

# **PFL EMPLOYEES STOCK OPTION SCHEME 2014**



## PFL'S EMPLOYEES STOCK OPTION SCHEME 2014

### CONTENTS: -

1	NAME OF THE PLAN
2	PURPOSE OF THE PLAN
3	DEFINITIONS
4	ELIGIBILITY
5	ADMINISTRATION OF THE PLAN
6	SHARES POOL
7	GRANT OF OPTIONS
8	METHOD OF ACCEPTANCE
9	VESTING OF OPTIONS
10	EXERCISE PRICE
11	EXERCISE OF OPTIONS
12	TERMINATION OF EMPLOYMENT
13	NOTICES AND CORRESPONDENCE
14	BENEFICIARY DESIGNATION
15	NON-TRANSFERABILITY OF OPTIONS
16	CORPORATE ACTION
17	TAX IMPLICATIONS
18	ARBITRATION
19	GOVERNING LAW
20	REGULATORY APPROVALS
21	MODIFICATION OF PLAN
22	MISCELLANEOUS PROVISIONS
23	SET-OFF
24	TERM OF THE PLAN
25	CONFIDENTIALITY
26	SEVERABILITY



## **1 Name of the Plan**

This Plan shall be termed the PFL'S Employees Stock Scheme 2014 ("Plan" or "Scheme"). The Plan of Prime Focus Limited has been approved by the Board vide its meeting held on July 2, 2014 and is subject to the approval of the Shareholders in their General Meeting. The Plan shall be effective from July 2, 2014 (herein after referred as the "Effective date").

## **2 Purpose of the Plan**

Prime Focus Limited ("Company"), a company limited by shares, incorporated and registered under the Companies Act, 1956 having its registered office at Prime Focus House, Linking Road, Opp. CITI Bank, Khar (West), Mumbai - 400052 has structured this Plan for its employees and for employees of the Group. The purpose of this Plan is to attract, reward, motivate and retain its employees for high levels of individual performance and for unusual efforts to improve the financial performance of the Company, which will ultimately contribute to the success of the Company. This purpose is sought to be achieved through the grant of Options to the Employees to subscribe to Shares of the Company.

## **3 Definitions**

In this Plan, except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against. Further, unless the context otherwise requires, words denoting the masculine gender shall include the feminine gender and words denoting the singular shall include the plural and vice versa.

- 3.1 "Acceptance Form" shall mean the form that the Grantee has to submit indicating his acceptance of the offer made to him to participate in the Plan.
- 3.2 "Applicable Laws" shall mean laws of India to the extent applicable and as amended and modified from time to time. Accordingly, any actions taken hereunder shall be governed by and construed in accordance with the laws of India, without regard to the application of the conflicts of laws' provisions thereof.
- 3.3 "Beneficiary" means the person, persons, trust or trusts designated by the Participant, or in the absence of any designation by the Participant, a person or persons who is/ are entitled by the will of the Participant to receive the benefits specified in the Plan, the legal heirs of the Participant, if the Participant dies intestate and includes the Participant's executors or administrator, if no other beneficiary is designated and able to act under the circumstances and such other persons as may be added from time to time to the class of beneficiaries by notice in writing and by the nomination form in the exercise of any powers conferred under the Plan or any other agreements forming part thereof.
- 3.4 "Board" means the Board of Directors of the Company.
- 3.5 "CG Guidelines" means Employee Stock Option Plan or Scheme Guidelines issued by the Central Government vide notification no. S.O. 1021(E) dated 11 October 2001 under the



Income-tax Act, 1961 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.

- 3.6 "Closing date" means the last date on which the offer of Options by the Company to a Participant can be accepted. In case the last date is a non-working day, then it shall be the next working day.
- 3.7 "Committee" means the Compensation Committee of the Board consisting of directors that has been constituted by the Board for administration and superintendence of this Plan pursuant to Clause 5 of the Plan.
- 3.8 "Company" shall mean Prime Focus Limited, a company limited by shares, incorporated and registered under the Companies Act, 1956 having its registered office at Prime Focus House, Linking Road, Opp. CITI Bank, Khar (West), Mumbai - 400052.
- 3.9 "Corporate Action" shall have meaning as understood under the SEBI Guidelines.
- 3.10 "Employee" means:
- a. A permanent employee who is on the payroll of the Company or the Group working in or out of India;
  - b. A Director of the Company or the Group, whether a whole time director or not;
  - c. an employee as defined in sub-clauses (a) or (b) of the entities that form part of the Group, in India or out of India.
- 3.11 "Exercise" means making of an application by the Participant to the Company for issue of Shares against the Vested Options in the Participant name pursuant to this Plan on payment of the Exercise price.
- 3.12 "Exercise date" means the date on which the Participant exercises his Vested Options and in case of partial exercise shall mean each date on which the Participant exercises part of his Vested Options.
- 3.13 "Exercise period" means a period of 2 years from the First Vesting Date (as defined in clause 9.2 of the Plan) within which the Vested Options can be exercised.
- 3.14 "Exercise price" means the purchase price of each Share payable by the Participant for exercising the Option granted to him in pursuance of the Plan, in accordance with Clause 10 of the Plan and shall be communicated in the grant letter.
- 3.15 "FEMA Regulation" means Foreign Exchange Management (Transfer or issue of Security by a person resident outside India) Regulations, 2000 issued by Reserve Bank of India vide notification no. FEMA 20/2000- RB dated 3<sup>rd</sup> May, 2000 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.

3.16 "General Meeting" means a general meeting (including extraordinary general meeting) of the shareholders of the Company held in accordance with the Articles of Association of the Company and the Applicable Laws.

3.17 "Grant" means the process by which a Grantee is given an Option under the Plan.

3.18 "Grant date" means the date on which the Options are granted to a Grantee by the Company under the Plan.

3.19 "Grant letter" means the letter by which grant of an Option is communicated to the Grantee.

3.20 "Grantee" shall mean an Eligible Employee pursuant to clause 4 of the Plan, at the time of grant of the Option and who in the opinion of the Committee is declared to be eligible to participate under the Plan.

3.21 "Group" means the Company and each of its Subsidiary Company or Holding Company.

3.22 "Holding Company" means a company as defined under section 2 (46) of the Companies Act, 2013.

3.23 "Independent Director" means a Director other than a managing director or a whole-time director or a nominee director, who meets such criteria as defined in section 149 (6) of the Companies Act, 2013, as amended from time to time.

3.24 "Market price" means the latest available closing price, prior to the date of meeting of the Board/ Committee in which options are granted, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered.

3.25 "Option" means a right, but not an obligation to acquire and be allotted a Share of the Company at the Exercise price determined in accordance with Clause 10 of the Plan.

3.26 "Participant" means a Grantee who accepts an offer from the Company to participate in the Plan pursuant to Clause 8 of the Plan.

3.27 "Plan" shall mean the PFL's Employees Stock Option Scheme 2014 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.

3.28 "Promoter" means:

- a) The person or persons, who are in overall control of the Company; or
- b) The person or persons who are instrumental in the formation of the Company or programme pursuant to which the Shares were offered to the public; or
- c) The person or persons named in the offer document as promoter(s).



Provided that the director or officer of the Company if he is acting as such only in his professional capacity will not be deemed to be a Promoter. Explanation: Where a Promoter of the Company is a body corporate, the Promoters of the body corporate shall also be deemed to be promoters of the Company.

3.29 "Promoter group" means:

- a) An immediate relative of the Promoter (i.e. spouse of that person or any parent, brother, sister or child of the person or of the spouse); or
- b) Persons whose shareholding is aggregated for the purpose of disclosing in the offer document "shareholding of the promoter group".

3.30 "Relative" means immediate relative namely spouse, parent, brother, sister or child of the person or the spouse.

3.31 "SEBI Guidelines" means the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by the Securities Exchange Board of India under the Securities Exchange Board of India Act, 1992 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.

3.32 "Share" means an equity Share of the Company of face value of Re. 1/- (Rupees One only)

3.33 "Shareholder" means the registered holder of a Share in the share capital of the Company.

3.34 "Subsidiary Company" means a company as defined under section 2(87) of the Companies Act, 2013.

3.35 "Termination date" means the date of termination of employment of the Participant with the Group.

3.36 "Unvested Option" means an Option, which is not a Vested Option.

3.37 "Vesting" means the process by which the Participant is given the right to apply for Shares of the Company against the Option granted to him in pursuance of the Plan.

3.38 "Vesting Date" means the date on and from which the Option vests with the Participant and thereby becomes exercisable.

3.39 "Vested Option" means an Option, which has vested in pursuance to clause 9.2 of the Plan with the participant and has thereby, become exercisable.

3.40 "Vesting period" means the period during which the vesting of the Option granted to the Participant in pursuance of the Plan takes place.

3.41 "Construction"

- a) The headings/ subheadings/ titles/ subtitles are only for the sake of convenience and shall not be interpreted to restrict or otherwise affect the meaning or import of the Articles, which shall be interpreted solely in light of the contents thereof.
- b) Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- c) Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form.
- d) The term 'including' shall mean 'including without limitation', unless otherwise specified.

#### **4 Eligibility**

4.1 Subject to clause 4.3 of the Plan, the following persons/classes of persons shall be entitled to participate in the Plan (the "Eligible Employee"):

- a) The appraisal process for determining the eligibility of the employee will be specified by the Compensation Committee, and will be based on criteria such as role/designation of the employee, length of service with the Company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Compensation Committee at its sole discretion. The additional stock options may be granted to employees of the Company with some extra ordinary performance/achievement and/ or based on such other criteria that may be determined by the Compensation Committee at its sole discretion. It is however provided that the Committee may waive the rating requirements in case of new Employees who have not had an appraisal prior to the Grant date; and
- b) Director of the Company or the Group, whether a whole time director or not.

4.2 The Committee will decide which Eligible Employees should be granted Options under the Plan and accordingly, the Company would offer the Options to the identified Eligible Employees.

4.3 An Employee who is a:

- a) Promoter; or
- b) belongs to the Promoter group; or
- c) a director, who either by himself or through his Relative or through any body corporate, directly or indirectly, holds more than 10 percent of the outstanding equity shares of the Company,

shall not be eligible to participate in the Plan.

#### **5 Administration of the Plan**



The Plan shall be administered by the Committee, which may delegate its duties and powers in whole or in part as it determines. The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Plan. The Committee may correct any defect, omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or desirable. Any decision of the Committee in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Grantee and/or Participants and their beneficiaries or successors). The Committee shall, inter alia, do the following:

- a) Adopt rules and regulations for implementing the Plan from time to time.
- b) Identify the Employees eligible to participate under the Plan.
- c) Grant Options to the identified Eligible Employee and determine the Grant date.
- d) Determine the number of Options to be granted to each Grantee and in aggregate.
- e) Determine the conditions under which Options vested in the Employees may lapse in case of termination of employment for misconduct;
- f) Determine the right of a Participant to exercise all the Options vested in him at one time or various points in time within the Exercise period.
- g) Determine the Exercise Period within which the Participant should exercise the Option and the Option would lapse on the failure to exercise the Option within the Exercise period
- h) Determine the specified time period within which the Participant shall exercise the Vested Options in the event of termination or resignation of the Participant
- i) Determine the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Corporate Actions
- j) Determine the Grant, Vest and exercise of Options in case of Employees who are on long leave
- k) Determine the number of Shares of the Company to be covered by each Option granted under the Plan.
- l) Determine the method for exercising the Vested Options.
- m) Determine the Exercise price of the Options granted.
- n) Determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option granted hereunder



- o) Approve forms or agreements for use under the Plan
- p) Decide all other matters that must be determined in connection with an Option under the Plan
- q) Construe and interpret the terms of the Plan, and the Options granted pursuant to the Plan
- r) If and to the extent applicable, frame suitable policy, procedure and system to comply with the Securities and Exchange Board of India (Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 1995 to be followed by the Participants.
- s) Administer and reconcile any inconsistency in the Scheme.
- t) Perform such other functions and duties as shall be required under the Applicable laws.

All decisions made by the Committee in the matter referred to above shall be conclusive and binding on all parties concerned (including, but not limited to, Grantee and/ or Participants and their beneficiaries or successors). Neither the Company, nor the Group, nor the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Option granted there under.

## **6. Shares Pool**

6.1 Subject to clause 16 of the Plan, the maximum number of Shares that may be issued pursuant to exercise of Options granted to the Participants under this Plan shall not exceed 6% of the issued, subscribed and paid-up equity shares of the Company (post preferential issue) i.e. up to 1,79,32,738 equity shares. The Company reserves the right to increase or reduce such number of Shares as it deems fit.

6.2 Notwithstanding the foregoing provisions of clause 6.1 of the Plan, shares with respect to which an Option is granted under the Plan that remain unexercised at the expiration, forfeiture or other termination of such Option may be the subject of the Grant of further Options.

## **7 Grant of Options**

7.1 The Committee may offer the Options to a Grantee in accordance with the terms and conditions of the Plan for the time being in force.

7.2 Each Option will entitle the Participant to one Share of the Company.

7.3 Subject to clause 16 of the Plan, the maximum number of the Shares that may be issued pursuant to the grant of the Options to each Grantee under this Plan shall be 1% of the issued

equity shares of the Company at the time of grant of stock options and in aggregate to specific employee shall not exceed 1,79,32,738 stock options at the time of grant of stock options.

7.4 The Grant of the Options by the Committee to the Grantee shall be made in writing and communicated to the Grantee. Such a Grant shall state the number of Options offered the Exercise price and the Closing date of accepting the offer.

7.5 The Closing date shall not be more than 30 days from the Grant date.

7.6 An offer made under clause 7.1 of the Plan is personal to the Grantee and cannot be transferred in any manner whatsoever.

## **8 Method of acceptance**

8.1 Any Grantee who wishes to accept an offer made pursuant to Clause 7 of the Plan must deliver an Acceptance Form, prescribed by the Committee from time to time, duly completed as required therein to the Committee on or before the closing date stated in the Grant letter.

8.2 Any Grantee who fails to return the Acceptance Form on or before the Closing date shall, unless the Committee determines otherwise, be deemed to have rejected the offer. Any Acceptance Form received after the Closing date shall not be valid.

8.3 Upon receipt of a duly completed Acceptance Form from the Grantee in respect of the Grant, the Grantee will become a Participant. The Committee may then issue to the Participant a statement, in such form as it deems appropriate, showing the number of Options to which the Participant is entitled pursuant to the acceptance of such offer and the number of Shares for which the Participant will be entitled to subscribe pursuant to such Options.

## **9 Vesting of Options**

9.1 Subject to the terms contained herein, the acceptance in accordance with Clause 8 of the Plan, of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option. There shall be a minimum period of one year between the Grant of Options and Vesting of Options.

9.2 Subject to Participant's continued employment with the Company or the Group, as per clause 12 of the Plan, the Unvested Options shall be scheduled to vest with the Participant automatically in accordance with the schedule as decided by the Compensation Committee.

## **10 Exercise Price**

10.1 The Exercise Price for the purposes of the grant of stock Options will be decided by the Compensation Committee at the time of respective grant of stock Options. In determining the Exercise Price, the Compensation Committee shall take into consideration relevant factors prevalent at the time of the grant which, amongst other things, shall include the trend in the market price of the Company's equity shares quoted on the Bombay Stock



Exchange Limited, the concerned employee's performance, the future potential contribution of the employee, the ESOP Guidelines and any other rules, regulations or guidelines prescribed by the Securities and Exchange Board of India or of any other appropriate authority from time to time. The Exercise Price shall be calculated at a discount not higher than 75% of the average of the daily high and low of the prices for the Company's equity shares quoted on Bombay Stock Exchange Limited, during the 15 days preceding the date of vesting of the stock Options."

The Exercise price shall be paid to the Company in cash upon exercise of the Options.

10.2 The aggregate Exercise price shall be paid in full upon the exercise of the Vested Options. Payment must be made by one of the following methods:<sup>2</sup>

- i) cheque, banker's cheque or demand draft;
- ii) remittance directly from the Grantee's bank to the Company's bank account (wire transfer);
- iii) the proceeds of a Company loan program, if permitted by the Board/ Committee at its discretion (if such a program has been established and the Option grantee is eligible to participate therein); and
- iv) by any combination of such methods of payment or any other method acceptable to the Committee at its discretion.

## **11 Exercise of Options**

11.1 The Vested Options shall be exercisable according to the terms and conditions as determined and set forth under the Plan.

11.2 Subject to clause 12.1 of the Plan, the Participant alone can exercise the Vested Option.

11.3 Subject to clause 9 and clause 12 of the Plan, the Employee can exercise the Vested Options within the Exercise period. Such exercise may be of all Vested Options or part of the Vested Options, subject to clause 11.4 of the Plan.

11.4 No fraction of a Vested Option shall be exercisable in its fractional form and should be rounded off to the nearest multiple of one for a valid vesting.

11.5 Exercise of the Options shall take place at the time and place designated by the Committee or the Company and by executing such documents as may be required under the Applicable Laws to pass a valid title to the relevant Shares to the Participant, free and clear of any liens, encumbrances and transfer restrictions save for those set out therein.

11.6 An Option shall be deemed to be exercised only when the Committee receives written or electronic notice of exercise and the Exercise Price (in accordance with the Plan) from the person entitled to exercise the Option.

- 11.7 On Exercise, the Participant can subscribe to the Shares on the full payment of the Exercise price and taxes, if any required to be deducted by the Company in respect of exercise of the Option, and the Company shall allot the Shares to the Participants, or, if requested in writing by the Participant, to the Participant jointly with another person. Subsequent to allotment, no Participant should seek to sell or otherwise transfer the shares until there is a confirmation from the Company that the listing procedures with respect to the allotted shares have been completed.
- 11.8 Notwithstanding anything else contained in this Plan, if the Participant does not Exercise his Vested Options within the time specified in clause 11.3 and clause 12 of the Plan, the Options shall be forfeited.
- 11.9 There shall be no cashless exercise of the Options.

## **12 Termination of employment**

### **12.1 On death of a Participant:**

In the event of death of a Participant while in employment with the Company or the Group, all the Options granted to him till such date and lying unvested shall vest in the Beneficiary of the deceased Participant on that day. All the Vested Options shall be permitted to be exercised within 1 (One) year from the date of death or before the expiry of the Exercise period, whichever is earlier unless such period is extended by the Compensation Committee of the Board. Any Vested Options not exercised within this aforesaid period shall lapse and stand forfeited at the end of the aforesaid period.

### **12.2 On disability of Participant:**

In the event of the termination of a Participant's employment with the Company or the Group is as a result of total or permanent incapacity (i.e. incapacity to engage in work as a result of sickness, mental disability or otherwise or by reason of accident), all the Options granted to him till such date of permanent incapacitation and lying unvested, shall vest in him on that day. All the vested Options shall be permitted to be exercised within 1 (One) year<sup>4</sup> from the date of termination or before the expiry of the Exercise period, whichever is earlier. Any Vested Options not exercised within this aforesaid period shall lapse and stand forfeited at the end of the aforesaid period.

### **12.3 On Attainment of Superannuation age**

In case service of the Participants with the company or the Group is terminated due to retirement on attaining superannuation age after 1 (One) year from the Grant date, then all the Unvested Options granted to him shall vest in him on a pro-rated basis as determined by the Committee. *However, the Committee, at their sole discretion, may enhance the vesting of the Options for the Options granted. The Participants can exercise all the Vested Options within 1 (One) year from the date of termination on retirement or before the expiry of the Exercise period,*



*whichever is earlier unless such period is extended by the Compensation Committee of the Board.* Any Vested Options not exercised within this aforesaid period shall lapse and stand forfeited at the end of the aforesaid period. All Options that are not vested by operation of this clause shall immediately stand cancelled and forfeited.

#### 12.4 Termination with cause

In case the termination of employment of a Participant with the Company or the Group is with cause (i.e. negligence, fraud, professional misconduct, moral turpitude etc), his/ her Options, vested and unvested, shall be forfeited on the termination date and the contract referred to in clause 9.1 of the Plan shall stand automatically terminated.

#### 12.5 Other terminations

In case the service of the Participant with the Company is terminated other than specified in clauses 12.1 to 12.4 of the Plan of the Participant from the Company, all the Vested Options as on that date shall be permitted to be exercised within 90 (Ninety) days from the date of termination or before the expiry of the Exercise period, whichever is earlier unless extended by the Compensation Committee. All the Unvested Options on the date of termination shall stand cancelled and forfeited.

#### 12.6 Long Leave

Duly approved long leave of the Participant shall not have any effect on the Plan as applicable to the Participant.

### 13 Notices and correspondence

13.1 Any notice required to be given by a Participant to the Company or the Committee or any correspondence to be made between a Participant and the Company or the Committee may be given or made to the Company at the registered office of the Company or the Committee as may be notified by the Company in writing.

13.2 Any notice, required to be given by the Company or the Group or the Committee to a Participant or any correspondence to be made between the Company or the Group or the Committee and a Participant shall be given or made by the Company or the Group or the Committee on behalf of the Company at the address provided by the Participant in his acceptance form.

### 14 Beneficiary designation

14.1 Each Participant under the Plan may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit under the Plan is to be delivered in case of his or her death before he or she receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Participant, shall be in a form prescribed by the Company and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime.

## **15 Non-transferability of Options**

- 15.1 Save as provided in Clause 12.1 of the Plan, the Options granted herein, are personal to the Participant. The Options cannot be assigned, alienated, pledged, attached, hypothecated, sold, or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent, to the extent permitted under the Applicable Law, and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void and unenforceable against the Company.

## **16 Corporate Action**

- 16.1 In the event of the Corporate Action, the Company, in consultation with the Committee, subject to the provisions of the Plan, the number of Options (vested as well as unvested) or the Exercise price in respect of the Options or both the number and the Exercise Price, may, but subject to the applicable rules and regulations, be determined to be such number and/or Exercise price as is appropriate in accordance with the SEBI Guidelines and the Applicable Laws.

## **17 Tax Implications**

- 17.1 All Options granted under the Plan shall be subject to all applicable withholding tax requirements, if any, and the Company or the Group or Committee may withhold such taxes accordingly.
- 17.2 Notwithstanding anything else contained in this Plan, no Shares/sale proceeds therefrom, as the case may be, shall be issued / disbursed to the Participant or Beneficiary, on Exercise of the Options under this Plan unless appropriate taxes as required under the applicable tax laws, are discharged.
- 17.3 In addition to TDS, if any, the Participant / Beneficiary is further liable to make good to the Company/Group the grossed-up value of any sums paid/payable by the Company/Group as Fringe Benefits Tax on account of Exercise of such Options. The mode and manner of recovery of this amount shall be formulated by the Committee and communicated to the Participant/Beneficiary.

## **18 Arbitration**

- 18.1 In the event of a dispute arising out of or in relation to the provisions of this Plan (including a dispute relating to the construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such dispute through an amicable settlement. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after reasonable attempts, which attempt shall continue for not more than 30 (*Thirty*) days, gives 10 (*Ten*) days<sup>6</sup> notice thereof to the other party in writing. In case of such failure, either party may refer the dispute to a single

---

6



arbitrator appointed by both the parties and failing such agreement, to three arbitrators, one to be appointed by each party and the third arbitrator to be jointly appointed by the two arbitrators appointed by the parties. The arbitration proceedings shall be held at Mumbai, India under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator(s) shall give a reasoned award in writing. The arbitrator(s) shall also decide on the costs of the arbitration proceedings. The parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law at Mumbai.

## **19 Governing Law**

19.1 This Plan and all agreements there under shall be governed by and construed in accordance with the Applicable laws of India.

19.2 The Participant agrees and acknowledges that the Participant has received and read a copy of the Plan. The Options are subject to the Plan. Any term of the Plan that is contrary to the requirement of the CG Guidelines or SEBI Guidelines or any other Applicable Law or other Indian regulations shall not apply to the extent it is contrary.

## **20 Regulatory approvals**

20.1 The implementation of the Plan, the granting of any Option under the Plan and the issuance of any Shares under this Plan shall be subject to the procurement by the Company and the Participants of all approvals and permits required by any regulatory authorities having jurisdiction over the Plan, the Options and the Shares issued pursuant thereto. The Participants under this Plan will, if requested by the Committee, provide such assurances and representations to the Company or the Group or the Committee, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.

## **21 Modification of Plan**

The Committee may pursuant to a special resolution passed at a General meeting at any time and from time to time:

21.1 Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Plan or all or any of the rights and obligations of the Participants;

21.2 Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Participants. Each of such sets of special terms and conditions shall be restricted in its application to those Participants; and

21.3 Formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Participants separately and each of such sets of special terms and conditions shall be restricted in its applications to such Participants.

21.4 Alter the Exercise price, if the option becomes unattractive due to fall in market price of the share.

Provided that no variation, alteration, addition or amendment to the Plan can be made if it is detrimental to the interest of the Participant/Grantee

## **22 Miscellaneous provisions**

22.1 The Participant shall have no rights as a Shareholder until the name of the Participant has been entered in the register of members of the Company as the holder of the Shares provided hereunder to such Participant. The Shares to be allotted to the Participant under the Plan shall rank pari-passu in all respects with the outstanding Shares of the Company.

22.2 This Plan shall not form part of any contract of employment between the Company or the Group and any Eligible Employee, and the rights and obligations of any Eligible Employee under the terms of his office or employment shall not be affected by his participation in this Plan or any right which he may have to participate in it and this Plan shall afford such an Eligible Employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

22.3 This Plan shall not confer on any person any legal or equitable rights against the Company or the Group or the Committee directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Group or the Committee.

22.4 The Participant shall comply with the provisions of the Securities and Exchange Board of India (Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 1995 as well as any Code of Conduct or such similar policy, procedure or system formulated or adopted by the Committee and communicated to the Participant from time to time. Any violation of the applicable laws or Code of Conduct may result in cancellation of all vested and unvested Options as well as subject the Participant to disciplinary action at the discretion of the Company.

22.5 The Company shall bear the costs of establishing and administering this Plan, including any costs of the Company's auditors or any independent financial adviser in relation to the preparation of any confirmation by them or provision of any other service in relation to this Plan.

22.6 A Grantee shall, before accepting a Grant, obtain all necessary consents that may be required to enable him to accept the Grant and the Company to allot and issue to him in accordance with the provisions of this Plan, the Shares due to be allotted and issued upon the exercise of his Vested Options. By accepting a Grant, the Grantee thereof is deemed to have represented to the Company or the Group or the Committee that he has obtained all such consents. Compliance with this paragraph shall be a condition precedent to an acceptance of a Grant by a Grantee.



22.7 By accepting a Grant, a Grantee shall be deemed irrevocably to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate him for loss of any rights under this Plan.

22.8 The acceptance of the Grant is entirely voluntary and the Company or the Group or the Committee does not guarantee any return on Shares.

22.9 The Board of Directors shall make all the relevant disclosures in the Director's report in relation to the Plan as are required under the Applicable Laws. The Company shall ensure that the Participants are provided with all the developments in the Company.

22.10 The Company shall follow and conform to the applicable accounting policies issued by the Institute of Chartered Accountants of India from time to time and accounting policies as per the SEBI Guidelines.

## **23 Set-off**

The Shares shall be subject to set-off or counterclaim of amounts owed by the Participant to the Company or the Group or the Committee, to the extent permitted under Applicable Laws.

## **24 Term of the Plan**

24.1 The Plan shall continue in effect unless terminated by the Company or the Group.

24.2 Any such termination of the Plan shall not affect Options already granted and such Options shall remain in full force and effect as if the Plan had not been terminated unless mutually agreed otherwise between the Participants and the Committee/the Company/the Group.

## **25 Confidentiality**

25.1 The Participant shall not divulge the details of the Plan and/or his holdings to any person except with the prior written permission of the Committee unless so required to do under any statutes or regulations applicable to such Participant.

## **26 Severability**

If any of the provisions mentioned in this Plan are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and binding on the parties to the fullest extent permitted by Applicable Law.

