



ITCHL EMPLOYEE STOCK APPRECIATION RIGHTS SCHEME 2025

This Employee Stock Appreciation Rights Scheme has been formulated by the Nomination and Remuneration Committee of the Board and approved by the Board of Directors of the Company at the meeting held on 20th January, 2026, pursuant to the authority vested in it by the Members, in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

1. SHORT TITLE, EXTENT AND COMMENCEMENT

- (a) This Scheme shall be called the '**ITCHL Employee Stock Appreciation Rights Scheme 2025**' ('ESAR Scheme 2025').
- (b) The ESAR Scheme 2025 shall come into effect from 20th January, 2026 and shall continue to be in force until (i) the date on which the maximum number of Shares available to be issued pursuant to exercise of ESARs, as set out in Clause 5(a) of the ESAR Scheme 2025, have been issued and allotted, or (ii) its earlier termination by the Board.

2. OBJECT

The ESAR Scheme 2025 has been formulated to align the interests of employees with those of the Company's shareholders by ensuring a common purpose of enhancing shareholder value, and also for attracting & retaining talent which is imperative for the sustained growth of the Company.

3. DEFINITIONS

In the ESAR Scheme 2025, unless the context otherwise requires:

- (a) "**Applicable Laws**" mean all laws relating to Employee Stock Appreciation Rights, to the extent applicable, including and without limitation, the Companies Act, 2013, the Securities and Exchange Board of India (SEBI) Act, 1992, all relevant regulations of SEBI, including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and the Foreign Exchange Management Act, 1999, and all relevant tax laws and corporate laws, as amended or re-enacted from time to time, including any circular or notification issued thereunder by the regulatory authorities of India or of any relevant jurisdiction or of any Stock Exchange on which the Shares of the Company are listed.



- (b) **“Appreciation”** with respect to each ESAR means the excess of Market Price over the ESAR Price, and computed in accordance with Clause 7.4(a)(iv) of the ESAR Scheme 2025.
- (c) **“Board”** means the Board of Directors of the Company.
- (d) **“Company”** means ITC Hotels Limited.
- (e) **“Director”** means a member of the Board.
- (f) **“Eligible Employee”** means
 - (i) such employees of the Company, including Directors, other than Independent Directors, and
 - (ii) such employees, including Managing / Wholetime Directors, of such Subsidiary Companies of the Company,as may be decided by the Nomination and Remuneration Committee / the Board, as applicable.
- (g) **“Employee Stock Appreciation Rights”** or **“ESARs”** mean a right given to an ESAR Grantee to receive Appreciation upon Exercise of ESARs by way of issue and allotment of Shares, in accordance with and subject to the terms and conditions of the ESAR Scheme 2025.
- (h) **“ESAR Grantee”** means an Eligible Employee who has been granted ESARs under the ESAR Scheme 2025.
- (i) **“ESAR Price”** means the price per ESAR determined on the Grant Date by the Nomination and Remuneration Committee, as per the provisions of Clause 7.1(c) of the ESAR Scheme 2025, with reference to which Appreciation shall be computed.
- (j) **“Exercise”** means submission of the Exercise Application, along with payment of the relevant Exercise Price, plus applicable taxes, by the ESAR Grantee for receiving Appreciation in the form of Shares against ESARs vested pursuant to the ESAR Scheme 2025.
- (k) **“Exercise Application”** means the written application in the form prescribed by the Company, submitted by an ESAR Grantee for Exercise of ESARs.
- (l) **“Exercise Period”** means the period during which the ESAR Grantee can Exercise the ESARs.



- (m) “**Exercise Price**” means the price payable by an ESAR Grantee upon Exercise to subscribe to the Shares to be issued and allotted in lieu of Appreciation, and will be equivalent to the nominal value of such Shares i.e., ₹ 1/- per Share.
- (n) “**Grant**” means the offer of ESARs under and subject to the terms and conditions of the ESAR Scheme 2025.
- (o) “**Grant Date**” means the date on which the Nomination and Remuneration Committee and / or the Board, as applicable, approves the Grant.
- (p) “**Market Price**” means average of the closing price of the Company’s Share on the NSE during the month preceding the month in which the Exercise Application is submitted by the ESAR Grantee, or such other price as may be considered appropriate by the Nomination and Remuneration Committee.
- (q) “**Misconduct**” means any such action of omission or commission, as may be determined by the SEMC or the Board, including breach of terms of employment, codes of conduct or policies of the Company, any behaviour amounting to lack of integrity or any conduct that may bring the Company into disrepute.
- (r) “**Nomination and Remuneration Committee**” means the Nomination and Remuneration Committee of the Board.
- (s) “**Nominee**” means the person(s) who has been nominated for the purpose of the ESAR Scheme 2025.
- (t) “**NSE**” means the National Stock Exchange of India Limited.
- (u) “**Permanent Disability**”, with respect to a person, means physical or mental impairment of sufficient severity that, in the opinion of the Nomination and Remuneration Committee / the Board, as applicable, has rendered the person unable to continue performing the duties that the person performed before such impairment.
- (v) “**PIT Regulations**” mean the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
- (w) “**SBEB Regulations**” mean the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time.
- (x) “**SEMC**” means the Strategic and Executive Management Committee of the Company.



- (y) "**Settlement**" of ESAR means issue and allotment to an ESAR Grantee of such number of Shares equivalent to Appreciation for the total number of ESARs exercised and includes cash payment(s) made, if any, towards any fractional Shares arising out of Exercise of ESARs or otherwise, as per the provisions of Clauses 7.4(a)(iv) and 7.4(a)(v) of the ESAR Scheme 2025.
- (z) "**Share**" means an Equity Share of the Company of the nominal value of ₹ 1/- (or such other nominal value as may be determined consequent to any consolidation or other re-organisation of the capital structure of the Company).
- (aa) "**Subsidiary**" means a Subsidiary of the Company within the meaning of the Companies Act, 2013, as amended from time to time.
- (bb) "**Unvested ESAR**" means an ESAR in respect of which Vesting has not occurred.
- (cc) "**Vesting**" means the accrual of the right to an ESAR Grantee to Exercise an ESAR.
- (dd) "**Vested ESAR**" means an ESAR in respect of which Vesting has occurred.

In the ESAR Scheme 2025, unless the contrary intention appears:

- (i) the paragraph headings are for ease of reference only and will not be relevant for interpretation;
- (ii) reference to a paragraph / clause number includes references to its sub-paragraphs / sub-clauses;
- (iii) words denoting the singular include the plural and vice versa; and
- (iv) words referring to a gender include all genders.

All other expressions not defined herein shall have the same meaning as have been assigned to them under the Applicable Laws.

4. SCOPE AND ELIGIBILITY

The ESAR Scheme 2025 contemplates Grant of ESARs to the Eligible Employees, which would entitle an Eligible Employee to receive Appreciation, if any, in the value of the Shares at a future date and in a pre-determined manner, where such Appreciation would be settled by way of issue and allotment of Shares (including payment by way of cash in case of fractional entitlements) in accordance with the ESAR Scheme 2025.

5. LIMITS FOR GRANT OF ESARs

- (a) The total number of ESARs which may be granted under the ESAR Scheme 2025 shall not result in issue of Shares exceeding 2% of the issued and subscribed Share Capital of the Company as on 30th September, 2025 i.e., up to a maximum of 4,16,54,391 Shares of the Company (such number of shares to be appropriately adjusted for any subsequent bonus issue, consolidation or other re-organisation of the capital structure of the Company).
- (b) No single Eligible Employee shall be granted in any financial year, ESARs exceeding 0.05% of the issued and subscribed Share Capital of the Company as on 30th September, 2025 i.e., exceeding 10,41,360 ESARs.

6. ADMINISTRATION OF THE ESAR SCHEME 2025

The Nomination and Remuneration Committee shall administer the ESAR Scheme 2025 for which purpose the Committee may, inter alia, determine / decide on the following:

- the time when ESARs are to be granted;
- the criteria for determining Grant of ESARs to Eligible Employees;
- the number of ESARs to be granted to various grades of Eligible Employees and to each Eligible Employee;
- the ESAR Price of the granted ESARs;
- procedures for Granting, Vesting and Exercise of ESARs;
- the Grant, Vesting and Exercise of ESARs in case of ESAR Grantees who are on long leave;
- procedure for making a fair and reasonable adjustment to the number of ESARs and / or to the ESAR Price in case of corporate actions such as rights issue, bonus issue, merger, demerger, sale of division, reconstitution, restructuring and others;
- suitable policies and systems to ensure that there is no violation of the (a) PIT Regulations; (b) SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003; and (c) any other regulation as may be notified by the SEBI or any other authority from time to time;
- treatment of ESARs or connected matters in instances not specifically provided for in the ESAR Scheme 2025.

The decisions of the Nomination and Remuneration Committee with respect to administration of the ESAR Scheme 2025 shall be final and binding on all Eligible Employees.

7. ESARs

7.1 Grant of ESARs:

- (a) Grant of ESARs to the Eligible Employees shall ordinarily be made annually.
- (b) The number of ESARs to be granted for each year to the Eligible Employees will be decided by the Nomination and Remuneration Committee.

In respect of employees who are on deputation / secondment to / from other companies, the Grant may be decided on a case-to-case basis.

The Board shall decide on Grant of ESARs to the Non-Executive Directors of the Company.

- (c) The ESARs will be granted at the ESAR Price to be determined by the Nomination and Remuneration Committee, which shall not be lower than the closing price of the Share on the NSE on the date of Grant, or the average price of the Company's Share during the six months preceding the date of Grant based on the daily closing price on the NSE, or 'Market Price' as defined under the SBEB Regulations. The ESAR Price shall be computed for ten Shares.
- (d) The appraisal process for determining the eligibility of employees and the quantum of ESARs to be granted to them will include (i) grade of the employee, (ii) performance and potential of the employee, and the Company as a whole, and (iii) such other criteria as may be determined from time to time. The Nomination and Remuneration Committee / the Board, as applicable, will have the absolute discretion to determine the eligibility of an employee for Grant of ESARs under the ESAR Scheme 2025.

7.2 Acceptance of ESARs:

A Grant shall be deemed to have been accepted by an ESAR Grantee upon him submitting to the Company, within the agreed period, the acceptance letter. No amount shall be payable by the ESAR Grantee at the time of Grant of ESARs or acceptance of the Grant.

7.3 Vesting Schedule:

ESARs under a Grant shall vest as per the following Vesting Schedule:

On completion of 12 months from the date of the Grant : 30% of the ESARs
On completion of 24 months from the date of the Grant : 30% of the ESARs
On completion of 36 months from the date of the Grant : 40% of the ESARs.

7.4 Exercise of ESARs:

(a) (i) Conditions for Exercise:

ESARs can be exercised only:

- by the ESAR Grantee [except in cases specified in Clauses 7.4(d) or 7.4(e) of the ESAR Scheme 2025],
- upon Vesting, and
- during the Exercise Period [except in case of resignation etc. as covered in Clause 7.4(b) of the ESAR Scheme 2025].

ESARs shall lapse if not exercised within the Exercise Period and Lapsed ESARs shall be eligible to be re-issued.

(ii) Time of Exercise:

The Exercise Period shall commence from the date of Vesting of ESARs and end with the expiry of five years from the respective date(s) of Vesting of ESARs.

ESAR Grantees [other than those falling under Clause 7.4(b) of the ESAR Scheme 2025] may Exercise all or part of the Vested ESARs at any time during a particular month other than the following:

- Exercise Window will remain closed for all Eligible Employees from 16th March to 20th June.
- Such other period as may be laid down under the Applicable Laws or decided by the Nomination and Remuneration Committee.

(iii) Manner of Exercise:

An ESAR Grantee shall apply for Exercise of ESARs by submitting an Exercise Application to the Company. Such application shall be for a minimum of 200 ESARs per Grant, provided however that where the Vested ESARs remaining to be exercised under a particular Grant are less than 200, the application must be for the entire remaining number of ESARs.

(iv) Appreciation:

Upon Exercise, the ESAR Grantee shall be entitled to Appreciation for the total number of ESARs exercised, and Appreciation shall be computed on the basis of difference between the Market Price of ten Shares and ESAR Price, divided by Market Price of one Share.

It is clarified that, in the event the Appreciation is nil or negative, no benefit would accrue to an ESAR Grantee.

(v) Settlement:

Upon Exercise, the ESAR Grantee shall be issued and allotted Shares equivalent to Appreciation for the total number of ESARs exercised, computed in the manner stated under Clause 7.4(a)(iv) of the ESAR Scheme 2025.

If the Settlement results in fractional Shares, then the consideration for fractional Shares shall be settled in cash.

Detailed illustration explaining the above is given in the **Annexure**.

(b) **Resignation or Termination of employment other than for Misconduct:** In the event of cessation of employment of an ESAR Grantee arising out of resignation or termination of employment from the Company or its Subsidiary other than for Misconduct:

- (i) All Unvested ESARs of such ESAR Grantee shall lapse on the date of separation from the Company or its Subsidiary, and
- (ii) The Vested ESARs can be exercised by such ESAR Grantee within 7 days from the date of separation from the Company or its Subsidiary, failing which such ESARs shall lapse. Any exception to the same would be required to be approved by the Nomination and Remuneration Committee on a case-to-case basis.

(c) **Termination of employment for Misconduct:** In the event of cessation of employment of an ESAR Grantee arising out of termination of employment by the Company or its Subsidiary for Misconduct:

- (i) All Unvested ESARs of such ESAR Grantee shall lapse on the date of separation from the Company or its Subsidiary, and
- (ii) All Vested ESARs will also lapse. Any exception to the same would be required to be approved by the Nomination and Remuneration Committee on a case-to-case basis.



(d) **Death:** In the event of death of an ESAR Grantee, all Unvested ESARs held by such ESAR Grantee shall vest forthwith in the Nominee(s) in the manner / proportion as specified by the ESAR Grantee at the time of registering nomination, and in the absence of any nomination, in the legal heir(s).

Vested ESARs can be exercised by the Nominee(s) or legal heir(s) (within the relevant Exercise Period), upon compliance with such formalities as may be required by the Company.

(e) **Permanent Disability:** In the event of Permanent Disability of an ESAR Grantee, while in employment of the Company or its Subsidiary, all Unvested ESARs held by such ESAR Grantee shall vest forthwith. Vested ESARs can be exercised within the relevant Exercise Period.

(f) **Transfer:** In the event of an ESAR Grantee being transferred / reverted to a Subsidiary / associate company / any other group company including promoter group company at the instance of or with the consent of the Company or its Subsidiary, such ESAR Grantee can Exercise the Vested and Unvested ESARs in the same manner as he / she could have exercised before such transfer, unless otherwise decided by the Nomination and Remuneration Committee.

(g) **Study leave:** In the event of an ESAR Grantee being granted study leave by the Company or its Subsidiary, such ESAR Grantee can Exercise the Vested ESARs (within the relevant Exercise Period) only after the ESAR Grantee resumes duty with the Company or its Subsidiary immediately after the study leave and works for at least one year. The concerned ESAR Grantee will not be allowed to Exercise the Vested ESARs during the period of study leave. The Unvested ESARs shall vest as per the Vesting Schedule, subject to the provisions of Clause 7.4(b) of the ESAR Scheme 2025.

(h) **Retirement etc.:** In the event of (i) retirement of an ESAR Grantee from the Company or its Subsidiary, or (ii) separation of an ESAR Grantee with the consent of the Company or its Subsidiary, or (iii) separation of an ESAR Grantee, who is on extension of employment, post becoming eligible for retirement at his / her option under the Rules of the Company or its Subsidiary, such ESAR Grantee can Exercise the Vested ESARs within the relevant Exercise Period. The Unvested ESARs shall vest as per the Vesting Schedule and can be exercised thereafter within the relevant Exercise Period.

In the event ESARs are granted to a Non-Executive Director and such Director ceases to hold office, he / she can exercise the Vested ESARs within the relevant Exercise Period. The Unvested ESARs shall vest as per the Vesting Schedule and can be exercised thereafter within the relevant Exercise Period.

In the event of resignation of a Non-Executive Director, Clause 7.4(b) of the ESAR Scheme 2025 shall apply with respect to the ESARs held and in the event of death, Clause 7.4(d) of the ESAR Scheme 2025 shall apply.



(i) **Amalgamation / Reconstitution etc.:** The Nomination and Remuneration Committee shall determine the treatment of ESARs (and / or any adjustments thereto) granted to an ESAR Grantee in the event of any merger / amalgamation / demerger / reconstitution / restructuring, etc. of the Company or its Subsidiary in accordance with the SBEB Regulations.

7.5 Bonus Issue:

In the event of issue of Shares by the Company by way of Bonus Shares, an ESAR Grantee will be entitled to be allocated Bonus ESARs in relation to the outstanding ESARs, whether Vested or Unvested, held by the ESAR Grantee, in the same ratio in which the Bonus Shares are allotted. Such Bonus ESARs will be exercisable on the same terms as the outstanding ESARs except as to ESAR Price, which will be adjusted by dividing the ESAR Price per ESAR by the factor of the bonus ratio (bonus factor).

For instance, if the ESAR Price of the outstanding ESARs in relation to a Grant is ₹ 3,000/- per ESAR and the bonus is in the ratio of 1 Bonus Share for every 2 Shares, the bonus factor will be 3/2 i.e., 1.5. Therefore, the adjusted ESAR Price of the outstanding ESARs of that Grant including the Bonus ESARs thereon will be: $3000 / 1.5 = ₹ 2,000/-$ per ESAR.

7.6 Rights Issue:

In the event of a Rights Issue of Shares by the Company, the Nomination and Remuneration Committee will decide on a fair and reasonable adjustment of the Exercise Price and the number of ESARs in relation to the outstanding ESARs.

8. RESTRICTIONS ON ESARs GRANTED

ESARs held by the ESAR Grantee will not be transferable and cannot be pledged, hypothecated, mortgaged or otherwise alienated in any manner whatsoever. The restriction relating to transfer of ESARs shall not apply in case of death of an ESAR Grantee as specified in Clause 7.4(d) of the ESAR Scheme 2025.

9. SHARES

Nothing contained in the ESAR Scheme 2025 is intended to or shall give an ESAR Grantee any right or status of any kind as a shareholder of the Company in respect of the Shares underlying the ESARs, if any. An ESAR Grantee shall acquire the rights of a shareholder only upon issue and allotment of Shares in respect of ESARs exercised.

9.1 Allotment of Shares:

Allotment of Shares pursuant to exercise of ESARs shall be made by the Company only upon

- (i) the procedure prescribed for this purpose being followed by the ESAR Grantee; and
- (ii) realisation of the Exercise Price.

The Company shall have no obligation to credit Shares to the beneficiary account of the ESAR Grantee / Nominee(s) / legal heir(s) until all dues in respect of the ESARs have been discharged by the ESAR Grantee / Nominee(s) / legal heir(s), as the case may be.

9.2 Ranking of Shares:

The Shares arising on Exercise of ESARs shall rank *pari passu* with the then existing Shares, including entitlement to dividend.

9.3 Lock-in of Shares:

The Shares arising on Exercise of ESARs will not be subject to any lock-in restrictions, except such restrictions as may apply under the Applicable Laws from time to time or as per the Company's codes or policies.

9.4 Restriction on sale of Shares:

The Shares arising on Exercise of ESARs shall be subject to the restrictions provided in the Code of Conduct for Prevention of Insider Trading of the Company read with the PIT Regulations.

9.5 Listing of Shares:

The Shares arising on Exercise of ESARs shall be listed on all the Stock Exchanges where the Shares are then listed and will be subject to the terms and conditions of the Applicable Laws.

10. LEGAL COMPLIANCES

The ESAR Scheme 2025 shall be subject to the Applicable Laws and such regulatory approvals as may be applicable, including but not limited to the tax laws of India or of any relevant jurisdiction. The ESAR Grantee is required to comply with all laws, rules and regulations in respect of Grant of ESARs, Exercise of ESARs and subsequent allotment of Shares under the ESAR Scheme 2025, as may be applicable. Grant of ESARs, Exercise of ESARs and subsequent allotment of Shares under the ESAR Scheme 2025 entitle the Company to require ESAR Grantees to comply with such regulatory requirements as may be necessary.

11. TAX LIABILITY AND OTHER COSTS OR CHARGES

Any tax liability arising to or levied on the ESAR Grantee or the Company and / or its Subsidiary on account of Grant / Exercise of ESARs or allotment of Shares under the ESAR Scheme 2025 or sale thereof shall be that of the ESAR Grantee or the Nominee(s) or legal heir(s), as the case may be.

The Company and / or its Subsidiary reserves the right to recover from the ESAR Grantee or the Nominee(s) or legal heir(s), as the case may be (by way of deduction from salary and / or in any other manner) any costs borne or charges incurred by the Company and / or its Subsidiary arising out of Grant / Exercise of ESARs or allotment of Shares under the ESAR Scheme 2025.

12. CHANGES IN THE ESAR SCHEME 2025, SUSPENSION AND TERMINATION THEREOF

The ESAR Scheme 2025 is purely at the discretion of the Company.

The Board may at any time at its absolute discretion alter, amend, modify, suspend, withdraw or terminate the ESAR Scheme 2025 for any reason whatsoever, subject to the SBEB Regulations and within the framework approved by the Members of the Company. No claim shall be made against the Company by an ESAR Grantee on account of such alteration, modification etc.

13. CONFIDENTIALITY

- (a) ESAR Grantees shall not divulge the details of the ESARs granted to them to any person except with the permission of the Company, unless required to be disclosed under the Applicable Laws or pursuant to any statutory obligations. In case of non-adherence to this Clause, the Nomination and Remuneration Committee shall have the authority to deal with such cases as it may deem fit. Similarly, the Company shall also not divulge the details of the ESARs granted to the ESAR Grantees, unless required to be disclosed under the Applicable Laws or pursuant to any statutory obligations.
- (b) ESAR Grantees shall enter into agreement(s), execute document(s) and take all action(s) as the Company may require from time to time to more fully and effectively implement the ESAR Scheme 2025.

14. CONTRACT OF EMPLOYMENT

- (a) The ESAR Scheme 2025 shall not form part of any contract of employment between the Company and the ESAR Grantee. The rights and obligations of any Eligible Employee under the terms of employment shall not be affected by such Eligible Employee's participation in the ESAR Scheme 2025.

- (b) Participation in the ESAR Scheme 2025 shall not afford an ESAR Grantee any right to compensation or damages in consequence of loss or termination of employment for any reason whatsoever.
- (c) No claim shall lie against the Company for any compensation or damages for any loss or potential loss which an ESAR Grantee may suffer by reason of being unable to Exercise ESARs, in whole or in part.

15. ACCOUNTING POLICIES

The Accounting Policies followed in respect of accounting of ESARs shall be in compliance with the SBEB Regulations and the Indian Accounting Standards, or such other accounting policy as may be prescribed under any regulation with respect to accounting for ESARs.

16. GENERAL RISKS

Participation in the ESAR Scheme 2025 should not be construed as any assurance of return on the investment made by ESAR Grantees in Shares consequent to Exercise of ESARs.

Any loss due to fluctuation in the market price of the Company's Share and the risks associated with such investment(s) will be that of the ESAR Grantee alone or that of the Nominee(s) or legal heir(s) of the ESAR Grantee, as the case may be.

17. INTERPRETATION

The Nomination and Remuneration Committee, failing which the Board, shall have the power to consider and decide on any dispute, discrepancy or disagreement arising under, or as a result of, or pursuant to, or in connection with the ESAR Scheme 2025 and its decision shall be final and binding.

18. JURISDICTION

In relation to any dispute or difference arising out of or in connection with the ESAR Scheme 2025, the same shall be submitted to the exclusive jurisdiction of the Court of competent jurisdiction of city where the Registered Office of the Company is located.

ILLUSTRATION DESCRIBING METHODOLOGY OF ESARs

To illustrate, Nomination and Remuneration Committee grants 1,000 ESARs at ₹ 3,000/- per ESAR, in 2026 to the Eligible Employee with a graded vesting schedule spread over 3 years (2027 - 30% vests, 2028 - 30% and 2029 - 40%), with **one ESAR representing ten equity shares** of the Company. Given the following market prices with **CAGR of 10%**, the shares to be allotted upon exercise of ESARs can be determined as below:

Sl. No.	Particulars	2026	2027	2028	2029	Total
1.	Market price per share (for the purpose of appreciation and allotment of shares)	Grant Price per ESAR - ₹ 3,000 (₹ 300 per share X 10 Shares)	₹ 330	₹ 363	₹ 399.30	-
2.	Grant price per share (Grant Price per ESAR / 10)		₹ 300	₹ 300	₹ 300	-
3.	Annual vesting percentage		30%	30%	40%	100%
4.	Appreciation per share (Sl. No. 1 - Sl. No. 2)		₹ 30	₹ 63	₹ 99.30	-
5.	Annual vesting of ESARs (1,000* Sl. No. 3)		300	300	400	1,000
6.	Total appreciation in market price (i.e., benefit for the employee) (Sl. No. 4 X Sl. No. 5 X 10)		₹ 90,000	₹ 1,89,000	₹ 3,97,200	₹ 6,76,200
7.	Benefit in the form of equity shares on exercise upon vesting and allotment (Fractional shares will be settled in cash) (Sl. No. 6 /Sl. No. 1)		272.73 shares	520.66 shares	994.74 shares	1,788.13 shares

In the aforesaid illustration, it is presumed that the employee would exercise the vested ESARs immediately upon vesting.