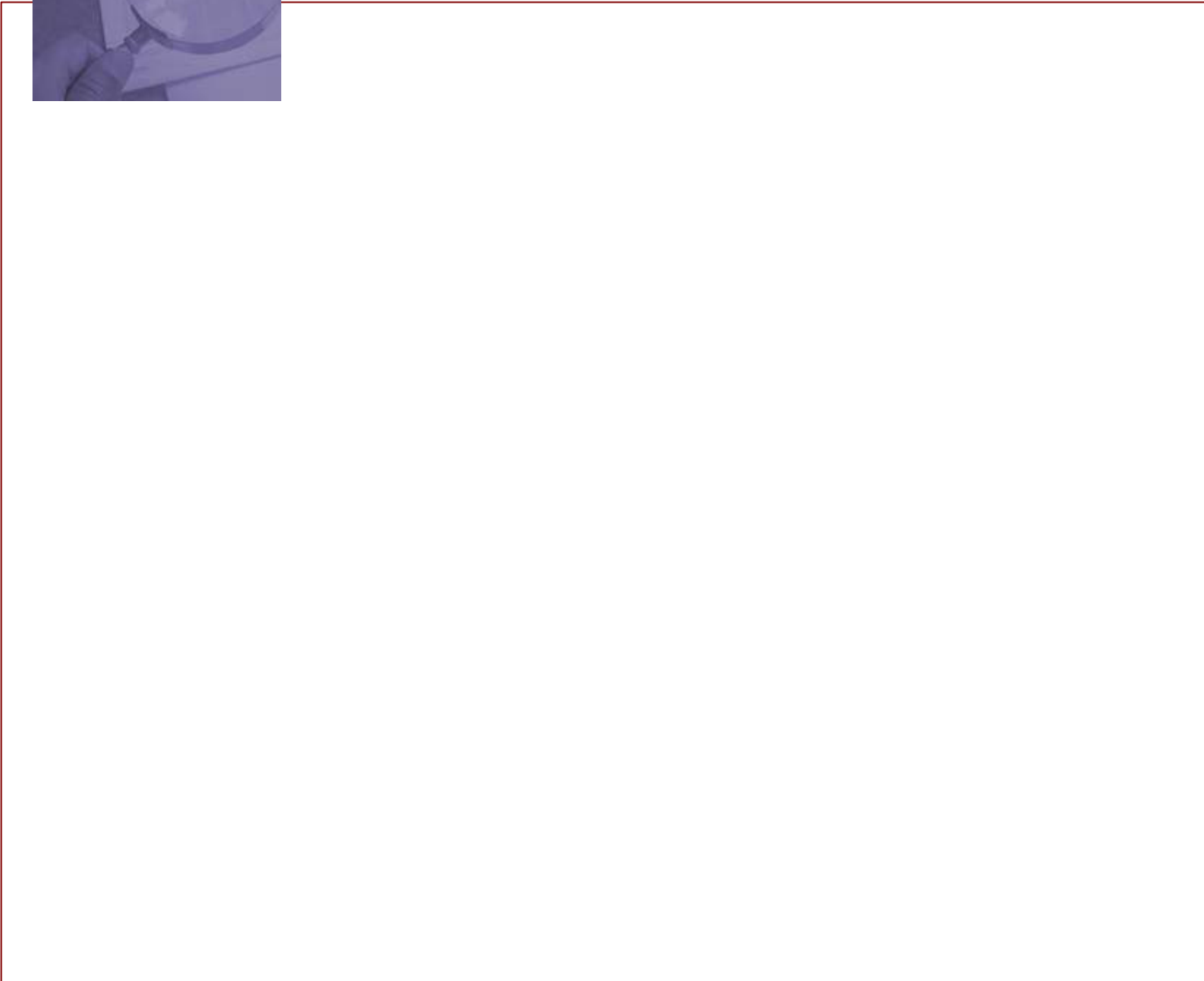


# Idea Cellular Limited

## Idea Cellular Limited Employee Stock Option Scheme 2013



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## 1. Name, Objective and Term of the Scheme 2013

1.1 This Employee Stock Option Scheme shall be called the “**Scheme 2013**” which expression shall include any alterations, amendments or modifications hereto from time to time.

1.2 This Scheme 2013 has been formulated by the ESOS Compensation Committee of the Board of Directors of the Company and approved by it at its meeting held on 24<sup>th</sup> October, 2013, pursuant to the authority vested in it by the shareholders of the Company vide resolution dated 16<sup>th</sup> September, 2013 and in accordance with the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended (the “**SEBI Guidelines**”). For extending the benefits of the Scheme 2013 to the Employees of the Company’s Holding and Subsidiary companies, a separate resolution of the shareholders of the Company was also passed on 16<sup>th</sup> September, 2013.

No shares or any other securities of the Company shall be acquired from the secondary market for the purposes of the Scheme 2013.

1.3 The objective of the Scheme 2013 is to attract and retain talent and align the interest of employees with the Company as well as to motivate them to contribute to its growth and profitability. The Company views stock options as an instrument to enable the employees to share the value they create for the Company in the years to come.

1.4 The Scheme 2013 is established with effect from 24<sup>th</sup> October, 2013 and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the Options (as defined hereinafter) and the RSUs (as defined hereinafter) available for issuance under the Scheme 2013 have been issued and Exercised (as defined hereinafter) or have lapsed or have been cancelled by the ESOS Compensation Committee and the ESOS Compensation Committee does not intend to re-issue these lapsed or cancelled Options or RSUs.

1.5 The Board may subject to compliance with Applicable Law, at any time alter, amend, suspend or terminate the Scheme 2013.

## 2. Definitions and Interpretation

### 2.1 Definitions

i) “**Applicable Law**” includes every law, rule, regulation or bye-law relating to employee stock options, including, without limitation, the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and all the relevant tax, securities, exchange control or corporate laws, rules, regulations or bye-laws of India or any relevant jurisdiction, or of any stock exchange on which the equity shares of the Company are listed or quoted and includes, any amendment, modification, alteration or re-enactment made to such laws, rules, regulations or bye-laws.

- ii) **“Board”** means the Board of Directors of the Company which includes any Committee authorized by the Board of Directors in this behalf, including ESOS Compensation Committee.
- iii) **“Companies Act”** means the Companies Act, 1956 and includes any statutory modifications or re-enactments thereof.
- iv) **“Company”** means Idea Cellular Limited registered under Companies Act (or within the meaning thereof), having its registered office at Suman Tower, Plot No. 18, Sector 11, Gandhinagar - 382 011, Gujarat and, where the context requires, its Holding or Subsidiary companies as the case may be.
- v) **“Company Policies/Terms of Employment”** mean the Company’s policies for employees and the terms of employment as contained in the ‘employment letter’ and the ‘Company handbook’, which includes provisions for securing confidentiality, non compete and non poaching of other employees and any other relevant Aditya Birla Group HR policies.
- vi) **“Director”** means a member of the Board of the Company.
- vii) **“Eligibility Criteria”** means the criteria as may be determined from time to time by the ESOS Compensation Committee for granting the Stock options or the RSUs to the Employees.
- viii) **“Employee”** means (a) a permanent employee of the Company in the management cadre working in India or out of India; or (b) a managing / whole time director of the Company; or (c) an Employee, as defined in Sub-Clauses (a) or (b) in this paragraph, of a Subsidiary company, in India or out of India, or of a Holding Company of the Company; or (d) but excludes:
  - (aa) an employee who is a Promoter or belongs to the Promoter Group;
  - (bb) an independent director & Non Executive Director;
  - (cc) a director who either by self or through relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed share capital of the Company.
- ix) **“Employee Stock Option/s”** (herein referred as **“Option/s”**) means the stock Option granted to an Employee, which gives such Employee the right, but not an obligation, to subscribe to, during the Exercise Period, the Shares underlying the Option at the Option Exercise Price in accordance with the terms of the Scheme 2013.
- x) **“Employee Restricted Stock Unit/s”** (herein referred as **“RSU/s”**) means the stock option granted to an Employee, which gives such Employee the right, but not an obligation, to subscribe to, during the Exercise Period, the Shares underlying the RSUs at the RSU Exercise Price in accordance with the terms of the Scheme 2013.

- xi) **“ESOS Code of Conduct”** means the Code of Conduct formulated by the Company for Employees covered under this Scheme 2013.
- xii) **“ESOS Compensation Committee”** means an ESOS Compensation Committee constituted by the Board of Directors, in accordance with Applicable Law, to formulate, administer and implement the employee stock option schemes of the Company.
- xiii) **“Exercise”** of Options or RSUs means making of an application by a Grantee to the Company to subscribe to the Shares underlying the Vested Options or the Vested RSUs, as the case may be, in pursuance of the Scheme 2013, in accordance with the procedure laid down by the Company in this regard.
- xiv) **“Exercise Application”** means the application form or the letter of Exercise as may be prescribed by the ESOS Compensation Committee, in which the Grantee has to apply to the Company along with a cheque/demand draft payable at Mumbai in respect of the Option Exercise Price or the RSU Exercise Price (as the case may be) or such other documents as may be prescribed pursuant to the provisions of the Scheme 2013, for Exercising the Vested Options or Vested RSUs (as the case may be). The payment towards Option Exercise Price and RSU Exercise Price may also be made by way of RTGS or NEFT or such mode of transfer to the account of the Company as may be permitted by the ESOS Compensation Committee.
- xv) **“Exercise Period”** means such time period after Vesting within which the Grantee should Exercise the Vested Options and Vested RSUs in pursuance of the Scheme 2013.
- xvi) **“Exercise Price”**
  - a. **“Option Exercise Price”** means the price payable by a Grantee in order to Exercise the Vested Options as determined by the ESOS Compensation Committee.
  - b. **“RSU Exercise Price”** means the price payable by a Grantee in order to Exercise the Vested RSUs as determined by the ESOS Compensation Committee.
- xvii) **“Grant”** means issue of Options and RSUs as the case may be to the Employees under the Scheme 2013.
- xviii) **“Grant Date”** means the date on which the Options and the RSUs are issued to a Grantee by the Board of Directors or the ESOS Compensation Committee under the Scheme 2013.
- xix) **“Grantee”** means an Employee who has been granted an Option and/or a RSU in pursuance of the Scheme 2013.
- xx) **“Group”** means all entities constituting the Aditya Birla group of companies, a list of which will be maintained with the company secretary of

the Company.

- xxi) **“Holding company”** means any present or future holding company of the Company as defined in the Companies Act.
- xxii) **“Intrinsic Value”** means the excess of the Market Price of the Share under the Scheme 2013 over the Option Exercise Price or RSU Exercise Price, as the case may be.
- xxiii) **“Letter of Grant”** means the letter issued by the Company intimating the Employee, inter alia, of the Options and/or the RSUs Granted to him for acquiring a specified number of Shares at the Option exercise price and/or the RSU exercise price, as the case may be.
- xxiv) **“Lock-in Period”** means the period during which the Employee shall not sell, pledge or otherwise transfer, directly or indirectly, any of his Shares or dispose of any interest in or over the right attached to any of his Shares.
- xxv) **“Market Price”** means the latest available closing price, prior to the date of the meeting of the Board of Directors / the ESOS Compensation Committee (or a circular resolution thereof) in which Options and/or the RSUs are Granted/Shares are issued, on the stock exchange on which the shares of the Company are listed. If the shares of the Company are listed on more than one stock exchange, then the stock exchange where there is the highest trading volume on the said date shall be considered.
- xxvi) **“Permanent Disability”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the ESOS Compensation Committee based on a certificate of a medical expert identified by the Board.
- xxvii) **“Promoter”** means (a) the person or persons who are in over-all control of the Company; (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; (c) the person or persons named in the offer document as promoter(s) and where a promoter of the Company is a body corporate, the promoters, as defined in Sub-Clauses (a), (b) and (c) in this paragraph, of that body corporate shall also be deemed to be promoters of the Company. Provided that a Director or officer of the Company, if they are acting as such only in their professional capacity, will not be deemed to be a promoter, as defined under the Applicable Law from time to time.
- xxviii) **“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); (b) persons whose shareholding is aggregated for the purpose of disclosing in the offer document as “shareholding of the promoter group”, as defined under the Applicable Law from time to time.
- xxix) **“Recognised Stock Exchange”** means BSE Limited, National Stock Exchange of India Limited or any other stock exchange in India on which

the Company's shares are listed or are proposed to be listed.

- xxx) **"Retirement"** means retirement of an Employee as per the rules of the Company.
- xxxii) **"Scheme 2013"** means this "Idea Cellular Limited Employee Stock Option Scheme 2013" under which the Company is authorised to Grant Options and RSUs to the Employees.
- xxxiii) **"SEBI"** means the Securities and Exchange Board of India;
  - a. **"SEBI Act"** means the Securities and Exchange Board of India Act, 1992 as amended from time to time, and includes all regulations and clarifications issued there under.
  - b. **"SEBI Guidelines"** means the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time and includes all regulations and clarifications issued there under.
- xxxiv) **"Shares"** means equity shares of the Company arising out of the Exercise of Options and RSUs Granted under the Scheme 2013.
- xxxv) **"Subsidiary company"** means any present or future subsidiary company of the Company, as defined in the Companies Act.
- xxxvi) **"Unvested Option"** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Grantee has not become eligible to Exercise the Option.
- xxxvii) **"Unvested RSU"** means a RSU in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Grantee has not become eligible to Exercise the RSU.
- xxxviii) **"Vesting"** means earning by the Grantee, of the right to Exercise the Options or RSUs Granted to him in pursuance of the Scheme 2013.
- xxxix) **"Vesting Condition"** means any condition that may be stipulated by the ESOS Compensation Committee for Vesting of Options or RSUs.
- xl) **"Vesting Period"** means the period during which the Vesting of the Options or RSUs, as the case may be, Granted to the Employee takes place, in pursuance of the Scheme 2013.
- xli) **"Vested Option"** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Grantee has become eligible to Exercise the Option.
- xlii) **"Vested RSU"** means a Restricted Stock Unit in respect of which the relevant Vesting Conditions have been satisfied and the Grantee has become eligible to Exercise the Restricted Stock Unit.

Any term not defined above, but defined in the SEBI Guidelines shall have the meaning assigned to it under the SEBI Guidelines.

## **2.2 Interpretation**

In this Scheme 2013, unless the contrary intention appears:

- i) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- ii) a reference to a clause number is a reference also to its sub- clauses;
- iii) words in singular number include the plural and vice versa;
- iv) words importing a gender include any other gender;
- v) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

## **3. Authority and Ceiling**

**3.1** The Board of Directors, has vide its circular resolution dated 10<sup>th</sup> May, 2013, has resolved to issue to Employees under the Scheme 2013, Options and RSUs exercisable into not more than 35,549,000 (Three Crore Fifty Five Lacs Forty Nine Thousand) equity shares of the Company of the face value of Rs. 10 each (or such other number adjusted in terms of Clause 3.3 herein below), in one or more tranches, whereby each such Option and RSU, as the case may be, confers a right upon the Employee to apply for one equity share of the Company, in accordance with the terms and conditions of such issue. However, the aggregate number of Options and RSUs that may be granted to a single Employee under the Scheme 2013 shall not exceed 0.2% of the paid-up equity share capital of the Company at the time of Grant (which shall be adjusted in lieu of adjustments/re-organisation of capital structure of the Company from time to time).

The aggregate number of RSUs that shall be Granted under the Scheme 2013, shall not be exercisable into more than 50% of the overall ceiling of 35,549,000 (Three Crore Fifty Five Lacs Forty Nine Thousand) equity shares (which number may be adjusted only in terms of Clause 3.3 herein below) approved by the Board as mentioned above.

**3.2** Where Shares are issued consequent upon Exercise of an Option or RSU under the Scheme 2013, the maximum number of Shares that can be issued under the Scheme 2013 as referred to in Clause 3.1 above will stand reduced to the extent of such Shares issued.

## **3.3 Change in Capital Structure and other Corporate Actions**

- i) In case of corporate actions such as issue of bonus shares, stock splits, consolidation or other re-organisation of capital structure of the Company, whilst any Option or RSU remains exercisable (subject to Clause 1.4), the Company shall make a corresponding fair and reasonable adjustment in accordance with the Applicable Law, if any, to:



- (a) the number or nominal amount of Options and RSUs to which this Scheme 2013 applies (insofar as they are unexercised); and/or
- (b) the Option Exercise Price and RSU Exercise Price, as the case may be; and/or
- (c) the number of Shares comprised in an Option or RSU or which remain comprised in an Option or RSU; and/or
- (d) the method of Exercise of any Option or RSU; and/or
- (e) the maximum number of Shares referred to in Clause 3.1 above,

Provided that:

- (aa) any such adjustment shall give the Grantee the same proportion of the issued share capital of the Company which such Grantee would have been entitled to subscribe had he exercised all the Options and RSUs held by him immediately prior to such adjustment;
  - (bb) any such adjustment shall be made on the basis that the aggregate Option Exercise Price or RSU Exercise Price, as the case may be, payable by a Grantee on the full Exercise of the Options or RSUs shall remain as nearly as possible the same (but shall not be greater than) as it was before the time when such corporate action takes effect;
  - (cc) any such adjustment shall be made in accordance with Applicable Law;
  - (dd) no such adjustment shall be made, the effect of which would be to enable a Share to be issued at less than its face value; and
  - (ee) the issue or transfer of shares or other securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment.
- ii) In the event of any corporate action, as contemplated by the SEBI Guidelines, including (without limitation) rights on a general offer, rights on compromise, arrangement, reconstruction or amalgamation, rights where a person becomes bound or entitled to acquire shares and rights where there is a change in control of the Company, which is not contemplated by Sub-Clause 3.3 (i) above, the ESOS Compensation Committee may, subject to the provisions of the Scheme 2013 and Applicable Law, adjust the number of Options and RSUs (Vested as well as Unvested) or the Option Exercise Price/ the RSU Exercise Price, as the case may be, or the Vesting Period or the Exercise Period or take one or more of the foregoing actions and/or other actions, as it deems appropriate in accordance with the SEBI Guidelines while ensuring that the interests of the holders of Options and RSUs are protected.

**3.4** Options and RSUs not Vested due to non-fulfillment of the Vesting Conditions, Vested Options and Vested RSUs which the Grantees have expressly refused to Exercise, Options and RSUs (Vested and not Exercised and Unvested) which have been surrendered and any Options and RSUs Granted but not Vested or Exercised within the stipulated time due to any reasons, shall lapse and these Options and RSUs will be available for Grant by the ESOS Compensation Committee to any Employee(s) as it may deem fit in its absolute discretion, whether under the present Scheme 2013 or any amendment thereto or under a new scheme, as a fresh grant, subject to compliance with the provisions of the Applicable Law.

#### **4. Administration**

**4.1** The Scheme 2013 shall be operated and administered by the ESOS Compensation Committee. All questions of interpretation, dispute, discrepancy or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with the Scheme 2013 or any Option or RSU shall be referred to the ESOS Compensation Committee and shall be determined by the ESOS Compensation Committee and such determination / decision / interpretation shall be final and binding upon all persons (including, but not limited to, Employees and their nominee(s) or legal heir(s)) having an interest in or affected by the Scheme 2013 or such Option or Restricted Stock Unit.

**4.2** The ESOS Compensation Committee shall in accordance with this Scheme 2013 and Applicable Law, in its absolute discretion, inter alia, determine the following:

- i) The quantum of Options and RSUs to be Granted to each Employee under the Scheme 2013, subject to the ceiling as specified in Clause 3.1;
- ii) The Eligibility Criteria;
- iii) The time when the Options and RSUs are to be Granted;
- iv) The number of tranches in which the Options and RSUs are to be Granted and the number of Options and RSUs to be granted in each such tranche;
- v) The number of Options and RSUs, if any, reserved for Granting to new Employees who would join the services of the Company;
- vi) The vesting and exercise of Options and RSUs in case of Grantee who has been transferred or whose services have been seconded to any other entity within the Group at the instance of the Company;
- vii) The Vesting Period, the Vesting schedule and the date of Vesting of the Options and RSUs Granted;
- viii) The terms and conditions (including performance parameters) subject to which the Options and RSUs Granted would Vest in the Employee;
- ix) The conditions under which the Vested Options and Vested RSUs may lapse in case of termination of employment for fraud or misconduct;
- x) The Exercise Period within which the Employee should exercise the Option

and Restricted Stock Unit and that Option and RSU would lapse on failure to exercise within the relevant Exercise Period;

- xi) The specified time period within which the Employee shall Exercise the Vested Options and the Vested RSUs in the event of termination or resignation of an Employee;
- xii) The right of an Employee to Exercise all the Vested Options and Vested RSUs at one time or at various points of time within the Exercise Period;
- xiii) The treatment of Unvested Options and Unvested RSUs upon events including but not limited to, termination of employment or upon a director ceasing to hold office;
- xiv) The procedure for making a fair and reasonable adjustment in the case of corporate actions such as merger, sale of division, stock split / consolidation, rights issues, bonus issues, change in capital structure and/or others, in accordance with the SEBI Guidelines and Applicable Law;
- xv) The procedure and terms for the Grant, Vesting and Exercise of Option and RSU in the case of Employees who are on long leave;
- xvi) The procedure for cashless Exercise of Options and RSUs, if required;
- xvii) The procedure for surrender and cancellation of Options and RSUs, if required;
- xviii) Obtaining permissions from and making periodic reports to regulatory authorities, as may be required and ensuring compliance with all Applicable Law;
- xix) Framing appropriate procedures and rules for Granting, Vesting and Exercise of Options and RSUs and amending, altering, modifying or rescinding such procedures and rules from time to time;
- xx) Lay down a method for satisfaction of any tax obligation arising in connection with the Options, RSUs and the Shares in compliance with Applicable Law;
- xxi) Arranging to get the Shares, issued under the Scheme 2013, listed on the Recognized Stock Exchange(s) on which the shares of the Company are already listed or may be listed in future;
- xxii) Ensuring submission of information, reports, etc., in connection with the Scheme 2013 to the Recognised Stock Exchange(s) at stipulated periodical intervals or otherwise, as the case may be;
- xxiii) Finalize, approve and authorize executives of the Company to execute various agreements, deeds, writings, confirmations, undertakings, indemnities or other documents, as may be necessary, under the Common Seal of the Company or otherwise, with any party including legal advisors, accountants, share transfer agents, depositaries, custodians, trustees,

bankers and/or others for the purposes of the Scheme 2013 and accept modifications, changes and amendments to any such documents/agreements; and

xxiv) Provide for any statutory, contractual, regulatory or such other matters as may be necessary for the administration and implementation of the Scheme 2013 in accordance with Applicable Law.

**4.3** The ESOS Compensation Committee shall frame suitable policies and systems to ensure that there is no violation of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the SEBI Guidelines and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 or such other applicable Regulation(s) as may be introduced from time to time.

**4.4** The number of members of the ESOS Compensation Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board of Directors of the Company, subject to the provisions of the Applicable Law.

**4.5** No member of the ESOS Compensation Committee shall be personally liable for any decision or action taken in good faith with respect to the Scheme 2013.

**4.6** The ESOS Compensation Committee may formulate various sets of special terms and conditions under this Scheme 2013 to apply to an Employee (or his/her nominee/legal heir, as the case may be). Each of such sets of special terms and conditions under this Scheme 2013 shall be restricted in their application to such Employee {or his/her respective nominee(s)/ legal heir(s)}. The ESOS Compensation Committee may also formulate separate sets of special terms and conditions to apply to each class or category of Employees {or their respective nominee(s)/ legal heir(s)} and each of such sets of special terms and conditions shall be restricted in its application to such class or category of Employees {or their respective nominee(s)/ legal heir(s)}.

**4.7** The ESOS Compensation Committee may appoint a third party to administer the scheme and support employee communication, on its behalf.

## **5. Eligibility, Applicability and Grant**

**5.1** Only Employees are eligible for being Granted Options and RSUs under the Scheme 2013. The Employees to whom the Options and RSUs would be Granted and their Eligibility Criteria (including but not limited to performance, merit, grade, conduct and length of service of the Employee) would be determined by the ESOS Compensation Committee, in its absolute discretion, provided that the ESOS Compensation Committee, during one year, shall not Grant in aggregate the Options and RSUs equal to or exceeding 1% of the issued share capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of the Options and RSUs to identified Employees, without the approval of the shareholders of the Company by way of a separate resolution.

**5.2** The Scheme 2013 shall be applicable to the Company, its Holding and Subsidiary companies in India and abroad, and any successor company thereof and Options and RSUs may be Granted to the permanent Employees in the management cadre

and Managing/Whole time Directors of the Company, its Holding and Subsidiary companies, as determined by the ESOS Compensation Committee at its sole discretion.

- 5.3** The ESOS Compensation Committee may, on such dates as it shall determine, Grant to such eligible Employees as it may in its absolute discretion select, Options and/or RSUs on the terms and conditions and for the consideration as it may decide. The Employee identified for Grant of Options and/or RSUs shall be furnished with: (i) the Letter of Grant; (ii) the disclosures prescribed under the SEBI Guidelines including the salient features of the Scheme 2013; (iii) the ESOS Code of Conduct; (iv) Nomination Form and such other documents as may be prescribed by the ESOS Compensation Committee.

An Employee who wishes to accept the Grant made, must signify his acceptance in the manner specified by the ESOS Compensation Committee within 30 days from the Grant Date. Any Employee, who fails to communicate his acceptance within the stipulated time, is deemed to have rejected the Grant unless otherwise determined by the ESOS Compensation Committee.

- 5.4** The appraisal process for determining the eligibility of the Employees will be specified by the ESOS Compensation Committee, and will be based on criteria such as role/level of the Employee, past performance record, future potential of the Employee, balance number of years of service until normal retirement age and/or such other criteria that may be determined by the ESOS Compensation Committee at its sole discretion.
- 5.5** Notwithstanding anything contained herein, the ESOS Compensation Committee may not Grant or Vest any Options or RSUs to an eligible Employee in the event it is found that the eligible Employee has not performed upto the expectations or has not been regularly attending the office for a substantial period of time without any valid reason or authority or is found to be guilty of fraud or misconduct or has violated the Company Policies/Terms of Employment or refuses to give an undertaking to abide by the ESOS Code of Conduct or on account of such other circumstances as the ESOS Compensation Committee may at its absolute discretion decide.

## **6. Vesting Schedule and Conditions**

- 6.1** The Options and RSUs Granted under Scheme 2013 would Vest not earlier than one year from the Grant Date in accordance with the SEBI Guidelines and not later than such Vesting Period as set forth in Clause 6.2 below or such other period or manner as may be determined by the ESOS Compensation Committee from time to time on the Grant Date.

Vesting of Options and RSUs shall be subject to the condition that the Grantee is in continuous employment with the Company and is not serving any notice of resignation (see Clause 7.8) on the date of such Vesting (except in the case of (i) death (see Clause 7.5); (ii) Permanent Disability suffered by the Grantee (see Clause 7.6); (iii) retirement (see Clause 7.7); or (iv) transfer to an entity within the Group (see Clause 7.10)) and shall not be subject to any pending disciplinary proceeding and thus the Options and RSUs would Vest on passage of time.

In addition to this, the ESOS Compensation Committee may also specify certain performance parameters subject to which the Options would Vest. The specific Vesting schedule and conditions, if any, subject to which Vesting would take place would be outlined in the Letter of Grant given to the Grantee at the time of the Grant of Options and RSUs.

- 6.2 i) Vesting Period for Options: The Options Granted under the Scheme 2013 shall Vest in the manner set forth below:
- 25% of Options Granted shall Vest at the end of one year from the Grant Date
  - 25% of Options Granted shall Vest at the end of two years from the Grant Date
  - 25% of Options Granted shall Vest at the end of three years from the Grant Date
  - 25% of Options Granted shall Vest at the end of four years from the Grant Date
- ii) Vesting Period for RSUs: The RSUs Granted under the Scheme 2013 shall Vest at the end of three years from the Grant Date.

6.3 Notwithstanding the above, the ESOS Compensation Committee may (i) not Vest any of the Options and RSUs already Granted or (ii) Vest such lesser number of Options and RSUs than as already Granted, based on the performance of the Company and/or in the event it is found that the Grantee has not satisfied any Vesting Condition or has not performed upto the expectations or has not been regularly attending the office for a substantial period of time without any valid reason or authority or has been put on a modified employment arrangement such as part-time working, reassignment to lower accountability, sabbatical, leave without pay, or is found to be guilty of fraud or misconduct or has violated the Company Policies/Terms of Employment or the ESOS Code of Conduct or on account of such other circumstances as the ESOS Compensation Committee may in its absolute discretion decide.

## 7. Exercise

7.1 **Exercise Application:** The Grantee may, at any time during the Exercise Period, and subject to fulfillment of conditions of the Grant and Vesting, as applicable, Exercise the Options and/or RSUs (as the case may be) by submitting Exercise Application to the Company, for issuance and allotment of Shares pursuant to the Vested Options and/or Vested RSUs, accompanied with the:

- i) payment of an amount equivalent to the Option Exercise Price and/or the RSU Exercise Price, as the case may be, in respect of such Shares; and/or
- ii) such other documentation as the ESOS Compensation Committee may specify to confirm extinguishment of the rights comprising in the Options and/or the RSUs then Exercised, subject to Applicable Law.

The Exercise Application shall be in such form as may be prescribed in this regard by the ESOS Compensation Committee and the ESOS Compensation Committee may determine the procedure for such Exercise from time to time.

## 7.2 Exercise Price:

- i) Option Exercise Price: The Option Exercise Price would be determined by the ESOS Compensation Committee, provided that the Exercise Price per Option shall not be less than the face value of the Equity Shares of the Company as on the date of Grant of Options.
- ii) RSU Exercise Price: The RSU Exercise Price shall be the face value of the Equity Shares of the Company as on the date of Grant of RSUs.

The Option Exercise Price, as determined by the ESOS Compensation Committee and the RSU Exercise Price will be appropriately specified in the relevant Letter of Grant given to the Grantee at the time of the Grant of Options and/or RSUs.

- 7.3 Each Option and each Restricted Stock Unit would entitle the Grantee, on Exercise, to acquire 1 (One) Equity Share of the face value of Rs. 10/- each (or such other number as adjusted for any change in capital structure of the Company and other corporate action, as the case may be, in terms of Clause 3.3 of this Scheme 2013 or otherwise as adjusted from time to time, as may be determined by the ESOS Compensation Committee pursuant to the provisions of the Scheme 2013). Provided that, in the event of Exercise of Options and RSUs resulting in fractional Shares, the ESOS Compensation Committee shall be entitled to round off the number of Shares to be issued to the nearest whole number, and exercise price shall be correspondingly adjusted. All Shares of the Company allotted consequent to Exercise of Options and RSUs shall rank *pari passu* with the then existing equity shares of the Company.

The Shares that will be allotted upon Exercise in accordance with the provisions of the Scheme 2013 will be in dematerialised form only, unless otherwise determined by the Board / ESOS Compensation Committee.

- 7.4 **Exercise Period:** Subject to the provisions of Clause Nos. 7.5, 7.6, 7.7, 7.8, 7.9, 7.10, 7.11 and 7.12 herein the Options and RSUs Granted to a Grantee shall be capable of being Exercised within a period of five years from the date of Vesting of the respective Options and RSUs or such other period as may be determined by the ESOS Compensation Committee from time to time.

During the Exercise Period relating to each Vesting, Vested Options and Vested RSUs can be Exercised in one or more tranches, such that each tranche will be a minimum of 100 Options or 100 RSUs, as the case may be, except in cases where the number of Vested Options or Vested RSUs is less than 100 or where the number of outstanding Vested Options or outstanding Vested RSUs is less than 100.

- 7.5 **In case of death:** Subject to Clause 6.3 above, in the event of the death of a Grantee while in employment with the Company, all the Unvested Options and RSUs Granted to him shall Vest in his nominee(s)/legal heir(s)/successor(s) immediately on the date of death or upon expiry of one year from the date of Grant of the Options and RSUs, whichever is later. All the Options and RSUs (including those

which Vest upon the death of the Grantee) shall be Exercised by the nominee(s)/legal heir(s)/successor(s) of the Grantee within three years from the date of death of the Grantee (subject to the last date of Exercise not exceeding five years from the date of each Vesting of Options and RSUs, as the case may be), failing which these shall lapse. The mode of nominating any person as a nominee would be prescribed by the ESOS Compensation Committee. In case of the death of any Grantee who has not nominated any person(s), the Options and RSUs Granted shall be Exercisable by the legal heir(s) / successor(s) of such Grantee, provided however that the legal heir(s) / successor(s) shall be required to produce/furnish to the Company all such documents / indemnities as may be required by the Company to prove the succession to the assets of the deceased Grantee. In case the proof of succession is not produced to the Company within six months from the date of death of the Grantee or such further time as the ESOS Compensation Committee may permit in its absolute discretion, the Options and the RSUs shall lapse and shall be available for Grant by the ESOS Compensation Committee to any other Employee(s) as it may deem fit in its absolute discretion.

- 7.6 In case of Permanent Disability:** Subject to Clause 6.3 above, in the event of separation of a Grantee due to reasons of Permanent Disability, all the Unvested Options and RSUs Granted to him shall Vest in him immediately on the date of such Permanent Disability or upon expiry of one year from the date of Grant of the Options and RSUs, whichever is later. All the Options and RSUs (including those which Vest upon the Permanent Disability of the Grantee) shall be Exercised by him within three years from the date of separation on account of such Permanent Disability (subject to the last date of Exercise not exceeding five years from the date of each Vesting of Options and RSUs, as the case may be), failing which these shall lapse. In the event of death of the Grantee after such separation, the nominee(s)/legal heir(s)/successor(s) of such Grantee will be allowed to Exercise all Options and RSUs (including those which Vest upon the Permanent Disability of the Grantee), within three years from the date of separation of the Grantee on account of such Permanent Disability (subject to the last date of Exercise not exceeding five years from the date of each Vesting of Options and RSUs, as the case may be), failing which these shall lapse.
- 7.7 In case of Retirement:** Subject to Clause 6.3 above, in the event of separation from employment for reasons of normal retirement or a Retirement specifically approved by the Company:
- i) In case of Unvested Options: all Unvested Options, which are, in terms of the applicable Vesting Schedule, scheduled for Vesting within 12 months from the date of Retirement of the Grantee will Vest on the due dates as per applicable Vesting Schedule outlined in the Grant Letter and the balance Unvested Options will lapse on the date of Retirement, unless otherwise determined by the ESOS Compensation Committee whose determination shall be final and binding.
  - ii) In case of Unvested RSUs: for every six months of continued service with the Company from the date of the Grant upto the date of the Retirement, 16.67% of the total RSUs Granted would be eligible for Vesting at the end of three years from the Grant Date and the balance Unvested RSUs will lapse on the date of Retirement, unless otherwise determined by the ESOS



Compensation Committee whose determination shall be final and binding.

After the date of Retirement, all Vested Options and Vested RSUs shall be exercisable by the Grantee (or by the nominee(s)/ legal heir(s)/ successor(s) of the Grantee as the case may be, upon the death of the Grantee) within three years from the date of Retirement, subject to the last date of Exercise not exceeding five years from the date of each Vesting of Options and RSUs, as the case may be.

- 7.8 In case of resignation:** In the event of resignation, all Unvested Options and Unvested RSUs, on the date of submission of resignation to the Company, shall expire and stand terminated with effect from that date. However, all Vested Options and Vested RSUs as on such date shall be exercisable by the Grantee on or before his last working day with the Company, subject to the last date of Exercise not exceeding five years from the date of each Vesting of Options and RSUs. In the event of Death or Permanent Disability of the Grantee after the submission of resignation as aforesaid but before his scheduled last working day with the Company, the provisions of Clause 7.5 or Clause 7.6 as the case may be, shall mutatis mutandis be applicable with respect to the Exercise of the Vested Options and RSUs.
- 7.9 In case of abandonment of employment:** In the event of abandonment of employment by a Grantee without the Company's consent, all Options and RSUs Granted to such Grantee, including the Vested Options and Vested RSUs, which were not Exercised prior to the abandonment of employment, shall stand terminated with immediate effect. The ESOS Compensation Committee, at its sole discretion shall decide the date of abandonment of employment by an Employee and such decision shall be final and binding on all concerned.
- 7.10 In case of transfer to an entity within the Group:** In the event a Grantee is transferred by the Company to any other entity within the Group (and provided that, during the relevant Vesting Period, the Grantee continues to be in employment with any entity within the Group subsequent to the transfer from the Company):
- i) all Unvested Options, which are, in terms of the applicable Vesting Schedule, scheduled for Vesting within 18 months from the date of the transfer of such Grantee, will Vest on the due dates as per applicable Vesting Schedule outlined in the Grant Letter and the balance Unvested Options will lapse on the date of such transfer, unless otherwise determined by the ESOS Compensation Committee whose determination shall be final and binding;
  - ii) in case of Unvested RSUs, for every six months of continued service with the Company from the date of the Grant until the date of the transfer, 16.67% of the total RSUs Granted would be eligible for Vesting at the end of three years from the Grant Date and the balance Unvested RSUs will lapse on the date of such transfer, unless otherwise determined by the ESOS Compensation Committee whose determination shall be final and binding.

All the provisions of Clause Nos.7.5, 7.6, 7.7, 7.8 and 7.9 of this Scheme 2013 shall apply mutatis mutandis to this Clause 7.10.

- 7.11 In case of breach of Company policies or terms of employment:** In the event of termination of the employment of a Grantee due to breach of Company Policies/Terms of Employment, all Options and RSUs Granted to such Grantee, including the Vested Options and Vested RSUs which were not Exercised prior to such breach, shall stand terminated with immediate effect. The date of such breach shall be determined by the ESOS Compensation Committee, and its decision on this issue shall be final and binding on all concerned.
- 7.12** The Options and RSUs Granted but not Vested and the Vested Options and Vested RSUs which are not Exercised in case of a Grantee who has been suspended from the services of the Company or to whom a show cause notice has been issued or against whom an enquiry is being or has been initiated for any reason whatsoever including but not limited to fraud, misconduct, violation of the Company Policies/Terms of Employment or Codes of the Company or for having committed or abetted any illegal or unlawful activity may, on the recommendation of the management, be suspended or kept in abeyance or cancelled at the sole discretion of the ESOS Compensation Committee. In the case of Options and RSUs that have been suspended or kept in abeyance, the same may be permitted to Vest in the concerned Grantee on such additional terms and conditions, as may be imposed by the ESOS Compensation Committee in its absolute discretion. Cancelled Options and RSUs, if any, shall be treated as lapsed Options and RSUs respectively and shall be available for Grant, as provided under Clause 3.4.
- 7.13 Cashless Exercise:** Notwithstanding anything contained herein and subject to applicable provisions of the Companies Act, a Grantee may be permitted to opt for cashless Exercise, if any, whereby the Company may, on a best effort basis, arrange for a loan, if so required by a Grantee, to enable him to pay for the Option Exercise Price and RSU Exercise Price in respect of the Options and RSUs Exercised by the Grantee (as the case may be) at such terms as the Company and/or the ESOS Compensation Committee may decide in accordance with the provisions of the Applicable Law. Such permission to opt for cashless Exercise under the Scheme 2013, shall be subject to the discretion of the ESOS Compensation Committee and the decision of the ESOS Compensation Committee in this regard shall be binding on the Grantee.

## **8. Other Terms and Conditions**

- 8.1** Nothing herein is intended to or shall give the Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc) in respect of any Shares covered by the Grant unless the Grantee Exercises the Options and/or the RSUs (as the case may be) and becomes a registered holder of the Shares of the Company.
- 8.2** The Option and the Restricted Stock Unit shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner whatsoever. The Company shall not recognise any pledge, hypothecation, mortgage or other alienation done in violation of this condition.
- 8.3** If the Company issues bonus or rights shares or any other securities to the then existing shareholders of the Company, the Grantee will not be eligible for the same in the capacity of a Grantee. However, an adjustment to the number of Options and

RSUs or the relevant exercise price or both would be made in accordance with Clause 3.3 of the Scheme 2013.

- 8.4** In the event of any change in the constitution of the Company namely change of control of the Company, re-structuring of the Company, including but not limited to, merger, de-merger, spin-off, reverse merger, subsidiarisation etc. or amalgamation of any other entity with the Company, outside the Group, the Unvested Options and the Unvested RSUs shall Vest forthwith in respect of the persons who cease to be employees of the Company as a consequence of such change in the constitution of the Company (unless otherwise determined by the ESOS Compensation Committee) subject to the minimum time for Vesting prescribed under the SEBI Guidelines. In the event of the minimum time for Vesting as prescribed under the SEBI Guidelines not being completed as on the date of such change in the constitution of the Company, the Unvested Options and Unvested RSUs shall vest upon the completion of the minimum time period. In such an event the ESOS Compensation Committee would have the authority to alter all or any of the terms relating to the Grant or the Scheme 2013 in general and would also have the authority to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under Applicable Law, so as to ensure that "fair" and equitable benefits under the Grant are passed on to the Employees. The ESOS Compensation Committee shall take appropriate actions to endeavour that the total value of the Options and RSUs remains the same after the aforesaid corporate actions and in this regard shall if necessary, arrange issuance of fresh Options/RSUs/ shares of the Holding/Subsidiary companies of the Company and/or resultant entities emerging due to such corporate actions.

Provided that after the date of Transfer consequent to change in constitution of the Company as mentioned above, all Vested Options and Vested RSUs shall be exercisable by the Grantee (or by the nominee(s)/ legal heir(s)/ successor(s) of the Grantee as the case may be, upon the death of the Grantee) within three years from the date of such Transfer, subject to the last date of Exercise not exceeding five years from the date of each Vesting of Options and RSUs, as the case may be.

- 8.5** Options and RSUs shall not be transferable or assignable to any person except in the event of death of the Grantee, in accordance with Clause 7.5 and Clause 7.6 of this Scheme 2013.
- 8.6** No person other than the Grantee to whom the Option and Restricted Stock Unit are granted shall be entitled to Exercise the Option and the RSUs (as the case may be) except in the event of the death or permanent disability of the Grantee.
- 8.7** Notwithstanding anything contained elsewhere in the Scheme 2013, the Company or the Board of Directors or the ESOS Compensation Committee will not be obliged to issue or allot or sell any Shares upon Exercise of the Options and RSUs or otherwise unless the issuance and delivery of such Shares complies, in the judgment of the Company, with all the relevant provisions of Applicable Law including but not limited to, any applicable securities laws and the requirement of any Recognised Stock Exchange(s) on which the shares of the Company are listed. In such event, the Company shall not be liable to pay any compensation or similar payment to any Employee for any loss suffered due to such refusal/ deferral to permit Exercise.

**8.8** The Shares issued pursuant to any Exercise of Options or RSUs, along with other shares issued by the Company, subject to Applicable Law and procedure, shall be subject to an approved scheme of buy-back by the Company.

**8.9** An Employee may surrender his Options and/or RSUs (Vested and un-Exercised and Unvested) at any time during his employment with the Company till the Scheme 2013 remains in effect. Any Employee willing to surrender his Options and/or RSUs shall communicate the same, in writing, to the ESOS Compensation Committee. Thereafter the surrendered Options and RSUs shall lapse or expire with effect from the date of surrender and the underlying shares shall become available for future Grant in the form of Options and/or RSUs as provided under Clause 3.4.

## **9. Transferability of Shares**

There will be no restriction on transferability of the Shares, which may be issued and allotted on Exercise of the Options and RSUs Granted pursuant to this Scheme 2013. However, Employees are required to always adhere to Applicable Law, Company Policies/Term of Employment and the ESOS Code of Conduct while dealing in the Shares or exercising any rights there under. In particular, each Employee shall ensure that there is no violation of the provisions of (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, (b) Company's Share Dealing Policies and Codes or (c) other applicable restrictions for prevention of fraudulent and/or unfair trade practices relating to the securities market.

## **10. Lock-in Period**

There will be no Lock-in Period in respect of the Shares, which may be issued and allotted on Exercise of the Options and RSUs Granted pursuant to this Scheme 2013.

## **11. Tax Liability**

The liability of paying tax, if any, on the Options and RSUs Granted pursuant to the Scheme 2013 and the Shares issued pursuant to Exercise of Options and RSUs shall be entirely on the Grantee (his nominee(s)/ legal heir(s)/ successor(s) as the case may be) and shall be in accordance with the provisions of Income Tax Act, 1961 (or any re-enactment thereof) and/or the rules framed there under and if such Grantee (his nominee(s)/ legal heir(s)/ successor(s) as the case may be) is resident in a territory outside India, it shall also be in accordance with tax laws applicable to such territory. In the event of any amendments or modifications to the provisions of the Income Tax Act, 1961 (or any re-enactment thereof) and/or the rules framed there under, as existing on the date of this Scheme 2013, the ESOS Compensation Committee shall have the power to amend or modify this Scheme 2013, without the consent of the Employees or the shareholders, as the case may be, in order to ensure that the Company is in the same position as it would have been had the amendments or modifications in the Income Tax Act, 1961 (or any re-enactment thereof) and/or the rules framed there under not been made.

## **12. Tax Deduction at Source**

The Company shall have the right to deduct from the salary of the Grantee or receive from the Grantee (his nominee(s)/ legal heir(s)/ successor(s) as the case

may be) any of the tax obligations, as stated in Clause 11 above, arising in connection with the Option or Restricted Stock Unit or the Shares acquired upon the Exercise thereof. The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Grantee.

### **13. Authority to vary terms**

**13.1** Subject to Applicable Law, the ESOS Compensation Committee will at its absolute discretion have the right to modify/amend the Scheme 2013 in such manner and at such time or times as it may deem fit, subject however that any such modification/amendment shall not be detrimental to the interest of the Grantees/Employees and approval wherever required for such modification/amendment is obtained from the shareholders of the Company in terms of the SEBI Guidelines.

**13.2** The ESOS Compensation Committee may re-price the Options, which are not exercised, if such Options are rendered unattractive due to fall in the share price of the Company in the stock market. Provided that the ESOS Compensation Committee shall ensure that such re-pricing shall not be detrimental to the interest of the Grantees/Employees and such re-pricing is in terms of and in compliance with the SEBI Guidelines and Applicable Law.

### **14. Miscellaneous**

#### **14.1 Government Regulations**

This Scheme 2013 shall be subject to the Applicable Law and any approvals from the governmental authorities.

#### **14.2 Inability to obtain approval**

The inability of the Company to obtain approval from any regulatory body having jurisdiction over the Company, or under any Applicable Law, for the lawful issuance and sale (to the extent permitted by law) of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell (to the extent permitted by law) such Shares.

**14.3** The Grant of an Option or RSU does not form part of the Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person and the Company give such person any right or entitlement to have an Option or RSU Granted to him in respect of any number of Shares or any expectation that an Option or RSU might be Granted to him whether subject to any condition or at all.

**14.4** Neither the existence of this Scheme 2013 nor the fact that an individual has on any occasion been Granted an Option or RSU shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Scheme 2013 by being Granted an Option or RSU on any other occasion.

**14.5** The rights granted to a Grantee upon the Grant of an Option or RSU shall not afford the Grantee any rights or additional rights to compensation or damages in

consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

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

**14.7** Nothing contained in the Scheme 2013 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
- ii) interfere in any way with the right of the Company to terminate employment or services of any Employee at any time.

**14.8** Neither the adoption of the Scheme 2013 nor any action of the ESOS Compensation Committee shall be deemed to give an Employee any right to be Granted any Option or RSU to acquire Shares or to any other rights except as may be evidenced by a Letter of Grant.

**14.9** Participation in this Scheme 2013 shall not be construed as any guarantee of return on any investment. Any loss due to fluctuations in the Price of the Shares and the risks associated with the investments is that of the Employee alone. The Company shall not in any way be responsible for the loss, if any, that may arise as a result of any fluctuation in the Price of the shares of the Company.

**15. Confidentiality**

Employees shall keep the details of the Options and RSUs Granted to them strictly confidential and shall not share/disclose the said details with/to any other person. In case of non-adherence of the provisions of this Clause, the ESOS Compensation Committee will have the authority to deal with such cases as it may deem fit in its absolute discretion. Any decision as may be taken by the ESOS Compensation Committee in this regard will be final and binding on all concerned.

**16. Method used for Valuing Options**

The Company shall follow the Intrinsic Value Method for computing the compensation cost for the Options and RSUs Granted. The difference between the compensation cost so calculated and the compensation cost that would have been recognised if the Company had used the Fair Value Method and its impact on the profits and earnings per share shall be disclosed in its Directors' Report.

**17. Listing of the Shares**

Subject to the approval of the Recognised Stock Exchange(s), the Shares issued and allotted on Exercise of the Options and RSUs shall be listed on such Recognised Stock Exchange(s) on which the shares of the Company are listed or proposed to be listed.

**18. Conformance to the Accounting Policies**

The Company shall conform to the accounting policies prescribed by SEBI and as specified by the SEBI Guidelines from time to time.

**19. No Restriction on Corporate Action**

The existence of the Scheme 2013 and any Grant made hereunder shall not in any way affect the right or the power of the Board or the shareholders of 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 of the Company or the rights thereof or from making any corporate action which is deemed to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Scheme 2013 or any Grant made under the Scheme 2013. No Employee or other person shall have any claim against the Company as a result of such action.

**20. New Schemes**

Nothing contained in the Scheme 2013 shall be construed to prevent the Company from implementing any other new scheme for granting stock options (by way of Options or RSUs) and/or share purchase rights, which is deemed by the Company to be appropriate or in its best interest, whether or not such action would have any adverse impact on the Scheme 2013 or any Grant made under the Scheme 2013. No Employee or other person shall have any claim against the Company as a result of such action.

**21. Notices**

All notices or communication required to be given by the Company to a Grantee by virtue of this Scheme 2013 shall be in writing and shall be sent to the address of the Grantee available in the records of the Company and any communication to be given by a Grantee to the Company in respect of Scheme 2013 shall be sent, in writing, at the address mentioned below:

**The Company Secretary  
Idea Cellular Limited  
Address: Windsor, 5<sup>th</sup> Floor,  
Off CST Road, Kalina, Santacruz (East),  
Mumbai - 400 098**

**22. Severability**

In the event that any term, condition or provision of this Scheme 2013 is held to be a violation of or contrary to any Applicable Law, the same shall be severable from the rest of this Scheme 2013 and shall have no force and effect and this Scheme 2013 shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Scheme 2013. In the event of any inconsistency between any of the provisions of this Scheme 2013 and the Applicable Law, the provisions as under the Applicable Law shall prevail.

**23. Arbitration**

All disputes arising out of or in connection with the Scheme 2013 or the Grant, Vesting or Exercise shall be referred for arbitration to a single arbitrator to be appointed by the ESOS Compensation Committee. 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.

**24. Governing Law**

The terms and conditions of the Scheme 2013 shall be governed by and construed in accordance with the laws of India.

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