalf.

9.2 For effecting this, the Company shall, after the Board has adopted a resolution approving the Listing and prior to filing of the red herring prospectus with the Registrar of Companies, issue a notice to such Option Grantee holding Vested Options at their registered address available in the records of the Company informing him/her of this special provision for Exercise of Vested Options. In case of failure to exercise within the notified period, such Options shall immediately lapse and such Option Grantee shall have no recourse over such lapsed Options.

9.3 Accordingly, for the period between the date of issue of notice intimating the period as aforesaid and the completion of such Listing (i.e. initial public offer), in case the Option Grantee ceases to be in employment/ service of the Company (including by reason of death or retirement), such Options shall immediately lapse and such Option Grantee shall have no recourse over such lapsed Options.

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10. Exit routes prior to Listing

10.1 Drag along rights of shareholders upon Strategic Sale

- (a) In case prior to filing of the red herring prospectus with the Registrar of Companies in connection with Listing, to facilitate the Strategic Sale (defined below), the shareholders of the Company, shall have the right of drag-along any or all the Shares (underlying Vested Options) of the Option Grantee, whether in employment or not. However, this drag-along shall be on terms not less favourable than those of the sale of the Shares held by the selling shareholders as more particularly mentioned hereunder.
- (b) The selling shareholders shall deliver a written notice ("Notice") to the Option Grantee setting out the salient features of the Strategic Sale and details of the terms and conditions including number of Shares to be dragged-along, number of Vested Options to be exercised, the period within which the Vested Options shall be exercised, price per Share, the manner and mode of transfer of Shares.
- (c) Option Grantee shall exercise so much of Vested Options to the extent of number of Shares being specified in the Notice and shall sell the resultant Shares as per terms of the Notice. The Option Grantee shall take all necessary and desirable actions in
- (d) connection with the completion of the Strategic Sale, including executing agreements and instruments and taking other actions as may be reasonably necessary to provide the representations, warranties, indemnities, covenants, conditions and other provisions and agreements, as the case may be, required to complete the Strategic Sale.

Provided that notwithstanding anything stated in the Plan, in case the Option Grantee does not intend to exercise the Vested Options stated if any in the Notice, he/she can do so and on such failure, the Vested Options as specified for Exercise in the Notice shall be deemed to lapse on expiry of such period.

- (e) If the Option Grantee exercises the Vested Options but fails for any reason to take any of the further actions described above, he/she shall be deemed to have appointed a Director nominated by the Company as his/her attorney, on his/her behalf and in his/her name, with full power, to execute, complete and deliver any document or instrument or to take any other action, including to receive the proceeds of the sale and to give good quittance for the sale price in order to complete the Strategic Sale. The Option Grantee shall confirm and ratify the acts of such Company Director acting as his attorney under this Sub-clause.

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Explanation: “Strategic Sale” shall mean any sale of Shares by the selling shareholders to any individual(s), entity(ies) or group(s) other than the Promoter or Promoter Group, of more than 50% (fifty percentages) of the voting power in the Company and involving change of control over the affairs of the Company or in the constitution of the Board.

10.2 Offer of purchase by an investor

- (a) Prior to the date of filing of the red herring prospectus with Registrar of Companies in connection with Listing, any individual, entity or group (“Investor”) who intends to subscribe the Shares of the Company and/ or acquire Shares from the shareholder(s) of the Company, shall have the right to make an offer (“Offer”) to the Option Grantee for purchase of any or all Shares underlying his/ her Vested Options.
- (b) The Investor shall intimate its/his/their intention of such Offer to the Board along with details namely the salient features of the Offer and details of the terms and conditions including, the time period within which the Vested Options must be exercised to take part in the Offer, number of Shares intended to be purchased, and purchase consideration thereof.
- (c) The purchase consideration shall not be lesser than the consideration which the Investor would be paying in respect of Shares subscribed from the Company and/ or purchased from shareholders of the Company, whichever is higher. Furthermore, the Offer size shall be proportionate to the reduction of shareholding in the paid-up share capital of the Company of the shareholders of the Company due to Investor action. For example, if such shareholding of such shareholders falls by 25%, as a result of such intention of the Investor to subscribe or acquire Shares, the Offer size in aggregate made to the Option Grantee shall not be lesser than 25% of total of Vested Options.
- (d) The Board shall intimate the details of such Offer along with the number of Vested Options to be exercised to the Option Grantee. The Offer shall be accepted by the Option Grantee whether in employment or not.
- (e) The Option Grantee shall take all necessary and desirable actions in connection with the purchase, including exercising of his/ her Vested Options, executing agreements and instruments and taking other actions as required for completing the purchase and provisions of sub-clause 10.1 (d) above shall apply to this clause to the extent relevant.

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11. Listing

Upon Listing, the Option Grantee or his nominee/ legal heirs, where applicable, can sell Shares in the open market at any time in accordance with Applicable Laws and policies of the Company, subject to any lock in period as per Applicable Laws.

12. Lock-in

The Shares transferred upon Exercise of Options shall be freely transferable and shall not be subject to any lock-in period from the date of allotment of such Shares under ESOP 2018 except as required under the Applicable Laws including that under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time), or code of conduct framed, if any, by the Company after Listing under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015 (as amended from time to time).

13. Restriction on transfer of Options

- 13.1 The Options shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 13.2 Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case provisions of Sub-clause 8.2(b) would apply.
- 13.3 No person other than the Employee to whom the Option is granted shall be entitled to Exercise the Option except in the event of the death of the Option Grantee, in which case provisions of Sub-clause 8.2(b) would apply.

14. Other Terms and Conditions

14.1 Listing of Shares

In case of Listing, the Board is authorized to do such acts, deeds and things including but not limited to amendment of this Plan to make the Plan compliant of any Applicable Laws prevailing at that time.

- 14.2 The Employee shall not have a right to receive any dividend or to vote or in any manner enjoy the benefits of a Shareholder in respect of Options granted, till the time Shares are issued to him upon Exercise of such Options.

- 14.3 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus Shares, rights Shares, dividend, voting, etc.)

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in respect of any Shares covered under the Grant unless the Option Grantee exercises the Option and thereupon, becomes a registered holder of the Shares of the Company.

14.4 If the Company issues bonus or rights Shares, the Option Grantee will not be eligible for the bonus or rights Shares in the capacity of the Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with sub-clause 4.2(e) of Plan.

15. Deduction/ recovery of Tax

15.1 The liability of paying taxes, if any, in respect of Options granted pursuant to this Plan and the Shares transferred pursuant to Exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employee working abroad, if any.

15.2 The Company shall have the right to deduct from the Option Grantee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.

15.3 The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

16. Authority to vary terms

16.1 For the purpose of efficient implementation and administration of the Plan, the Committee may, if it deems necessary, vary the terms of the Plan, including pursuant to meeting any regulatory requirements, subject to the Applicable Laws and the conditions of the shareholders' approval, in general meeting of the Company, in such manner which is not detrimental to the interest of Employee.

16.2 The Company may also re-price the Options which are not exercised, whether or not they have vested, if Plan is rendered unattractive due to fall in the price of the Shares.

17. Miscellaneous

17.1 Government Regulations

This Plan shall be subject to all Applicable Laws, and approvals from governmental authorities.

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17.2 Inability to obtain authority

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

17.3 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Plan by being granted an Option on any other occasion.

17.4 The rights granted to the Option Grantee upon the grant of an Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

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

17.6 General Risks

Participation in the ESOP 2018 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 Option Grantee alone. The Option Grantee is encouraged to make considered judgment and seek adequate information /clarifications essential for appropriate decision.

18. Accounting and Disclosures

18.1 The Company shall follow the rules/regulations applicable to accounting of Options with reference to Fair Market Value of Shares as on date of Grant.

18.2 The rules/regulations to be followed shall include but not limited to the IND AS/ Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other appropriate authority, from time to time, including the disclosure requirements prescribed therein.

19. Governing Laws and Jurisdiction

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- 19.1 The terms and conditions of the Plan shall be governed by and construed in accordance with the Applicable Laws of India including the foreign exchange laws mentioned below.
- 19.2 The Courts at Mumbai shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this Plan.
- 19.3 Nothing in this Clause shall however limit the right of the Company to bring proceedings against the Employee in connection with this Plan:
- (i) in any other court of competent jurisdiction; or
 - (ii) concurrently in more than one jurisdiction.

19.4 Foreign Exchange Laws

In case any Options are granted to the Employee of the Company being resident outside India, working outside India, the provisions of the Foreign Exchange Management Act, 1999 and rules or regulations made thereunder 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, Vesting, Exercise of Options and transfer of Shares thereof.

19.5 Income Tax Rules

The Income Tax Laws and Rules in force will be applicable.

20. Notices

20.1 All notices of communication required to be given by the Company to the Option Grantee by virtue of this Plan shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company; or delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or emailing the communication(s) to the Option Grantee at the official email address provided, if any, during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

20.2 Any communication to be given by the Option Grantee to the Company in respect of Plan shall be sent at the address mentioned below or e - mailed at:

Head- Human Resources

Chalet Hotels Limited

Address: Raheja Tower, Plot No.C-30, Block 'G', Next to Bank of Baroda, BKC, Bandra (E),
Mumbai - 400 051

Email: uaradhya@kraheja.com

21. Nomination

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The Employee has to nominate a person as his/her nominee. The nominee in case of death or legal disability of Employee shall be the legal representative recognized by the Company as the inheritor of the Employee in respect of all rights and liabilities for the purposes of this Plan.

22. Severability

22.1 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.

23. Confidentiality

23.1 The Option 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 Option Grantee is found in breach of this confidentiality Clause, the Company has undisputed right to terminate any agreement and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this confidentiality Clause shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Board shall have the authority to deal with such cases as it may deem fit.

23.2 On acceptance of the Grant of Option offered by the Company, it shall be deemed that the Option Grantee has authorized the Company to disclose information relating to the Option 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.

-----End of Plan-----