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NOTICE OF EXTRA ORDINARY GENERAL MEETING

Notice is hereby given that an Extra ordinary General Meeting of the shareholders of Lemon Tree Hotels Limited will be held on Monday, the 21st day of August, 2017 at 10.30 A.M at Asset No. 6, Aerocity Hospitality District, New Delhi-110037 to transact the following businesses:

SPECIAL BUSINESS:

1. **To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution:**

“RESOLVED THAT in accordance with the applicable provisions of the Companies Act, 2013 or Companies (Share Capital and Debentures) Rules, 2014 or any amendments thereto, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2015 and the applicable guidelines and clarifications issued by the Reserve Bank of India (RBI) and any statutory/regulatory authorities and the provisions of the Memorandum and Articles of Association of the Company, the variations in the terms and conditions of the EMPLOYEE STOCK OPTION PROGRAM 2006 (‘ESOP Plan, 2006’) as detailed in the explanatory Statement thereto, be and is hereby approved.”

RESOLVED FURTHER THAT Mr. Patanjali G. Keswani, Chairman & Managing Director, Mr. Kapil Sharma, Chief Financial Officer and Mr. Nikhil Sethi, Group Company Secretary & GM Legal of the Company be and are hereby severally authorized to submit the copy of the amended ESOP Scheme to any regulatory authority and to file necessary forms with the Registrar of Companies, NCT of Delhi & Haryana and to do all such acts, deeds and things as may be necessary or incidental to give effect to this resolution.”

**BY ORDER OF THE BOARD
For LEMON TREE HOTELS LIMITED**

**DATE: 29.07.2017
PLACE: New Delhi**

**Sd/-
NIKHIL SETHI
GROUP COMPANY SECRETARY & GM LEGAL**

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NOTES:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, in respect of the special business to be transacted at the meeting under Item No. 1 is annexed hereto.
2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself and the proxy need not be a member of the company.** The proxy form duly completed and signed should reach the company's registered office not less than 48 hours before the commencement of the meeting. The Proxy Form for the EGM is enclosed herewith.
3. A person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. A Corporate Member intending to send its authorised representatives to attend the Meeting in terms of Section 113 of the Companies Act, 2013 is requested to send to the company a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf at the Meeting.
5. Members/Proxies/Authorised Representatives are requested to submit the attendance slips duly filled in for attending the Meeting. Members holding shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
6. During the period beginning 24 hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the company. All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days of the Company between 11:00 a.m. and 1:00 p.m. upto the date of the General Meeting and at the venue of the Meeting for the duration of the Meeting.
7. Members holding shares are requested to kindly notify the Company of any change in their addresses/e-mail address so as to enable the Company to address future communication to their correct addresses.
8. A route map to the venue of the Extra Ordinary General Meeting is given at the end of notice.

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the business under Item No. 1 mentioned in the accompanying Notice.

ITEM NO. 1: APPROVAL FOR THE VARIATION IN THE ESOP SCHEME

The members are apprised that the Employee Stock Option Program, 2006 (ESOP Scheme/Plan) of the Company, was approved by its shareholders by way of special resolution on 25th August, 2006 which was further amended by its shareholders by way of Special Resolution on 19th February, 2015. As the Company is proposing to undertake an initial public offering of shares of the Company, the ESOP Scheme requires necessary amendments and variations to comply with the applicable provisions of the Companies Act, 2013, to the extent notified, read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (the "SEBI (SBEB) Regulations") and related circulars. As per SEBI (SBEB) Regulations, the necessary amendments and variations to the ESOP Scheme need to be approved by the shareholders of the Company by way of a special resolution and accordingly the same is being placed before the shareholders for their approval. The amended ESOP Scheme shall be applicable from the date of passing of this resolution.

The Nomination & Remuneration Committee and Board of Directors vide circular resolution passed on 29th July, 2017 has approved the amendments proposed in the Scheme.

The salient features of the ESOP Scheme of the Company are given in the table hereinbelow:

| | | |
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| (a) | Brief Description of the Scheme(s) | The ESOP Scheme has already been approved by the shareholders. The variation in the above Plans are proposed to in compliance with SEBI (SBEB) Regulations |
| (b) | Total options to be granted | The stock options under the ESOP Scheme of the Company can be granted upto a maximum of 7.5% of the issued share capital of the Company duly adjusted for the bonus etc. in terms of the provisions of the Memorandum and Articles of the Association of the Company. |
| (c) | Identification of the classes of employees entitled for Employees Stock Option Program | The eligible 'Employees' under the ESOP Scheme of the Company are (a) permanent employees of Company; (b) directors of the company (excluding the independent directors); (c) |

Lemon Tree Hotels Limited

(CIN No. U74899DL1992PLC049022)

Registered Office: Asset No. 6, Aerocity Hospitality District, New Delhi-110037

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| | ('ESOP') | <p>employees of subsidiary or holding company(ies).</p> <p>An employee, who is a promoter or belongs to the promoter group and a director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company shall not be eligible to participate in the ESOP Scheme.</p> |
| (d) | Requirement of Vesting and Period of Vesting | Vesting of options shall commence after a period of minimum one (1) year from the date of grant, and will extend up to a maximum period of four (4) years from the date of grant unless the vesting is pre-poned after the completion of minimum period of one (1) year in terms of the ESOP Scheme. |
| (e) | Maximum period within which options shall be vested | The maximum period with in which the options shall be vested, shall not be more than five years from the date of grant |
| (f) | Exercise Price | The exercise price for the purpose of the grant of options may be decided by the Compensation Committee as per ESOP Scheme |
| (g) | Exercise period and the process of Exercise | <p>The exercise period may commence from the date of vesting and the vested options would be eligible to be exercised on the Vesting Date itself or anytime after vesting in terms of the ESOP Scheme.</p> <p>The Options will be exercisable by the Employees by a written application to the Company to exercise the Options, in such manner, and on execution of such documents, as may be prescribed by the Compensation Committee from time to time.</p> <p>The options will lapse if not exercised within the specified exercise period.</p> |
| (h) | Appraisal process for determining the eligibility of the employee to ESOP | The appraisal process for determining the eligibility of the employee will be governed by the Compensation Committee, HR policies of the Company and will be based on criteria such as the seniority of the employee, length of service, performance record, merit of the employee, future potential contribution by the employee and /or any such other criteria that may be |

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| | | determined in terms of the said policies of the Company. |
| (i) | Lock in Period | There shall be no lock in after the options have vested. |
| (j) | Maximum number of options/Shares to be issued per employee and in aggregate | There is no maximum limit for grant per employee or in aggregate, however, grant of options to identified employees, during any one year, equal to or exceeding one percent of the issued capital of the company at time of grant of option can happen only with the approval of the shareholders by a separate resolution. |
| (k) | Maximum quantum of benefits to be provided per employee under a Scheme | The employees will be allotted new equity shares of the Company on exercise of options after the completion of the vesting period after receipt of exercise price from such employee. |
| (l) | Whether the Scheme to be implemented and administered directly by the Company or through a trust | The Company has constituted a trust, known as the Krizm Hotels P. Ltd (the "Trust"), as an irrevocable private trust under the Indian Trust Act, 1882. The Trust shall administer and implement the ESOP Scheme, 2006 in accordance with the directions given by the Compensation Committee from time to time under this Scheme. |
| (m) | Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the trust or both | The ESOP Plan 2006 will involve new issue of shares by the Company. However there will not be any secondary acquisition of Shares by trust or Company |
| (n) | Amount of loan to be provided for implementation of the Scheme by the Company to the trust, its tenure, utilization, repayment terms etc | As may be decided by the Company from time to time |
| (o) | Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s) | Not Applicable |
| (p) | Statement to the effect that the Company shall confirm to the accounting | The company will comply with the applicable accounting standards |

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| | standards specified | |
| (q) | The method which the company shall use to value its options | Fair value will be determined and approved by the Compensation Committee in accordance with SEBI Regulations/ESOP Scheme 2006. |
| (r) | Details of variation made to the Scheme alongwith rationale therefor and the details of the employees who are beneficiary of such variation | The ESOP Scheme 2006 has been amended to bring it in compliance with the SEBI (SBEB) Regulations and related circulars, and the Companies Act, 2013 and the rules thereunder. The beneficiaries of such variation are the Employees as defined in the amended ESOP Scheme. |

DETAILS OF VARIATIONS IN THE SCHEME

The details of the major variations in the Scheme are as under:

| Clause No | New Provision | Existing Provision |
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| INTENT | | |
| 2.2 | <p>The Company desires that Options for equity shares of the Company should be granted to certain Employees, Officers, Directors of the Company and its subsidiary pursuant to a structure where under</p> <p>i) The Irrevocable Trust (as defined below) is settled by the Company;</p> <p>iv) In accordance with this ESOP Plan, Options shall be granted to certain Employees, Officers and Directors of the Company and its subsidiary, eligible under this ESOP Plan to purchase the Shares from the Trust at a specified price. It is clarified that (i) an employee of the Company who is a promoter or belongs to the promoter group; and (ii) a director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company will not be granted Options under the ESOP Plan.</p> | <p>The Company desires that Options for equity shares of the Company should be granted to certain Employees, Officers, Directors and Consultants of the Company pursuant to a structure where under:</p> <p>i) The Trust (as defined below) is settled by the Company;</p> <p>iv) In accordance with this ESOP Plan, Options shall be granted to certain Employees, Officers and Directors of the Company eligible under this ESOP Plan to purchase the Shares from the Trust at a specified price. It is clarified that (i) an employee of the Company who is a promoter or belongs to the promoter group; and (ii) an employee who is a director and who has a beneficial holding of more than 10% of the issued, subscribed and paid up equity share capital of the Company will not be granted Options under the ESOP Plan.</p> |

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| Clause No | New Provision | Existing Provision |
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| 3.1 | DEFINITIONS | |
| (i) | 'Applicable Law' means every law related to Employee Stock Options, to the extent applicable, including without limitation to the Companies Act, SEBI (Share Based Employees Benefit) Regulations, 2014, all relevant tax, securities, exchange control, corporate laws of India or of any other relevant jurisdiction, or rules of any stock Exchange on which shares are to be listed or quoted which deems to include any amendment and reenactments thereof. | Not provided |
| | Deleted | 'The Act' means the Companies Act, 1956 for the time being in force and as amended from time to time. |
| (v) | 'Companies Act, 2013' means the Companies Act, 2013 and rules made thereunder and includes any statutory modifications or reenactments thereof. | Not provided |
| (vi) | 'Compensation Committee' means Nomination and Remuneration Committee of the Company as reconstituted by the Board of Directors in their meeting held on June 15, 2017 comprising of such members of the Board as required under Section 178 of the Companies Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. | Not provided |
| (vii) | 'Control' shall have the same meaning as defined under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 | Not provided |
| (ix) | 'Eligibility Criteria' means the criteria as may be determined from time to time by Compensation Committee for granting of Employee Stock Options to the Employees. | Not provided |

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| Clause No | New Provision | Existing Provision |
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| (x) | 'Emergency' means the need of funds by the trusts to meet the commitment arising out of the objective of the Scheme. | Not provided |
| (xi) | 'Employee' means: (a) a permanent employee of the company who has been working in India or outside India; or (b) a director of the company, whether a whole time director or not but excluding an independent director; or (c) an employee as defined in clauses (a) or (b) of a subsidiary, in India or outside India, or of a holding company of the company but does not include- (i) an employee who is a promoter or a person belonging to the promoter group; or (ii) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company. | 'Employee' means: (a) a permanent employee of the company who has been working in India or outside India; or (b) a director of the company, whether a whole time director or not but excluding an independent director; or (c) an employee as defined in clauses (a) or (b) of a subsidiary, in India or outside India, or of a holding company of the company or of an associate company but does not include- (i) an employee who is a promoter or a person belonging to the promoter group; or (ii) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company. |
| (xiii) | 'Exercise' in relations to Options means, making of a written application by an employee to the company or to the trust for the issue of shares, against vested options in pursuance of the ESOP Plan, under Part A of SEBI(SBEB) Regulations.. | 'Exercise' in relations to Options means, the tendering by an employee, of a written application for the issue of shares, pursuant to the Options vested in him under the Grant and this ESOP Plan, accompanied by the Exercise Price payable for the Shares. |
| (xiv) | 'Exercise Period' means the time period after vesting within which an employee should exercise his right to apply for shares against the vested option | 'Exercise Period' in relations to the Options means the period commencing from the date of Vesting of Options and ending on the date after which Options cannot be Exercised. |
| (xvi) | 'Grant' means, the process by which the company issue options, shares or other benefits under the ESOP Plan | 'Grant' means, individually or collectively, issue of Options to eligible Employees under this ESOP Plan |

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| Clause No | New Provision | Existing Provision |
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| | Deleted | 'Grantee' means an eligible Employee who has been granted Stock Options pursuant to this ESOP Plan where the context so requires includes his legal heirs and/or designated nominee/beneficiary. |
| (xvii) | 'Grant Date' means the date on which Compensation Committee approves the grant | 'Grant Date' means the date on which Stock Options are granted to an eligible Employee pursuant to this ESOP Plan. |
| (xix) | 'Independent Director' means a Director within the meaning of Section 149(5) of the Companies Act, 2013 read with SEBI(Listing Obligations and Disclosure Requirement) Regulations, 2015 | Not provided |
| (xxi) | 'Key Managerial Personnel' shall have the same meaning as defined under section 2(51) of the Companies Act, 2013 | Not provided |
| (xxii) | 'Market Price' prior to Listing shall mean the fair market value of a Share on the date of grant determined by the Independent Valuer or any other valuer as per Applicable Laws. Market Price after Listing shall mean the latest closing price, prior to the date of grant of options, by the compensation committee, on the recognized stock exchange on which shares of the company are listed. In case shares of the Company are listed on more than one stock exchange, then the closing price on the Stock Exchange, where the highest trading volume on the said date shall be considered. | Not provided |
| (xxiv) | 'Option Grantee' means an eligible Employee who has been granted Stock Options pursuant to this ESOP Plan where the context so requires includes his legal heirs and/or designated nominee/beneficiary. | Not provided |
| (xxv) | 'Promoter' shall have the same | Not provided |

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| | <p>meaning assigned to the term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, as amended.</p> <p>Provided that in case Shares of the Company are not listed on any recognized Stock Exchange, the term shall have the same meaning as assigned to in the Companies Act, 2013</p> | |
| (xxvi) | <p>'Promoter Group' shall have the same meaning assigned to the term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, as amended.</p> <p>Provided that where the Promoter or Promoter Group of a Company is a Body Corporate, the promoters of the Body Corporate shall also be deemed to be Promoters of such Company.</p> <p>Provided further that in case Shares of the Company are not listed on any recognized Stock Exchange, the term shall have the same meaning as assigned to in the Companies Act, 2013</p> | Not provided |
| (xxviii) | <p>'Relative' shall have the same meaning as defined under section 2(77) of the Companies Act, 2013</p> | Not provided |
| (xxix) | <p>'Relevant Date' means,-</p> <p>(i) in the case of grant, the date of the meeting of the compensation committee on which the grant is made; or</p> <p>(ii) in the case of exercise, the date on which the notice of exercise is given to the company or to the trust by the employee;</p> | Not provided |
| (xxxvii) | <p>'Vesting' means the process by which the eligible Employee becomes entitled to receive the benefit of Grant made to him pursuant to the Scheme</p> | <p>'Vesting' means the process by which the eligible Employee is given the right to apply for Shares of the Company against the Option granted to him in pursuance of this ESOP Plan.</p> |

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| Clause No | New Provision | Existing Provision |
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| IV | CREATION AND FUNDING OF THE TRUST | |
| 4.1 | The Trust shall hold the Shares, for and on behalf of the eligible Employees, in accordance with the terms and conditions of this ESOP Plan. The Trust has been settled by the Company with a nominal amount of Rs. 10,000/-. The Existing Trustee of the Trust are Mr. Vikramjit Singh, Ms. Aradhana Lal, and Mr. Rajiv Tyagi, Vice President-Finance. The Trust Deed will provide, inter alia, that the Trust would hold the funds and other assets of the Trust for the benefit of the eligible Employees in accordance with this ESOP Plan from time to time, as may be approved by the Board of Directors and the shareholders of the Company. | The Trust shall hold the Shares, for and on behalf of the eligible Employees, in accordance with the terms and conditions of this ESOP Plan. The Trust has been settled by the Company with a nominal amount of Rs. 10,000/-. The first trustees were Mr. J.K. Chawla, Mr. Rahul Pandit and Mr. Kapil Sharma. Henceforth, Mr. Mahesh S Aiyar (who presently is the Chief Operating Officer-Lemon Tree Premier), Mr. Cyrus Madan (who presently is the Vice President-Business Development) and Mr. Nikhil Sharma (who presently is the Chief Operating Officer-Red Fox Hotels) shall act as the Trustees for this amended ESOP Plan. The Trust Deed will provide, inter alia, that the Trust would hold the funds and other assets of the Trust for the benefit of the eligible Employees in accordance with this ESOP Plan from time to time, as may be approved by the Board of Directors and the shareholders of the Company |
| 4.3 | All transactions done by the Trust will be at arms length and with uniform application to all groups of shareholders and no preferential treatment to a particular individual or group of shareholders shall be given, except in those cases as may be specifically approved by the Compensation Committee. | All transactions done by the Trust will be at arms length and with uniform application to all groups of shareholders and no preferential treatment to a particular individual or group of shareholders shall be given, except in those cases as may be specifically approved by the Chairman & Managing Director. |
| | ADMINISTRATION | IMPLEMENTATION |
| 5.1 | This ESOP Plan shall be implemented through the Trust under the supervision and guidance of the Compensation Committee and in accordance with the provisions of the Act. The issuance of Shares from the Trust by the Trustees will be under the guidance, advice and direction of the Compensation Committee. The re-purchase of any | This ESOP Plan shall be implemented by the Chairman & Managing Director of the Company under the supervision and guidance of the Board of Directors and in accordance with the provisions of the Act. The issuance of Shares from the Trust by the Trustees will be under the guidance, advice and direction of the Board of Directors and the Chairman & |

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| Clause No | New Provision | Existing Provision |
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| | <p>Shares, whether from eligible Employees, ex employees, or any other personnel whom the Grant was offered shall be based on the recommendations and suggestions of the Trustees, who will seek the requisite approval from the Compensation Committee for all such transactions and keep the Compensation Committee informed of such actions. The Trustees will act as custodians of the matters and issues relating to and arising out of finances and Shares available with the Trust. The Trust shall retain the physical custody of Shares certificates issued after the Grants are exercised by eligible Employees under this ESOP Plan.</p> | <p>Managing Director. The re-purchase of any Shares, whether from eligible Employees, ex employees, or any other personnel whom the Grant was offered shall be based on the recommendations and suggestions of the Trustees, who will seek the requisite approval from the Chairman & Managing Director for all such transactions and keep the Chairman & Managing Director informed of such actions. The Trustees will act as custodians of the matters and issues relating to and arising out of finances and Shares available with the Trust. The Trust shall retain the physical custody of Shares certificates issued after the Grants are Exercised by eligible Employees under this ESOP Plan.</p> |
| 5.2 | <p>The Compensation Committee shall in accordance with this plan and applicable laws shall determine the following:</p> <ul style="list-style-type: none"> a) The eligibility criteria for grant of Employee Stock Options to the Employee b) The quantum of Employee Stock Options to be granted under this amended ESOP Plan. c) Terms and conditions in respect of grant to, vest in and exercise of options by the employees which may be different for different classes of employees falling in the same tranche of grant of options issued under ESOP Plan. d) The procedure for cashless exercise of Employee Stock Options, if required. e) Approve forms, writings and/or agreements for use in pursuance of ESOP Plan. f) The procedure and terms for the grant, vest and exercise of Employee Stock Options in case of employees who are on long leave. g) Any other terms related to provision of money to the trust and terms and conditions thereon | Not provided |

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| Clause No | New Provision | Existing Provision |
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| 5.3 | In case of Listing, the Compensation Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws, amended from time to time, including Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities Exchange Board of India (Prohibition of Fraudulent Unfair Trade Practices relating to the Securities Market) Regulations, 2003 by the Company, Employees and all concerned, as applicable. | Not provided |
| GRANT OF OPTIONS | | |
| 7.1 | <p>i) The Compensation Committee shall recognize special category of eligible Employees, based on specific criteria viz. seniority level in the Company, key resource, long-term association with the Company, etc.</p> <p>ii) Options may be granted to the employees of the Company, subsidiary companies in India and Abroad, and Holding Company as determined by the Compensation Committee at its own discretion. As such, the plan shall be applicable to the Company, Subsidiaries Companies in India and Abroad, Holding Company and any successor company thereof.</p> <p>Provided that Grant to the Employees of any subsidiary company or Holding Company shall required prior approval of the Shareholders of the Company.</p> <p>(iii) The Grant, under this ESOP Plan shall be made at such price, to such eligible Employees as may be determined by the Compensation Committee as the case may be in accordance with the applicable provisions of the Act and shall also be specified in the Grant</p> | <p>The Chairman & Managing Director shall recognize special category of eligible Employees, based on specific criteria viz. seniority level in the Company, key resource, long-term association with the Company, etc.</p> <p>Not provided</p> <p>The Grant, under this ESOP Plan shall be made at the discounted price, to such eligible Employees as may be determined by the Chairman & Managing Director as the case may be in accordance with the applicable provisions of the Act and shall also be specified in the Grant.</p> |

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| Clause | New Provision | Existing Provision |
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| | <p>(v) The Grant shall be in writing and shall specify the number of Options granted, the price payable for exercising the Options, the earlier date on which some or all of the Options and the Shares acquired under the Grant shall be eligible for Vesting, fulfillment of the performance and other conditions, etc, if any, subject to which Vesting shall take place and other terms and conditions thereto.</p> <p>Any eligible employee who wishes to accept the grant under this Plan must deliver to the Company a duly signed acceptance of the Letter of Grant on or before the specified date as mentioned in the letter of grant and which cannot be more than 60 days from the date of grant. On receipt by the Company of the signed acceptance, the eligible employee shall become an Options Grantee.</p> <p>(viii) Options granted shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.</p> <p>x) If a Grantee dies or becomes totally and permanently disabled while in employment of the Company; the Granted Stock Options (vested or unvested) shall vest with the legal heirs or nominees of deceased employee or with the eligible Employee, as the case may be, and the Options must be Exercised as below: -</p> <p>(a) In case of death, all the Granted Stock Options till the date of death shall vest in the legal heirs or nominees of the deceased employee on that date and shall be exercised within 90 days from the date of death.</p> <p>(b) In case of total and permanent disability, all the Granted Stock Options upto the date of total and permanent disability shall vest in him on that day</p> | <p>The Grant shall be in writing and shall specify the number of Options granted, the price payable for exercising the Options, the earlier date on which some or all of the Options and the Shares acquired under the Grant shall be eligible for Vesting, fulfillment of the performance and other conditions, etc, if any, subject to which Vesting shall take place and other terms and conditions thereto.</p> <p>Not provided</p> <p>Not provided</p> <p>If a Grantee dies or becomes totally and permanently disabled while in employment of the Company; the Granted Stock Options (vested or unvested) shall vest with the legal heirs or nominees of deceased employee or with the eligible Employee, as the case may be, and the Options must be Exercised as below: -</p> <p>a. In case of death, all the Granted Stock Options till the date of death shall vest in the legal heirs or nominees of the deceased employee on that date.</p> <p>b. In case of total and permanent disability, all the Granted Stock Options upto the date of total and permanent disability shall vest in him on that day.</p> |

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| Clause No | New Provision | Existing Provision |
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| | <p>and shall be exercised within 90 days from the date of disability.</p> <p>(xi) In the event of resignation, termination or retirement of the eligible Employee, all Options not vested as on that day shall expire. However, the employee can exercise the options granted to him which are vested within the period of maximum 90 days from the last working day.</p> <p>(xii) In the event that an employee who has been granted benefits under a scheme is transferred or deputed to an associate company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.</p> | <p>In the event of resignation or termination of the eligible Employee, all Options not Vested as on that day shall expire. However, the employee can exercise the options granted to him which are vested within the period of maximum 90 days from the last working day.</p> <p>Not provided</p> |
| VESTING OF OPTIONS | | |
| 8.1 | The Vesting period will be decided by the Compensation Committee as and when any Grant takes place. However there shall be a minimum period of one year between Grant and first Vesting and a maximum vesting period of 5 years before the Options can be exercised. | The Vesting period will be decided by the Chairman & Managing Director as and when any Grant takes place. However there shall be a minimum period of one year between Grant and first Vesting and a maximum vesting period of 5 years before the Options can be exercised |
| 8.2 | <p>The Vesting period for the Grant shall in general, unless specifically approved by the Compensation Committee</p> <p>Notwithstanding anything to the contrary in this ESOP Plan, the Compensation Committee shall be entitled in his absolute discretion, to vary or alter the Vesting Date from Employee to Employee or any class thereof, as he may deems fit. The Compensation Committee in his absolute discretion may permit the Options granted, which have not Vested</p> | <p>The Vesting period for the Grant shall in general, unless specifically approved by the Chairman & Managing Director.</p> <p>Notwithstanding anything to the contrary in this ESOP Plan, the Chairman & Managing Director shall be entitled in his absolute discretion, to vary or alter the Vesting Date from Employee to Employee or any class thereof, as he may deems fit. The Chairman & Managing Director in his absolute discretion may permit the Options granted, which have not Vested</p> |

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| Clause No | New Provision | Existing Provision |
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| | <p>to be exercised within such time and on such terms and conditions as he may determine.</p> <p>Provided that in case where options are granted by a company under an ESOP Plan in lieu of options held by a person under an ESOP Plan in another company which has merged or amalgamated with that company, the period during which the options granted by the transferor company were held by him shall be adjusted against the minimum vesting period required under this sub-clause</p> | <p>to be exercised within such time and on such terms and conditions as he may determine.</p> <p>Not provided</p> |
| EXERCISE OF OPTIONS | | |
| 9.2 | The options shall be deemed to have been exercised when an Employee make and application in writing to the Company or by any other means as decided by the Compensation Committee for the issuance of Shares against the Options vested to him | Not provided |
| 9.3 | Options not exercised within the exercised period as mentioned above shall lapse and the Option Grantee shall have no right over such lapsed options. | Not provided |
| PURCHASE PLAN | | |
| 10.1(ii) | The eligible Employee, who intends to sell his Exercised Options, shall first offer his Shares to the Trust and the Trust shall have right of first refusal to buy all, but not some of the Shares, at the then prevailing fair market value or market price as applicable. If Trust declines, then the same shall be facilitated by the Trust utilizing the methodology of Passaround amongst eligible Employee shareholders. | Not provided |
| ESOP PRICING, VALUATION AND PURCHASE METHODOLGY | | |
| 11(i) | The Compensation Committee, at its own discretion and without giving any prior notice, determine the Exercise Price (including the part of the price payable at the time of exercise and amount to be called up later), being not | The Company has the freedom to determine or amend, at its own discretion and without giving any prior notice, the Exercise Price (including the part of the price payable at the time of exercise and amount to be called up |

refreshingly different



| Clause No | New Provision | Existing Provision |
|-----------|---|---|
| | less than face value of shares and in conformity with the applicable accounting policies or standards, as applicable. All Options contracted previous to the change will however not be affected. | later) in conformity with the applicable accounting policies or standards, as applicable, and the exercise/vesting periods in the ESOP for additional Options to existing eligible Employees or for new Options to new eligible Employees. All Options contracted previous to the change will however not be affected. |
| 11(v) | An eligible Employee can sell the total number of Shares that have vested in his name in any financial year, over a total period of 4 years, provided that, not more than 25% of the total number of Shares that have vested in his name in any financial year can be sold in a single financial year. However the Compensation Committee of the Company, entirely on his discretion, may permit this percentage to increase to 100%. | An eligible Employee can sell the total number of Shares that have vested in his name in any financial year, over a total period of 4 years, provided that, not more than 25% of the total number of Shares that have vested in his name in any financial year can be sold in a single financial year. However the Chairman & Managing Director of the Company, entirely on his discretion, may permit this percentage to increase to 100%. |
| 11(vii) | No eligible Employee may sell more than 25% of the total number of Shares that have vested (cumulatively) in his name in any financial year. However the Compensation Committee of the Company, entirely on his discretion, may permit this percentage to increase to 100%. | No eligible Employee may sell more than 25% of the total number of Shares that have vested (cumulatively) in his name in any financial year. However the Chairman & Managing Director of the Company, entirely on his discretion, may permit this percentage to increase to 100%. |
| XIII | CERTIFICATE FROM AUDITORS | |
| | After listing, the Board shall at each annual general meeting place before the shareholders a certificate from the Auditors of the Company that the Plan has been implemented in accordance with SEBI (SBEB) regulations and in accordance with the resolution of the Company in the general meeting | Not provided |

refreshingly different



| Clause No | New Provision | Existing Provision |
|----------------------|--|---|
| GENERAL TERMS | | |
| XIV(iii) | No Right or Claim: The option Grantee shall not have right to receive any dividend or to vote or in any manner or enjoy the benefits of a shareholders in respect of options granted, till shares underlying such options are issued upon exercise. Nothing in this ESOP Plan shall confer any right or claim in favour of any person for a Grant. Nothing in this ESOP Plan, or any Options granted under this ESOP Plan, shall confer upon the Grantee any right to continue to be an Employee for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company. The Company expressly reserves the right, at any time, to terminate the employment of the Grantee, free of any liability or claim under this ESOP Plan, except as expressly provided in this ESOP Plan. The rights and obligations of any eligible Employee shall not be affected by participation in this ESOP Plan. This ESOP Plan shall not form part of any employment agreement between the Company and the eligible Employee. | No Right or Claim: Nothing in this ESOP Plan shall confer any right or claim in favour of any person for a Grant. Nothing in this ESOP Plan, or any Options granted under this ESOP Plan, shall confer upon the Grantee any right to continue to be an Employee for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company. The Company expressly reserves the right, at any time, to terminate the employment of the Grantee, free of any liability or claim under this ESOP Plan, except as expressly provided in this ESOP Plan. The rights and obligations of any eligible Employee shall not be affected by participation in this ESOP Plan. This ESOP Plan shall not form part of any employment agreement between the Company and the eligible Employee. |

The members are further informed that the complete amended ESOP Scheme 2006 in compliance with SEBI (SBEB) Regulations is available for inspection at the Company's Registered Office between 11.00 a.m. and 1.00 p.m. on all working days from the date hereof up to the date of the Meeting.

The approval of the Members is being sought by way of a Special Resolution under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, for the amendment of the existing Scheme.

The Directors recommend the Resolution at Item No. 1 of the accompanying Notice, for the approval of the Members of the Company.

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The Directors (excluding Independent Directors) or Key Managerial Persons of the Company may be deemed to be concerned or interested in the Resolution to the extent of the employee stock options granted / may be granted to them. None of the relatives of the Directors of the Company or of the Key Managerial Personnel of the Company are concerned or interested in the passing of the Resolution at Item No. 1.

BY ORDER OF THE BOARD
For LEMON TREE HOTELS LIMITED

DATE: 29.07.2017
PLACE: NEW DELHI

Sd/-
NIKHIL SETHI
GROUP COMPANY SECRETARY & GM LEGAL

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U74899DL1992PLC049022

Name of the company: LEMON TREE HOTELS LIMITED

Registered office: ASSET NO. 6, AEROCITY HOSPITALITY DISTRICT, NEW DELHI-110037

| |
|------------------------|
| Name of the member(s): |
| Registered address: |
| Email Id: |
| Folio No./Client Id: |
| DP ID: |

I/We, being the member (s) of shares of the above named company, hereby appoint

| | | |
|----|------------|--|
| 1. | Name: | |
| | Address: | |
| | E-mail Id: | |
| | Signature: | |
| 2. | Name: | |
| | Address: | |
| | E-mail Id: | |
| | Signature: | |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extra Ordinary General Meeting of the company, to be held on Monday, the 21st day of August, 2017 at 10.30 A.M at Asset No. 6, Aerocity Hospitality District, New Delhi-110037 and at any adjournment thereof.

I direct my Proxy to vote on the resolutions in the manner as indicated below:

Resolutions For/Against

| AGENDA | VOTING INSTRUCTIONS |
|--|----------------------------|
| Item No. 1 (of the notice for EGM, to be held on August 21, 2017) | |

Signed this..... day of..... 2017

Signature of shareholder

Signature of Proxy holder(s)

| |
|---------|
| REVENUE |
| STAMP |
| RE. 1/- |

Note:

1. The Proxy to be effective should be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
4. This form of proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the Meeting.
6. This is optional. Please put For/Against in the appropriate column against the Resolutions indicated in the Box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular Resolution, he/she should write "Abstain" across the boxes against the Resolution.

LEMON TREE HOTELS LIMITED

CIN: U74899DL1992PLC049022

Regd. Office: Asset No. 6, Aerocity Hospitality District, New Delhi-110037

Telephone No.: 011-46050101; Fax: 011-46050110

Website: hi@lemontreehotels.com; www.lemontreehotels.com

**ATTENDANCE SLIP
EXTRA ORDINARY GENERAL MEETING**

Date: 21st August, 2017; Time: 10.30 A.M

Venue: Asset No. 6, Aerocity Hospitality District, New Delhi-110037

I / We hereby record my/our presence at the Extra Ordinary General Meeting of the Company at Asset No. 6, Aerocity Hospitality District, New Delhi-110037 on Monday, August 21, 2017 at 10.30 A.M

Member's Folio

Member's/Authorised
Representative/Proxy's
name in Block Letters

Member's/Authorised
Representative/Proxy's
Signature

Note:

1. Sign this attendance slip and hand it over at the attendance verification counter at the entrance of meeting hall.
2. Bodies Corporate, whether a company or not, who are members, may attend through their authorised representatives appointed under Section 113 of the Companies Act, 2013. A copy of authorisation should be deposited with the Company.
3. Electronic copy of Notice of the Extra Ordinary General Meeting (EGM) alongwith proxy form and the attendance slip and has been/is being sent to all the members whose email address is registered with the Company unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the EGM can print copy of this Attendance Slip.
4. Physical copy of the Notice of the EGM along with the proxy form and attendance slip is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

ROUTE MAP

