

KOTAK MAHINDRA PERFORMANCE LINKED RESTRICTED STOCK UNIT SCHEME 2025

ARTICLE 1 TITLE & PREAMBLE

THE KOTAK MAHINDRA PERFORMANCE LINKED RESTRICTED STOCK UNIT SCHEME 2025 (hereinafter referred to as the ‘**Scheme**’ or ‘**PRSU Scheme 2025**’) has been adopted by the Board of Kotak Mahindra Bank Limited (“**Company**”) by a resolution passed at the meeting of the Board held on [●], subject to the approval of the members of the Company in accordance with applicable law and such other approvals as may be necessary or required by applicable law. On [●], the members of the Company have approved the Scheme by passing a special resolution in accordance with applicable law and have also granted their consent to create, grant, offer and issue the performance linked restricted stock units (“**PRSUs**”) to the Employees of the Company and of its Subsidiary companies as per the Scheme and have authorized the issuance and allotment of 90,00,000 (Ninety Lakh) equity shares pursuant to exercise of the PRSUs by the Employees, whether in India or abroad, in accordance with the terms of this Scheme and at a price determined as per this Scheme. As per the Scheme approved by the members of the Company on [●], approval has been accorded for grant of PRSUs to Employees of the Subsidiary companies, whether present or future, in India or abroad, provided that such Subsidiary companies are / would be Wholly-Owned Subsidiary companies, at the time of Grant of the PRSUs.

The allotment of equity shares under this Scheme shall not exceed in aggregate 90,00,000 (Ninety Lakh) equity shares of the Company of the face value of Rs.5/- (Rupees Five) each or such number of equity shares of the Company of such face value, as may be adjusted pursuant to this Scheme. The maximum number of PRSUs that may be Granted to an Employee, in a financial year, shall not exceed 20,000 (Twenty Thousand) PRSUs (which shall be adjusted in lieu of Corporate Action or Change in Capital Structure). Further, the maximum number of PRSUs that may be Granted to an Employee under this Scheme shall not exceed 1,00,000 (One Lakh) PRSUs (which shall be adjusted in lieu of Corporate Action or Change in Capital Structure). The Fair Value of the PRSUs so Granted shall be treated as part of the variable compensation of the said Employee. Grants under this Scheme, including those to the Managing Director (“MD”)/Chief Executive Officer (“CEO”), Whole-time Directors (“WTDs”), Material Risk Takers and leaders in Control functions, shall be in conformity with the prevalent regulatory guidelines on executive compensation, promoting responsible finance. The Grants to the MD/CEO and WTDs of the Company and its Wholly-Owned Subsidiary companies would be based on or subject to regulatory approvals, as may be required and applicable.

The allotment of 90,00,000 (Ninety Lakh) equity shares under this Scheme shall be by way of reducing the aggregate number of 2,00,00,000 (Two Crore) equity shares (equivalent to 1.01% of the issued equity shares of the Company, as at December 31, 2024) as stated in the Kotak Mahindra Equity Option Scheme 2023 (“**ESOP Scheme 2023**”). Therefore, the issuance and allotment of shares pursuant to the exercise of PRSUs under this Scheme along with the issuance and allotment of shares under the ESOP Scheme 2023 shall not exceed 2,00,00,000 (Two Crore) equity shares.

ARTICLE 2 DEFINITIONS & INTERPRETATION

In the Scheme, the following expressions only when mentioned in the capitalized form including their grammatical variations and cognate expressions shall have the following meaning, irrespective of whether such terms are used before or after this Article:

GENERAL DEFINITIONS:

- 2.1 ‘**Act**’ means the Companies Act, 2013, including any rules, guidelines, notifications, clarifications, circulars and press releases issued by the Ministry of Corporate Affairs, Government of India, from time to time, and any statutory modification or re-enactment of the foregoing from time to time;
- 2.2 ‘**Associate**’ shall have the same meaning as prescribed under Section 2(6) of the Act;
- 2.3 ‘**Award Letter**’ shall be the letter issued in writing, to the Employee(s) who are granted PRSUs in accordance with this Scheme and as per the template given in Annexure - I herein or as near thereto as the circumstances may require;

- 2.4 **'Board'** means the board of directors of the Company for the time being and where the context so requires, shall include the Nomination and Remuneration Committee constituted by the Board to exercise its powers and/or such other persons who may be authorised by the Board or the Nomination and Remuneration Committee in this regard;
- 2.5 **'Change in Capital Structure'** means a change in the capital structure of the Company resulting in the issue of Resultant Shares, including as a result of (i) re-classification of Shares; (ii) splitting up of the face value of Shares; (iii) sub-division of Shares; (iv) issue of bonus Shares; (v) issue of Shares on rights basis; and/or (vi) similar events;
- 2.6 **'Company'** means Kotak Mahindra Bank Limited, a company incorporated under the Companies Act, 1956 and having CIN: L65110MH1985PLC038137 and its registered office at 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051, and any reference to the term 'Company' includes and means its successors and assignees; Provided that where the context so requires, the term Company shall include a Wholly-Owned Subsidiary, whether present or future, in India or abroad;
- 2.7 **'Corporate Action'** means any of the following events:
- (i) merger, de-merger, spin-off, consolidation, amalgamation, sale of business, dissolution or other reorganization of the Company in which the Shares are converted into or exchanged for:
 - a. a different class of Securities of the Company; or
 - b. any Securities of any other issuer/company; or
 - c. cash; or
 - d. other property;
 - (ii) the sale, lease or exchange of all or substantially all of the assets or undertaking of the Company or sale or disposal or cessation of a Subsidiary;
 - (iii) the adoption by the members of the Company of a scheme of liquidation, dissolution or winding up; and
 - (iv) any other event, which in the opinion of the Board has a material impact on the business of the Company.
- 2.8 **'Employee'** means –
- (i) an employee as designated by the Company, who is exclusively working for the Company in India or outside India and satisfies the criteria for eligibility as may be determined by the Board/Nomination and Remuneration Committee, from time to time; or
 - (ii) Managing Director and Chief Executive Officer ("MD & CEO") or Whole-time Director ("WTD") of the Company; or
 - (iii) an employee or a Managing Director ("MD") or Chief Executive Officer ("CEO") or WTD of a Wholly-Owned Subsidiary, in India or outside India
- but shall not include:
- a. an employee who is a Promoter or a person belonging to the Promoter Group of the Company; or
 - b. a director who, either himself or through his/her Relative or through any body corporate, directly or indirectly, holds more than 10% (Ten Per Cent) of the outstanding Shares of the Company; or
 - c. Non-Executive director.

- 2.9 **‘Exercise’** means making of an application by a PRSU Grantee to the Company for issuance of Shares against Vested PRSUs exercised by him/her in pursuance of the Scheme, within the relevant Exercise Period, by following such process as may be prescribed by the Company or the Board/Nomination and Remuneration Committee from time to time and accompanied with payment of the Exercise Price for the Shares and the requisite tax amount payable thereon;
- 2.10 **‘Exercise Period’** in relation to PRSUs granted by the Company, means the period commencing from the Vesting Date and ending on 1 (One) year from the Vesting Date of the PRSUs, after which PRSUs that are Vested cannot be Exercised by the Employee;
- 2.11 **‘Exercise Price’** shall be the face value of the Shares at the time of Grant;
- 2.12 **‘Fair Value’** means, the fair value of a PRSU, calculated in accordance with the Guidance Note on Accounting for Employee Share-Based Payments, as may be prescribed by the Institute of Chartered Accountants of India or prescribed under the relevant accounting standard, as may be applicable to the Company, from time to time;
- 2.13 **‘Force Majeure Event’** means any event which is beyond the reasonable control of a person and shall include without limitation an act of God, natural disasters or other similar catastrophes, fires, floods, explosions, storms, earthquakes, wars, riots, acts of a public enemy, civil armed rebellion, insurrection, epidemic, quarantine restrictions, national emergencies, acts of a governmental authority or any court of competent jurisdiction;
- 2.14 **‘Grant’** means individually or collectively, any PRSUs granted to an Employee by the Board / Nomination and Remuneration Committee in accordance with the terms of the Scheme;
- 2.15 **‘Grant Date’** means the date on which the PRSUs are Granted to the PRSU Grantee as per the provisions of the Scheme;
- 2.16 **‘Nomination and Remuneration Committee’** or **‘NRC’** means the Nomination and Remuneration Committee of the Board, constituted under the provisions of the Act and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**), and designated to act as the ‘Compensation Committee’ for the purposes of administration and superintendence of this Scheme, in accordance with the proviso to Regulation 5(2) of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**“SEBI Regulations”**);
- 2.17 **‘PRSU’** means a performance linked restricted stock unit given to an Employee which gives him/her a right to purchase or subscribe at a future date, upon fulfilling the Vesting Conditions, the Shares offered by the Company, at the Exercise Price;
- 2.18 **‘PRSU Grantee’** means an Employee who has been Granted any PRSU(s) under the Scheme and where the context requires, shall include the nominee or legal heir of an Employee as prescribed in the Scheme and the SEBI Regulations;
- 2.19 **‘Plan Series’** means a documented plan framed by the Board/NRC for Grant of PRSUs in tranches, which shall be determined for the purpose of that particular Plan Series and as per the other terms and conditions as mentioned in that Plan Series, as per the template given in Annexure - I or as near thereto as the circumstances may require;
- 2.20 **‘Promoter’** shall have the same meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any amendment thereof for the time being in force;
- 2.21 **‘Promoter Group’** shall have the same meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any amendment thereof for the time being in force;
- 2.22 **‘Relative’** means a relative as defined under Section 2(77) of the Act;
- 2.23 **‘Resultant Shares’** means the shares or other Securities issued in lieu of the Shares, pursuant to any Change in Capital Structure or any Corporate Action;

- 2.24 **'Scheme'** means this Scheme, namely, 'Kotak Mahindra Performance Linked Restricted Stock Unit Scheme 2025', as formulated by the Nomination and Remuneration Committee and approved by the Board and the members of the Company;
- 2.25 **'SEBI'** means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;
- 2.26 **'SEBI Regulations'** means the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, including any amendments or re-enactments thereof for the time being in force;
- 2.27 **'Securities'** means securities as defined under Section 2(h) of the Securities Contracts (Regulation) Act, 1956;
- 2.28 **'Shares'** means the equity shares of the Company and securities of the Company convertible into equity shares of the Company and shall include American Depository Receipts, Global Depository Receipts or other depository receipts representing underlying equity shares or securities convertible into equity shares of the Company;
- 2.29 **'Subsidiary'** means a subsidiary company of the Company, as defined under Section 2(87) of the Act; Provided that where the context so requires, the term Subsidiary shall mean a Wholly-Owned Subsidiary, whether present or future, in India or abroad and as defined hereunder;
- 2.30 **'Superannuation'** shall mean superannuation or retirement as defined in the relevant policies, rules or regulations of the Company or a Subsidiary, in force, as the case may be;
- 2.31 **'Surrender Value'** means the amount determined in accordance with the provisions of the applicable sub-article, such that it is not prejudicial to the interest of the PRSU Grantees, and is as hereinafter stated:
- (i) the price per Share, whether in cash or otherwise, offered to members of the Company, pursuant or related to a Corporate Action taking place; and
 - (ii) the value of a PRSU, determined by the Board/NRC, on the date of cancellation and surrender of any PRSU for events other than those described in sub-article (i).
- If the consideration offered to members of the Company, in the event of a Corporate Action, consists of anything other than cash, the Board/NRC shall determine the fair cash equivalent of such part of the consideration which is offered other than in cash;
- 2.32 **'Vesting'** means the process by which an Employee becomes entitled to Exercise his right to apply for Shares, pursuant to the PRSUs Granted to him/her under this Scheme upon the fulfillment of the Vesting Conditions;
- 2.33 **'Vesting Conditions'** means the performance-based conditions/parameters prescribed by the Board/NRC on the fulfillment of which, a PRSU will Vest;
- 2.34 **'Vesting Date'** means the earliest date on which the rights under the PRSUs can be Exercised by an Employee in accordance with the provisions of this Scheme; and
- 2.35 **'Vesting Period'** means the period between the Grant Date and the Vesting Date, subject to the condition that the said period shall not be less than 1 (One) year from the Grant Date.
- 2.36 **'Wholly-Owned Subsidiary'** means a Subsidiary which is 100% owned by the Company or together with one or more of its Subsidiary companies .

INTERPRETATION:

In this Scheme, unless the contrary intention appears:

- 2.37 the singular includes the plural and *vice versa*;
- 2.38 any word or expression importing the masculine, feminine or neuter genders, shall be taken to include all three genders;

- 2.39 the words “including” and “*inter alia*” shall be deemed to be followed by “without limitation” or “but not limited to” whether or not those words are followed by such phrases or words of like import;
- 2.40 the words “herein”, “hereunder”, and “hereto” and words of similar import refer to this Scheme as a whole and not to any article of this Scheme, unless so specified; and
- 2.41 any capitalized term defined in Article 2 of this Scheme shall also include such term with any of its grammatical variations and/or cognate expressions and any such grammatical variation and/or cognate expression when used in the capitalized form in the Scheme shall have the meaning assigned to the term as defined in Article 2 of this Scheme of which they are grammatical variations and/or cognate expressions.

ARTICLE HEADINGS:

- 2.42 Headings or title of articles herein are for information only and shall not affect the construction or interpretation of this Scheme.

REFERENCES:

- 2.43 A reference to this Scheme includes reference to any article, schedule and appendix to it, and references to articles, schedules and appendices are to articles, schedules and appendices to this Scheme;
- 2.44 A reference to a statute or a statutory provision includes a reference to any order, regulation, or other subordinate legislation made thereunder from time to time, and references to any statute, provision, order, or regulation include references to that statute, provision, order, or regulation as amended, modified, re-enacted or replaced, from time to time.

ARTICLE 3 OBJECTS

The objects of the Scheme are:

- 3.1 To align the interests of Employees across levels with the performance of the Company and its Wholly-Owned Subsidiary companies, ensuring affordability for the Grantees with a view to incentivizing the achievement of sustainable growth, value creation and value sharing with the Employees;
- 3.2 To motivate Employees and secure their undivided focus and commitment to the corporate vision and the strategy;
- 3.3 To provide means to enable the Company and its Wholly-Owned Subsidiary companies, to attract and retain appropriate talent in the employment of the Company and its Wholly-Owned Subsidiary companies; and
- 3.4 To create a sense of ownership and participation amongst the Employees of the Company and of its Wholly-Owned Subsidiary companies.

ARTICLE 4 IMPLEMENTATION

The Scheme shall be implemented by the NRC under the broad policy and framework laid down by the Company and/or to the extent permissible under the SEBI Regulations and applicable law, by the Board, in accordance with the authority delegated to the NRC in this regard, from time to time.

ARTICLE 5 PLAN SERIES

At such times after the Scheme comes into effect, as deemed fit by the Board/NRC, it shall, formulate various Plan Series based on the recommendations of the management of the Company and / or Board/NRC of a Subsidiary. The Board/NRC, on the basis of the recommendations of the management of the Company and the Board/NRC of a Subsidiary, as the case may be, thereafter decide on the Employees eligible to be Granted PRSUs and the terms and conditions of the Grant. The Board/NRC shall vary or modify the terms and conditions of the Grant for any Employee or class of Employees, only after considering the interests of all stakeholders and such variation or modification shall not be done if it is i) not in accordance with the Scheme; ii) detrimental to the interests of the Employees; and iii) not in compliance with applicable law, regulations, guidelines, as may be in force from time to time.

ARTICLE 6 EFFECTIVE DATE AND DURATION OF THE SCHEME

- 6.1 The Scheme shall be deemed to have come into force on the date of receipt of the members' approval to the Scheme ('**Effective Date**').
- 6.2 The PRSUs under the Scheme may be Granted during a period of 5 (Five) years from the Effective Date and, thereafter, no new Grants shall be permitted under this Scheme. If any PRSUs granted under this Scheme have lapsed or are forfeited before their Exercise by the PRSU Grantee(s), such PRSUs shall stand forfeited and shall not be available for any further Grant under this Scheme.
- 6.3 The Scheme shall remain in effect until the occurrence of any of the following events, whichever is earlier:
- (i) all PRSUs Granted under the Scheme have been Exercised and/or have expired by reasons of lapse of time or otherwise; or
 - (ii) any event, including the occurrence of a Corporate Action, pursuant to which the Company is to lose its existence, specifically being the effective date of any court / tribunal / the Reserve Bank of India / competent authority sanctioned scheme or the date on which a winding up order is passed against the Company or any order passed by the Reserve Bank of India / competent authority.

ARTICLE 7 NOMINATION AND REMUNERATION COMMITTEE

- 7.1 The NRC of the Board constituted by the Company in terms of the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, is hereby designated and shall act as the 'Compensation Committee' for administration and superintendence of the Scheme as mandated under the SEBI Regulations. The Board shall, at its sole discretion, have the power to appoint any director as a member of the NRC and to remove any such director so appointed and appoint another in his/her place and any such appointment and/or removal shall be made by a resolution of the Board, such that the composition of the NRC at all times is in compliance with the requirements under Section 178 of the Act, Regulation 19 of the Listing Regulations or any other applicable laws. The NRC shall be entitled to invite any person to attend its meetings and participate in the discussion and deliberations if it so thinks fit. The NRC, in the exercise of its powers, may require any information from the Company and its Subsidiary companies and/or seek the assistance of any employee as it may deem fit, to fully and effectively discharge its duties.
- 7.2 It is envisioned herein that several tranches of PRSUs in a Plan Series may be Granted by the Company in accordance with the terms of this Scheme and applicable law. In the light of the foregoing, the NRC is Vested with the power to formulate the detailed terms and conditions based on which the various tranches of PRSUs in a Plan Series that are Granted pursuant to the Scheme, whether on the same date or on different dates and with same or similar or different terms governing each tranche of PRSUs to be Granted by the Company. Subject to the provisions of this Scheme and applicable law, the powers of the NRC are limited to administer and implement the Scheme, shall include the following powers:

- i. to formulate various Plan Series, as necessary, and decide Grants to the Employees under Article 8 of the Scheme, from time to time;
 - ii. to determine the Employees to whom PRSUs are to be Granted, number of PRSUs to be Granted per Employee and in aggregate, the Vesting Date and the Vesting schedule;
 - iii. to determine the Vesting Conditions that are required to be fulfilled by the Employees as specified in Article 9 of the Scheme;
 - iv. to determine the extent of fulfilment of the Vesting Conditions;
 - v. to approve the issuance of the intimation advice to the Employees of the number of PRSUs that would Vest which shall be final and binding;
 - vi. lay down, in compliance with applicable law, including the SEBI Regulations and the applicable accounting policies, the procedure, mechanism and formula/construct for making fair and reasonable adjustments to the number of PRSUs and/or to the Exercise Price in case of any Corporate Action or pursuant to any Change in Capital Structure
 - vii. to lay down the method for satisfaction of any tax obligation arising in connection with the Grant/ Exercise of the PRSUs;
 - viii. to provide for the Grant, Vesting and Exercise of PRSUs in case of PRSU Grantees who are on long leave or sabbatical, by whatever name called, in accordance with the policies of the Company;
 - ix. to permit the PRSUs Granted, to be Vested and Exercised within such time and as per such terms and conditions as it may determine or alter the Vesting Conditions such that it is not prejudicial to the interest of the PRSU Grantees, if so necessitated on account of a Force Majeure Event, in its discretion, for any PRSU Grantee or class of PRSU Grantees.
 - x. administration and superintendence of the Scheme, in accordance with the SEBI Regulations and other applicable law; and
 - xi. to settle all questions, difficulties or doubts that may arise in relation to the Scheme, in its sole and absolute discretion, and give such directions as may be deemed necessary or expedient in connection with or incidental for administration and superintendence of the Scheme.
- 7.3 The number of members of the NRC and their powers and functions can be specified, varied, altered or modified from time to time by the Board subject to the provisions of the Scheme and applicable laws. The Board may further provide that the NRC shall exercise certain powers only after consultation with the Board and, in such case, the said powers shall be exercised accordingly.
- 7.4 No member of the NRC shall be personally liable for any decision or action taken in good faith with respect to the Scheme.

ARTICLE 8 GRANT OF PRSUs

- 8.1 The Board/NRC may, from time to time, based on the recommendation of the management of the Company and the Board/NRC of its Subsidiary, as the case may be, make Grants of PRSUs to Employees from Level 1 (One) (being MD/CEO and WTDs) to Level 8 (Eight) (being grade M6) of 13 (Thirteen) levels in the Company and to the Employees of its Subsidiary companies, in equivalent grades/levels. In the event of change in the Level structure, the Board/NRC shall determine the Level structure for the purpose of this Scheme, as near to the current structure as possible and in the equivalent grades/levels of its Subsidiary. The Scheme aims to cover front-line managers, employees with specialized skills, middle managers and senior leaders, to ensure close alignment on performance objectives, for all covered employees across these levels in accordance with the Scheme. The Grant of PRSUs will aid in accelerating the focus on strategy and growing the business, developing a skilled, committed talent pool of front-line, middle managers and senior leaders and specialists and employee retention through competitive total compensation, thereby de-risking the strategy. Grants under this Scheme, including those to the

MD/CEO, WTDs, Material Risk Takers and leaders in Control functions, shall be in conformity with the prevalent regulatory guidelines on executive compensation, promoting responsible finance. The Grants to the MD/CEO and WTDs of the Company and its Subsidiary companies would be based on or subject to regulatory approvals, as may be required and applicable.

- 8.2 In any Plan Series under the Scheme, of the total Employees covered, about 70% Employees shall be from Levels 4 (Four) to 8 (Eight) and further, about 55% of the total PRSUs Granted shall be allocated to Employees in these levels.
- 8.3 PRSUs Granted to any individual Employee (which includes MD/CEO and WTDs) shall not exceed 20,000 (Twenty Thousand) PRSUs in a financial year and the maximum number of PRSUs that may be Granted to any individual Employee (which includes MD/CEO and WTDs) under this Scheme shall not exceed 1,00,000 (One Lakh) PRSUs.
- 8.4 The Employees to whom the PRSUs would be Granted, will be determined by the Board/NRC in accordance with the Scheme. The eligibility criteria for Grant of PRSUs for Employees shall be based on their role, past performance (as per Company's / Subsidiary Company's performance appraisal system), capability and potential and criticality of skills and experiences of the individual for achieving the business strategy.
- 8.5 No Grant would be made to an Employee of a Subsidiary Company, unless it is a Wholly-Owned Subsidiary of the Company, at the time of such Grant.
- 8.6 The performance parameters (pre-condition to Vesting) as mentioned in Article 9.2 below shall be decided by the Board/NRC and communicated to the Employee(s) in the Award Letter issued at each such Grant and will not be subject to any subsequent changes by the Board/NRC, except in the case of a Force Majeure Event.
- 8.7 The Award Letter shall specify the Grant Date, number of PRSUs Granted to the PRSU Grantee, the Exercise Price, the Vesting Date/Schedule, Vesting Conditions (upon fulfilment of which the Vesting shall take place), Exercise Period and other terms and conditions thereof, as per the template given in Annexure -1 herein or as near thereto as the circumstances may require.
- 8.8 Except in the event of a Corporate Action or Change in Capital Structure, the Grant of PRSUs to the Employees under this Scheme shall entitle the holder of the PRSUs to apply, within the Exercise Period, for 1 (One) Share for every PRSU held by him/her, in the Company upon payment of the Exercise Price, and subject to the performance linked conditions (pre-requisite to Vesting) being met.
- 8.9 Grant of PRSUs shall be deemed to have been made effective from the date of the decision or meeting of the NRC where such PRSUs have been Granted.

ARTICLE 9 VESTING OF PRSUs

- 9.1 All PRSUs Granted shall Vest only upon achievement of performance parameters mentioned under Vesting Conditions and assessment of such achievement will be made by the Board/NRC at the Vesting of each Tranche to the Grantee.
- 9.2 The Vesting Conditions shall consist of the following Company and Individual performance parameter(s):
 - a. Any or in combination or all of the following Company performance parameters on a consolidated basis in the ordinary course of business, after adjusting for any extraordinary items:
 - (i) Book Value per share
 - (ii) Return on Equity
 - (iii) Asset Quality
 - (iv) Return on Asset
 - (v) Profitability/ Growth in Earnings

The Board/NRC would determine the applicable performance parameter(s) from the above, and their weightage for each Plan Series, based on macro-economic conditions and other such conditions likely to impact the sectoral / business performance outlook. The performance parameter(s) and the weightage for each such parameter(s) shall be communicated to the Employee(s) in the Award Letter issued at the time of Grant and will not be subject to any subsequent changes by the Board/NRC except in the case of a Force Majeure Event.

b. Individual performance:

With a minimum of 'Achiever' / 'Meets Expectations' or equivalent rating (against the defined goal sheet for each year) or higher on such determined goals as part of the annual performance appraisal process.

Vesting for Employees for a Plan Series under the Scheme at the senior levels will essentially be based on level of achievement against Company's performance parameters alone, though the individual's performance against individual goals and conduct has to be at acceptable level (with the minimum qualifying performance level being an equivalent of 'Achiever' / 'Meets Expectations' against goals for the year as part of the annual performance appraisal process). At other levels, it will be a combination of level of achievement against Company's performance parameters and individual performance as also conduct for the year, with greater emphasis on individual performance. Individual performance will be assessed through the annual performance appraisal system for the vesting year(s), with the minimum qualifying performance level being an equivalent of 'Achiever' / 'Meets Expectation' against goals for the year.

Set out below is the table outlining the weightages assigned to Company and Individual performance parameters depending on the Employees' levels:

Exhibit 9.2. A

Levels	Weightage of Company performance versus Individual performance	
	Company	Individual
MD/CEO and WTDs (being Level 1), Levels 2 and 3	100%	0%
Levels 4 and 5	85%	15%
Levels 6, 7 and 8	50%	50%

The Vesting of PRSUs Granted shall be in accordance with the below-mentioned combined level of achievement (i.e. Company and Individual performance):

Exhibit 9.2. B

Level of achievement (Company performance and Individual performance)	Percentage of PRSUs to be Vested
<85%	Nil
85% to <90%	50%
90% to <100%	75%
100% and >100%	100%

Illustrated below is the way the Company's performance and Individual performance and the weightages will be applied to determine eligibility for Vesting.

Illustration for Employees at Levels 1, 2 and 3:

100 Units due for Vesting as per the Vesting schedule in a year	Methodology	Weightage	Achievement	Units eligible for Vesting
Company performance	% Achievement against target	100% (a)	96%^ (b)	
Individual performance*	Equivalent of Minimum 'Achiever'/ 'Meets Expectations'	0% (c)	Achieved criteria^ (d)	
Combined level of achievement	(a x b) + (c x d)		96%	
Level of achievement (Company performance and Individual performance)	90% to <100 % (Combined level of achievement as per Exhibit 9.2.B)		75% (e)	
Units eligible for Vesting	Achievement score (e) x Units due for Vesting as per Vesting schedule in a year			75

Illustration for Employees at Levels 4 and 5:

100 Units due for Vesting as per the Vesting schedule in a year	Methodology	Weightage	Achievement	Units eligible for Vesting
Company performance	% Achievement against target	85% (a)	35%^ (b)	
Individual performance*	Equivalent of Minimum 'Achiever'/ 'Meets Expectations'	15% (c)	Achieved criteria^ (d)	
Combined level of achievement	(a x b) + (c x d)		45%	
Level of achievement (Company performance and Individual performance)	<85% (Combined level of achievement as per Exhibit 9.2.B)		0% (e)	
Units eligible for Vesting	Achievement score (e) x Units due for Vesting as per Vesting schedule in a year			0

Illustration for Employees at Levels 6, 7 and 8:

100 Units due for Vesting as per the Vesting schedule in a year	Methodology	Weightage	Achievement	Units eligible for Vesting
Company performance	% Achievement against target	50% (a)	75%^ (b)	
Individual performance*	Equivalent of Minimum 'Achiever'/ 'Meets Expectations'	50% (c)	Achieved criteria^ (d)	
Combined level of achievement	(a x b) + (c x d)		88%	
Level of achievement (Company performance and Individual performance)	85% to <90% (Combined level of achievement as per Exhibit 9.2.B)		50% (e)	
Units eligible for Vesting	Achievement score (e) x Units due for Vesting as per Vesting schedule in a year			50

*if the Individual rating falls below equivalent of 'Achiever'/ 'Meets Expectation' level, then the units eligible for Vesting would be Nil. Minimum equivalent of 'Achiever'/ 'Meets Expectations' level results in to 100% Achieved criteria.

^Where (b) is the assumed level of achievement of the Company performance parameter and (d) is the assumed minimum rating ('Achiever'/ 'Meets Expectations') of the Employee for the purpose of the aforesaid illustrations.

- 9.3 The Grants under this Scheme are aimed at accomplishing the medium to long term strategy of the Company and will have a four-year Vesting schedule. Any PRSUs not Vested on account of non-achievement of the Company's performance parameters in the previous tranches, shall vest in the last tranche of the Vesting schedule, on achievement of 100% of the cumulative targets against the Company's performance parameters or compounded target of the Plan Series, whichever is applicable. This would be subject to the Individual rating not being below equivalent of 'Achiever'/'Meets Expectation' level in each of the years of the Plan Series.
- 9.4 The Vested PRSUs can be Exercised at the Exercise Price at one time or at various points of time within the Exercise Period.
- 9.5 The Vesting shall commence only after the expiry of 1 (One) year from the date of the Grant of the PRSUs to the Employee and shall Vest over the period of 4 (Four) years from the Grant Date in four tranches as per any one of the three schedule options (Options A, B or C) given in the Exhibit 9.5.A below, as determined and communicated by the Board/NRC, at the time of issuance of Award Letter for each such Grant(s).

Exhibit: 9.5. A

Year of Vesting/schedule	Option-A	Option-B	Option-C
End of year-1	25%	20%	10%
End of year-2	25%	20%	20%
End of year-3	25%	30%	30%
End of year-4	25%	30%	40%

Provided further that in case where the PRSUs are Granted by the Company in lieu of PRSUs held by the same person in another company which has merged, demerged, arranged or amalgamated with the Company, the period during which the PRSUs Granted by the other company were held by such Employee, shall be adjusted against the minimum Vesting Period of 1 (One) year as aforementioned.

- 9.6 It is hereby clarified that the Vesting Dates in respect of the PRSUs Granted under this Scheme may, at the sole and absolute discretion of the Board/NRC, vary from Employee to Employee or any class thereof and/or in respect of the number or percent of PRSUs Granted to an Employee within the terms of this Scheme.
- 9.7 Prior to the Vesting of each tranche of PRSUs, the Employees shall be intimated vide a Vesting intimation advice regarding the status of Vesting against the performance parameters laid down in the Award Letter and the consequent number of PRSUs that would be Vested. Accordingly, the Employee shall be eligible to Exercise the said PRSUs (which have Vested) during the Exercise Period.
- 9.8 Any Employee otherwise eligible to be Granted PRSUs or who has already been Granted PRSUs under this Scheme may be barred from being Granted any PRSUs under this Scheme or Granted PRSUs can be cancelled/lapsed/reduced on account of their conduct and/or performance and/or on account of any regulatory action for non-compliance by the Grantee, if the MD/CEO of the Company or the Board/ NRC of a Subsidiary makes such a recommendation to the Board/NRC of the Company. Any decision of the Board/NRC in this regard would be final.
- 9.9 The Board/NRC, if so necessitated on account of a Force Majeure Event, in its discretion may, for any PRSU Grantee or class of PRSU Grantees permit the PRSUs Granted, to be Vested and Exercised within such time and as per such terms and conditions as it may determine or alter the Vesting Conditions such that it is not prejudicial to the interest of the PRSU Grantees.
- 9.10 (a) Subject to Article 11.5, in the event of Superannuation of a PRSU Grantee (in accordance with the policies and rules of the Company and its Subsidiary), the rights and obligations under the PRSUs outstanding in such PRSU Grantee shall continue to Vest in his/her hands as per the Vesting schedule provided in the Award Letter issued. For the purpose of this Article, the individual performance is deemed to have been met for the remaining period (i.e., after superannuation) of the Plan Series, but will be subject to meeting the criteria of Company's performance. The Grants can be Exercised by him/her, on or before the expiry of the date / period specified in the Vesting schedule and on fulfillment of such terms and conditions, if any, as provided in such Award Letter,

failing which all the unexercised PRSUs shall lapse irrevocably and the rights thereunder shall be extinguished.

- (b) The Vesting of PRSUs in the event of death or permanent incapacitation of an Employee who had been Granted PRSUs under the Scheme, shall be as follows:

In the event of any PRSU Grantee's:

- (i) Death whilst in the employment of the Company or its Subsidiary or after superannuation; or
- (ii) Permanent incapacitation while in the employment of the Company or its Subsidiary or after superannuation;

the rights and obligations under the PRSUs Granted and outstanding in such PRSU Grantee shall Vest to his/her legal heirs or his/her nominees in case of event occurring in paragraph (b)(i) or Vest in his/her hands in case of event occurring in paragraph (b)(ii), with effect from the date of the event occurring in (b)(i) or (b)(ii) herein.

All Vested PRSUs on the date of death or permanent incapacitation (as the case may be) shall be Exercised by the legal heirs/nominees or by him/her (as the case may be), before the expiry of 12 (Twelve) months from the date of the death or permanent incapacitation of such PRSU Grantee or the prescribed Exercise Period for such PRSUs, whichever is earlier, unless such time period is extended by Board/NRC, failing which all the unexercised PRSUs shall lapse irrevocably and the rights there under shall be extinguished, without any further action by or on behalf of the Company.

Provided that in the event of death or permanent incapacitation of an Employee, the minimum Vesting Period of 1 (One) year shall not be applicable and in such instances, the PRSUs shall Vest in accordance with the provisions of Article 9.10(b).

- 9.11 The PRSUs Granted but not Vested in case of an Employee who has been suspended or in case of an Employee against whom an enquiry is being conducted for any reason, shall stand suspended and shall not Vest until the suspension is revoked or the enquiry is completed and the concerned Employee has been absolved of all allegations by giving reasons in writing by the Board/NRC. In case the Employee is found guilty of misconduct, whether or not he/she is dismissed or discharged, the Board/NRC shall determine the eligibility of such an Employee as regards Vesting of any unvested PRSUs and/or Exercise of any Vested PRSUs and/or whether PRSUs whether Vested or not, in part or full, should lapse or otherwise. If an Employee who has superannuated is found guilty of misconduct, the Board/NRC shall determine the eligibility of such superannuated Employee as regards Vesting of any unvested PRSUs and/or Exercise of any Vested PRSUs and/or whether PRSUs whether Vested or not, in part or full, should lapse or otherwise.
- 9.12 The benefits accrued and / or availed under the Scheme shall be subject to *malus and clawback* conditions, in accordance with the regulatory guidelines and/or policies of the Company and its Subsidiary. The Company and its Subsidiary shall be entitled to recover from the Employee or from anyone who ceases to be an Employee on account of resignation, termination (with / without cause) and those who have superannuated, subject to applicable laws, an amount corresponding to the PRSUs Granted or Vested under the Scheme or any benefit derived through any PRSUs Granted under the Scheme, whether the Employee is in employment or not at the time of recovery, in the event of any disciplinary action taken against the PRSU Grantee.
- 9.13 Any PRSUs Granted but not Vested in an Employee of a Subsidiary of the Company shall lapse in the event of such Subsidiary ceasing to be a Wholly-Owned Subsidiary of the Company.

ARTICLE 10 EXERCISE OF PRSUs

- 10.1 Unless otherwise specified in the Scheme, Vested PRSUs must be Exercised as set out in the Award Letter. Each PRSU would entitle the Employee, on Exercise, to acquire 1 (One) Share each of the Company or such adjusted numbers of such face value, as may be determined by the Board/NRC, in accordance with the provisions of this Scheme.

- 10.2 The Employees shall be entitled to Exercise the PRSUs within such period, as may be determined by the Board/NRC from time to time, and which shall not exceed a period of 1 (One) year from the Vesting Date except as provided in Article 9.11.
- 10.3 The PRSU Grantee may, at any time during the Exercise Period and subject to fulfillment of conditions of the Grant, Exercise the PRSUs by submitting an application (online or physical) to the Company to issue and allot Shares to the PRSU Grantee pursuant to the Vested PRSUs, accompanied by payment of an amount equivalent to the Exercise Price, in respect of such Shares and such other writing or through any other process defined by the Company, if any, as the Board/NRC may specify to confirm extinguishment of the rights comprising in the PRSUs then Exercised.

The PRSU shall be deemed to have been Exercised when the Company has received:

- (i) written or electronic notice/application of Exercise from the person entitled to Exercise the PRSU; and
 - (ii) full payment of the Exercise Price for the Shares with respect to which the PRSUs are Exercised along with applicable tax amount payable by such person. However, in cases where the Board/NRC so decides, the income tax amounts will be deducted from the concerned Employee's salary by the payroll department and the payment for Shares need not be accompanied with the tax amount.
- 10.4 Except as otherwise provided, payment of the Exercise Price for the Shares to be acquired pursuant to any PRSUs shall be made either by:
- (i) cheque payable at the registered office of the Company;
 - (ii) deduction of such amount from the PRSU Grantee's designated bank account by the Company under his/her authority;
 - (iii) such other consideration as may be approved by the Board/NRC from time to time to the extent permitted by applicable law; or
 - (iv) any combination of any two or more of the abovementioned methods.
- 10.5 The application shall be in such form, or in such mode, physical or online, as may be prescribed in this regard and the Board/NRC may determine the procedure for Exercise from time to time.

Provided, however, that in case of cessation of employment, the PRSU Grantee shall be entitled to Exercise the PRSUs in accordance with the provisions of Article 11, but subject to the provisions of any applicable law or regulation for the time being in force.

- 10.6 Notwithstanding anything contained elsewhere in the Scheme, the Board/NRC may:
- (i) not permit the Exercise of any PRSUs (whether Vested or not) Granted to an Employee, in the event of the Employee being found to be involved in fraud, misfeasance, gross negligence, breach of trust, misconduct, etc. and in such an event, the rights under the PRSUs (whether Vested or not) shall lapse, forthwith, without any claim on, or recourse to the Company or its Subsidiary;
 - (ii) if the Exercise of PRSUs within the Exercise Period, is prevented by any law or regulation in force, defer or not to permit the Exercise of PRSUs till such time as it is prohibited by the applicable laws or regulations and in such an event, the Company or its Subsidiary shall not be liable to pay any compensation or similar payment to the Employee for any loss suffered due to such refusal. Further, the Board/NRC shall have the power to extend the Exercise Period in such case.

Provided, further, that the Board/NRC shall have the power to cancel all or any of the PRSUs Granted under the 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, no compensation shall be payable to the PRSU Grantee for such cancelled PRSUs.

- 10.7 The Fair Value of PRSUs pertaining to Employees of a Subsidiary shall be recovered from the respective Subsidiary.

ARTICLE 11 CESSATION OF EMPLOYMENT

- 11.1 In the event of an Employee ceasing to be in the service of the Company or its Subsidiary for "Cause", all PRSUs outstanding (whether Vested or not) on the date of cessation of employment, shall expire forthwith and the Employee shall not be permitted to Exercise any right in respect thereof.

"Cause" shall mean, as determined by the Board/NRC of the Company or its Subsidiary: (i) the continued failure of the PRSU Grantee to substantially perform his duties to the Company or its Subsidiary (other than any such failure resulting from retirement, death or disability as provided below); (ii) the engaging by the PRSU Grantee in willful, reckless or grossly negligent misconduct which is determined by the Board/NRC to be detrimental to the interest of the Company or its Subsidiary or any of its Associate, monetarily or otherwise; (iii) fraud, misfeasance, breach of trust or wrongful disclosure by the PRSU Grantee of any secret or confidential information about the Company or its Subsidiary; (iv) the breach of the employment agreement or employee handbook/policies with the Company or its Subsidiary; or (v) the PRSU Grantee's pleading guilty to or conviction of a felony.

- 11.2 In the event of resignation or termination of the Employee, for a reason other than Cause or cessation of employment of an Employee for any other reason (except Superannuation), all PRSUs which are Granted and not Vested on the date of the cessation of employment, shall expire forthwith. For all Vested PRSUs, the Employee may Exercise his/her Vested PRSUs, up to his/her last working day in the Company or its Subsidiary, failing which all the un-Exercised PRSUs shall lapse irrevocably and the rights thereunder shall be extinguished.
- 11.3 In the event that an Employee who has been Granted PRSUs under this Scheme (including an Employee whose PRSUs have Vested and who has not Exercised his PRSUs) is transferred, deputed or seconded to another division / function in the Company or to its Wholly-owned Subsidiary (or between its Wholly-owned Subsidiary companies inter se), as the case may be, the Vesting and Exercise as per the terms of Award Letter shall continue in case of such transferred, deputed or seconded Employee even after the transfer, deputation or secondment.
- 11.4 For the purposes of this Article 11, date of the cessation of employment shall mean the date of service, by the Employee or the Company or its Subsidiary, as the case may be, of the notice of resignation or termination of employment or cessation of employment for any other reason (except Superannuation), or the effective date of resignation or termination or cessation of employment, whichever is earlier.
- 11.5 For a PRSU Grantee who has ceased to be an Employee due to Superannuation, Vesting will be conditional upon he/she not being in employment of or being associated in any advisory or any other capacity (contractual or otherwise) with any other entity in the banking or financial services sector and their regulators, in India or abroad, as on the date of Vesting of PRSUs, unless specifically approved by the Board/NRC of the Company.

ARTICLE 12 TERMS AND CONDITIONS OF SHARES

- 12.1 All Shares acquired under the Scheme shall rank *pari passu* with Shares of the Company.
- 12.2 Neither a PRSU Grantee, nor his/her successor in interest, shall have any of the rights of a shareholder of the Company including right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder with respect to the Shares for which the PRSU is Exercised until such Shares are issued by the Company to the PRSU Grantee on Exercise of the PRSU(s).

ARTICLE 13
CHANGE IN CAPITAL STRUCTURE OR CORPORATE ACTION

- 13.1 Except as hereinafter provided, a Grant of PRSUs made under the Scheme shall be subject to adjustment, by the Board/NRC, at its discretion, as to the number and/or Exercise Price of PRSUs, as the case may be, in the event of Change in Capital Structure or a Corporate Action.
- 13.2 If there is a Change in Capital Structure of the Company before the PRSUs Granted under this Scheme are Exercised, the Employee shall be entitled on Exercise of the PRSUs, to such number of Resultant Shares to which he would have been entitled as if all then outstanding PRSUs Exercised by him, had been Exercised before such Change in Capital Structure had taken place and the rights under the PRSUs shall stand correspondingly adjusted in terms of the number and/or Exercise Price of PRSUs.
- 13.3 The Shares in respect of which the PRSUs are Granted are Shares as on the date of the Grant. But if and when, prior to the expiry of the Exercise Period there is a Change in Capital Structure of the Company, the number of Resultant Shares with respect to which the PRSUs may thereafter be Exercised shall, in the event of:
- (i) an increase in the number of Resultant Shares, be proportionately increased, and the Exercise Price, be proportionately reduced;
 - (ii) a reduction in the number of Resultant Shares, be proportionately reduced, and the Exercise Price, be proportionately increased

Provided, further, that in case the provisions of applicable law restrict/prohibit the issue of Shares at a discount to its par or other value, the Exercise Price shall not be less than such amount as prescribed under law.

- 13.4 In the event of a Corporate Action, the Board/NRC, at least 7 (Seven) days prior to any Corporate Action or 60 (Sixty) days thereafter or within such other time as determined by the Board/NRC, acting in its absolute discretion with or without the consent or approval of the Employee, as it may deem fit, shall in respect of the outstanding PRSUs act on any of the following alternatives:
- (i) provide that on any Exercise of PRSUs hereafter, the PRSU Grantee shall be entitled to the Shares and / or Resultant Shares as if the PRSU Grantee had been a holder of the Shares on the date of the Corporate Action;
 - (ii) make such adjustments to the PRSUs outstanding to reflect the Corporate Action, as may be necessary, such that the adjustments are not prejudicial to the interest of the Employees and stakeholders;
 - (iii) substitute the PRSUs Granted, by fresh PRSUs in another issuer company which have substantially the same terms as the PRSUs Granted under this Scheme;
 - (iv) accelerate the Vesting and / or the Exercise of the PRSUs so that the PRSUs are to be compulsorily exercised before the date specified by the Board/NRC, failing which they shall lapse, subject to the condition that such acceleration shall not be detrimental to the interests of the Employees;
 - (v) require the mandatory surrender to the Company, by all or some of the PRSU Grantees, of all or some of the outstanding PRSUs, irrespective of whether, the PRSUs have Vested or not, as on that date. In such an event, the Board/NRC shall pay to such Employee an amount, in cash or otherwise, per PRSU, as the case may be, of the Surrender Value after deducting the balance Exercise Price payable, if any; or
 - (vi) deal with the outstanding PRSUs in any other manner as it may deem fit in the interest of the Company and / or PRSU Grantee(s).

Notwithstanding the above, the Grants to Employees would lapse permanently without any further action or recourse to the Company, if the Subsidiary with which they are employed (at the Vesting), ceases to be a Wholly-Owned Subsidiary.

GENERAL ARTICLES

ARTICLE 14 AMENDMENT OR TERMINATION OF THE SCHEME

- 14.1 The Board, to the extent permissible in the SEBI Regulations and applicable law, may from time to time suspend, withdraw or terminate the Scheme. Any material amendments/variations to this Scheme shall be done by the Board/NRC only with the prior approval of the members. However, while making such amendment or alteration to the Scheme, the interest of all the other stakeholders shall also be considered. Further, the Board/NRC shall not, without the approval of the members, amend the Scheme to increase the aggregate number of Shares which may be issued pursuant to the provisions of the Scheme on Exercise or surrender of PRSUs or upon Grants except as otherwise stated elsewhere in this Scheme and as per the SEBI Regulations.
- 14.2 Without prejudice to the above, the Board/NRC may without any reference to or consent of the Employee concerned, amend the Scheme or Grant or any agreement to comply with any law, regulation or guideline, which is or may hereinafter, become applicable to this Scheme.
- 14.3 For the purposes of Article 14.1, the term 'material amendments / variations' shall, *inter alia*, include the following:
- (i) the alteration to the duration of this Scheme;
 - (ii) the maximum quantum of PRSUs to be Granted per Employee and in aggregate under this Scheme or alteration to the pool size;
 - (iii) the conditions under which the PRSUs may Vest in Employees and may lapse in case of cessation of employment including termination of employment for 'Cause';
 - (iv) the Exercise Period within which an Employee can Exercise the Vested PRSUs and that such PRSUs shall lapse on failure to Exercise the same within the Exercise Period;
 - (v) the specified time period within which the Employee shall Exercise the Vested PRSU in the event of termination or resignation;
 - (vi) the Vesting Period;
 - (vii) the Vesting Conditions in respect of Employees covered under this Scheme; and
 - (viii) the alteration to the conditionalities set out under this Scheme for the purposes of Exercise of PRSUs.

ARTICLE 15 DISCLOSURES

Every year, the Company shall disclose data of the Grants awarded during the year in the Annual Report.

For clarity, given below is an example for illustration purposes only:

1 st year of Issuance of Grants		
Levels	Number of Employees Granted PRSUs	Number of PRSUs Granted
MD/CEO and WTDs (being Level 1), Levels 2 and 3	30	4,500
Levels 4 to 8	70	5,500
Total		10,000

For each Plan Series that is operative, the Company shall disclose in its subsequent annual reports, the details of Company's performance parameters and weightage, the target achievement for each of the performance parameters and achievement during the year, basis which the Vesting of the PRSUs was allowed, count of Employees covered, number of PRSUs Granted, Count of Employees whose PRSUs Vested, number of PRSUs due for Vesting as per the Vesting schedule and number of PRSUs Vested as per Vesting Schedule on meeting the Vesting Conditions.

Indicative Illustration:

If the Company performance parameters for a Grant under the Plan Series is 'Book Value per share', then:

- i) To arrive at the target for the 1st tranche Vesting, the actual book value per share is taken at the base year and indexed at 100
- ii) For the 1st tranche Vesting (expected Vesting after 12 months from Grant), target is set at 120
- iii) The actual achievement of the target at the end of 12 months, is at 118 as against 120
- iv) The disclosure in the Annual Report for the 1st tranche Vesting would include the following:
 - a) Company performance parameter: Book value per share growth
 - b) Weightage: XX%
 - c) Base year value: 100
 - d) Target: 120
 - e) Actuals: 118
 - f) Level of achievement for Company performance parameter: 98%
 - g) The proportion of units may be further adjusted at individual level based on levels and individual performance/conduct
 - h) Units eligible for Vesting as per Exhibit 9.2.B: 75%
 - i) Details of Vesting:

1st tranche of Vesting				
Levels	Number of Employees covered in the Plan Series	Number of Employees whose PRSUs Vested in the Plan Series	No. of PRSUs due for Vesting as per Vesting Schedule (Option A)	No. of PRSUs Vested as per Vesting Schedule (Option A) on meeting Vesting Conditions
MD/CEO and WTDs (being Level 1), Levels 2 and 3	30	27	1,125	801
Levels 4 to 8	70	63	1,375	979
Total			2,500	1,780

ARTICLE 16 OTHERS

16.1 No Right to a Grant

Neither the adoption of the Scheme nor any action of the Board or the NRC shall be deemed to give an Employee any right to be Granted any PRSUs to acquire Shares or to any other rights except as may be evidenced by an Award Letter.

16.2 No Employment Rights Conferred

Nothing contained in the Scheme or in any Grant made hereunder shall:

- (i) confer upon any Employee any right with respect to continuation of employment or engagement with the Company or its Subsidiary, or
- (ii) interfere in any way with the right of the Company or its Subsidiary to terminate employment or services of any Employee at any time.

16.3 Tax Deduction at Source / other taxes and obligations

Notwithstanding anything contained in this Scheme or any other agreement or scheme under which PRSUs have been Granted to an Employee, the Company and/or its Subsidiary, shall have the right to deduct and/or recover, relating to or in connection with all Grants, any and all taxes, if any, required by law to be deducted at source or otherwise and shall also recover any taxes, whether direct or indirect tax or any other cess, levy, assessments and other governmental charges, duties, impositions and liabilities, by whatever name called including, without limitation, leviable or whether directly or indirectly payable by the Company or its Subsidiary at the time of the Grant or Vesting or Exercise or allotment of PRSUs or the Shares or payout of appreciation or at any different point of time.

16.4 No Restriction of Corporate Action

The existence of the Scheme and the Grants made hereunder shall not in any way affect the right or the power of the Board or the members or the Company to make or authorise any Change in Capital Structure, including any issue of shares, debt or other securities having any priority or preference with respect to the Shares or the rights thereof.

Nothing contained in the Scheme shall be construed to prevent the Company from taking any Corporate Action which is deemed by the Company to be appropriate or in its best interest. No Employee or other person shall have any claim against the Company as a result of such action.

16.5 Confidentiality

The PRSU Grantee shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the Scheme, Grant or any connected matter, and shall not make any disclosure or announcement to the public or to any third person regarding the arrangement contemplated by the Scheme except to the extent as may be required by law. Any violation of confidentiality may result in cancellation of the Grant without prejudice to any other action which may be taken by the Company or its Subsidiary in this regard. The Employees shall be required to enter into such agreements or provide such confirmations/affirmation, as the Company or its Subsidiary may desire from time to time, to more fully and effectively implement the Scheme.

16.6 Insider Trading

- (i) The PRSU Grantee shall ensure that there is no violation of applicable regulations for the prevention of insider trading in Shares and Securities and for prevention of fraudulent and/or unfair trade practices relating to the securities market and shall not take any action or cause any omission which results in violation of the foregoing laws.
- (ii) The Board of the Company and the Subsidiary companies shall be entitled to frame such rules, regulations as may be necessary to ensure that there is no violation of the above referred regulations and/or practices and all Employees will be bound by such rules.
- (iii) The PRSU Grantee shall refrain from engaging in hedging strategies in respect of Shares of the Company.
- (iv) The PRSU Grantee shall indemnify and keep indemnified the Company or its Subsidiary in respect of any liability arising as a result or consequence of the violation of the above provisions by the PRSU Grantee.

16.7 New Schemes

Nothing contained in the Scheme shall be construed to prevent the Company directly or through any trust settled by any Company, from implementing any other new scheme for granting stock PRSUs or any other scheme for the benefit of employees, which is deemed by the Company to be appropriate or in its best interest, whether or not such other action would have any adverse impact on the Scheme or any Grant made under the Scheme. No employee or other person shall have any claim against the Company and/or trust as a result of such action.

16.8 Issues

In respect of any issues or queries arising in respect of interpretation or implementation of the Scheme, the decision of the Board or the NRC shall be final and binding on all concerned.

16.9 Restriction of Transfer

A PRSU shall not be transferable and shall be exercisable/Vested during the lifetime of the Employee only by such Employee or in case of death or permanent incapacity of an Employee, by such other persons and in the manner provided by the terms framed by the Board/ NRC as per Article 9.10. A PRSU shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

16.10 Compliance with Applicable Laws

The Scheme shall, at all times, comply with the provisions of applicable laws, including the SEBI Regulations, Exchange Control Regulations including Foreign Exchange Management Act, 1999 and the regulations issued thereunder and any other applicable laws, rules and regulations. The Grant of PRSU and their conversion into Shares shall entitle the Company or its Subsidiary to require the Employee to fully comply with such requirements of all such applicable laws as may be necessary. In the event of any variation between the provisions of the Scheme and the applicable laws, the provisions of applicable laws shall prevail over the Scheme and the provisions of the Scheme shall be deemed to have been amended so as to be read in consonance with the applicable laws.

16.11 Severability

This Scheme constitutes the entire document in relation to its subject matter and supersedes all prior schemes, agreements and understandings whether oral or written with respect to the subject matter covered in the Scheme.

In the event that any term, condition or provision of this Scheme being held to be a violation of or contrary to, any applicable law, statute or regulation the same shall be severable from the rest of this Scheme and shall be of no force and effect and this Scheme shall remain in full force and effect as if such term, condition or provision had not been contained in this Scheme from the date of it turning or being rendered unenforceable.

16.12 Arbitration

All disputes arising out of or in connection with the Scheme or the Grant shall be referred to for arbitration to a single Arbitrator to be appointed by the Company. The arbitration proceedings shall be in accordance with the provisions of the Arbitration and Conciliation Act, 1996. The place of arbitration shall be Mumbai, India and the arbitration shall be in English language.

16.13 Governing Laws

The Scheme shall be construed in accordance with the laws of India and subject to the jurisdiction of Court in Mumbai, India only.

16.14 Variation

In the event of any variation between the provisions of the Scheme and the SEBI Regulations, the provisions of the SEBI Regulations shall prevail over the Scheme and the provisions of the Scheme shall be deemed to have been amended so as to be read in consonance with the SEBI Regulations.

ANNEXURE – I
Template of Award Letter

KOTAK MAHINDRA PERFORMANCE LINKED RESTRICTED STOCK UNIT SCHEME 2025
PRINCIPAL TERMS & CONDITIONS OF GRANT

1	Scheme		Kotak Mahindra Performance Linked Restricted Stock Unit Scheme 2025		
2	Plan Series				
3	Date of approval by Nomination and Remuneration Committee ("NRC") (Grant Date)				
4	Total number of PRSUs Granted				
5	Exercise Price		[Face value of the equity share at the time of Grant]		
6	Terms				
	Vesting Date	No. of PRSUs Vesting	Vesting Conditions	Exercise Period	Remarks

Terms and Conditions *(to be filled in as may be decided by the Board/NRC in line with Scheme)*:

- 1.
- 2.
- 3.

For _____

Authorised Signatory