

**Lupin Limited**

**Lupin Employees Stock Option Plan 2014**

**LUPIN EMPLOYEES STOCK OPTION PLAN 2014**

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## **1. Name of the Plan**

This Plan shall be termed as the Lupin Employees Stock Option Plan 2014 ("Plan").

## **2. Purpose of the Plan**

Lupin Limited ("Company"), a company limited by shares, incorporated and registered under the Companies Act, 1956 having its registered office at Kalpataru Inspire, 3<sup>rd</sup> Floor, Off Western Express Highway, Santacruz (East), Mumbai - 400 055, India, has structured this Plan for its employees. 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 for Shares of the Company.

## **3. Term of the Plan**

This Plan has been approved by the Shareholders of the Company by way of a special resolution passed through postal ballot on October 21, 2014. The Plan shall be effective from November 11, 2014, hereinafter referred to as the "Effective Date" and shall remain effective until (i) its termination by the Company or (ii) the date on which all of the Options available for issuance under the Plan have been issued and exercised, whichever is earlier.

## **4. Power of the Board**

The Board of Directors may subject to compliance with Applicable Laws, at any time alter, amend the Plan or put restrictions or impose any other conditions under the Plan.

## **5. Definitions**

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.

5.1 "Applicable Laws" shall mean laws of India to the extent applicable and as amended, modified, enacted or reenacted from time to time, including but without limitation to, the Companies Act, 2013, Securities Exchange Board of India Act, 1992, the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and all relevant tax, securities, exchange control or corporate laws of India or any relevant jurisdiction or of any stock exchange on which the Shares are listed or quoted. 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.

5.2 "Acceptance Form" shall mean the form which the Grantee has to submit indicating his acceptance of the offer made to him to participate in the Plan.

- 5.3 "Beneficiary" means the person, persons, trust or trusts designated by a 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 nomination form in the exercise of any powers conferred under the Plan or any other agreements forming part thereof.
- 5.4 "Board" means the Board of Directors of the Company.
- 5.5 "Income Tax Law" means provisions of the Income Tax Act, 1961 read with Income Tax Rules, 1962 on Employee Stock Option or Employee Stock Option Plan and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.
- 5.6 "Committee" means the Nomination and Remuneration Committee of the Board consisting of majority of independent directors that has been constituted by the Board for administration and superintendence of this Plan pursuant to Clause 7 below.
- 5.7 "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.
- 5.8 "Company" shall mean Lupin Limited, a company limited by shares, incorporated and registered under the Companies Act, 1956 having its registered office at Kalpataru Inspire, 3<sup>rd</sup> Floor, Off Western Express Highway, Santacruz (East), Mumbai - 400 055, India.
- 5.9 "Corporate Action" shall have meaning as understood under the SEBI Guidelines.
- 5.10 "Employee" means a permanent employee who is on the payroll of the Company, whether located in or outside India and who is subject to the control and direction of the Company with respect to both, the work to be performed and the manner and method of performance and includes whole time director(s) of the Company.
- 5.11 "Exercise" means making of an application by the Participant to the Company for issue of Shares against the Options vested in the Participant in pursuance to this Plan on payment of the Exercise Price.
- 5.12 "Exercise Date" means the date on which the Participant exercises his Options and in case of partial exercise shall mean each date on which the Participant exercises part of his Options.
- 5.13 "Exercise Period" means a period not exceeding 10 years from the Grant Date within which the Vested Options can be exercised.
- 5.14 "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 12 below and shall be communicated in the grant letter.
- 5.15 "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 3rd May, 2000.
- 5.16 "Grant" means the process by which a Grantee is granted an Option.

- 5.17 "Grant Date" means the date on which the Options are granted to a Grantee by the Company under the Plan.
- 5.18 "Grant Letter" means the letter by way of which grant of an Option is communicated to the Grantee.
- 5.19 "Grantee" shall mean an Employee whom Options are granted under the Plan.
- 5.20 "Group" means the Company, its Holding Company and its Subsidiary Companies.
- 5.21 "Holding Company" means a company as defined under section 2 (46) of the Companies Act, 2013.
- 5.22 "Independent Director" shall have the same meaning assigned to it in Clause 49 of the equity Listing Agreement and who apart from receiving director's remuneration do not have any other material pecuniary relationship or transactions with the company, its promoters, its management or its subsidiaries, which in judgement of the Board may affect independence of judgement of the director. Further, Independent Director should neither be a whole-time director nor a Promoter nor belonging to the Promoter group.
- 5.23 "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 12 below.
- 5.24 "Participant" means a Grantee who accepts an offer from the Company to participate in the Plan pursuant to Clause 10 below.
- 5.25 "Plan" shall mean the Lupin Employees Stock Option Plan 2014 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.
- 5.26 "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 Promoter of that body corporate shall be deemed to be a Promoter of the Company.

- 5.27 "Promoter group" means:
- a) an immediate relative of the Promoter; or
  - b) persons whose shareholding is aggregated for the purpose of disclosing in the offer document "shareholding of the promoter group".

- 5.28 "Relative" shall have the same meaning as defined under Section 2(77) of the Companies Act, 2013 and Rules made thereunder.
- 5.29 "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, variations, enactments or re-enactments thereof from time to time.
- 5.30 "Share" means an equity Share of the Company of face value of Rs. 2/-.
- 5.31 "Shareholder" means the registered holder of any share in the share capital of the Company.
- 5.32 "Subsidiary Company" means a company as defined under section 2 (87) of the Companies Act, 2013.
- 5.33 "Termination date" means the date of termination of employment of the Participant with the Company or Group.
- 5.34 "Unvested Option" means an Option, which is not a Vested Option.
- 5.35 "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.
- 5.36 "Vesting Period" means the period during which the vesting of the Option granted to the Participant in pursuance of the Plan takes place.
- 5.37 "Vested Option" means an Option, which has vested with the Participant and has thereby become exercisable.
- 5.38 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.

## **6. Eligibility**

- 6.1 Subject to sub-clause 6.2 below, the Employees shall be entitled to participate in the Plan (the "Eligible Employee"). 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 based

on the length of service, grade, performance, merit, key position, future potential contribution, terms of the contract and conduct of the employee, etc.

6.2 An Employee who is

- a Promoter, or
- belongs to the Promoter group or
- 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, or
- an Independent Director of the Company,

shall not be eligible to participate in the Plan.

## **7. Administration of the Plan**

7.1 The Plan shall be administered by the Committee. The Committee is authorised 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 Employees and determine the date of Grant.
- d) Determine the number of Options to be granted to each Grantee.
- e) Determine the number of Shares of the Company to be covered by each Option granted under the Plan.
- f) Determine the method for exercising the Vested Options.
- g) Determine the Exercise price of the Options granted.
- h) Determine the terms and conditions of any Option granted hereunder.
- i) Approve forms or agreements for use under the Plan.
- j) Decide all other matters that must be determined in connection with an Option under the Plan.
- k) Construe and interpret the terms of the Plan, and the Options granted pursuant to the Plan.

- l) Frame suitable policy, procedure and system to comply with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 2003 to be followed by the Participants.

- 7.2 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 Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Option granted there under.

## **8. Shares Pool**

The maximum number of Shares that may be issued pursuant to exercise of Options granted to the Participants under this Plan shall not exceed 29,75,000 (Twenty Nine Lacs Seventy Five Thousand only). The Company reserves the right to increase or reduce such number of Shares as it deems fit in due compliance of the Applicable Laws.

## **9. Grant of Options**

- 9.1 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.
- 9.2 Each Option will entitle the Participant to one Equity Share of the Company.
- 9.3 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 3,37,500 (Three Lacs Thirty Seven Thousand Five Hundred only). Further, the Shares to be allotted to the non- resident Employees (as per Foreign Exchange Management Act, 1999) should not exceed the limit provided in FEMA Regulation.
- 9.4 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, Exercise Period and the Closing date of accepting the offer.
- 9.5 The Closing date shall not be more than 60 (Sixty) days from the Grant Date.
- 9.6 An offer made under clause 9.1 above, is personal to the Grantee and Option cannot be transferred in any manner whatsoever.

## **10. Method of acceptance**

- 10.1 Any Grantee who wishes to accept an offer made pursuant to Clause 9 above 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.



- 10.2 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.
- 10.3 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.

## **11. Vesting of Options**

- 11.1 Subject to the terms contained herein, the acceptance in accordance with Clause 10 above, 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.
- 11.2 Subject to Participant's continued employment with the Group and clause 14, the Unvested Options shall vest with the Participant automatically in accordance with the following schedule:
- i) 25 % of the total Options granted, shall vest on completion of 1 (one) year from the date of grant ('First Vesting date');
  - ii) further 25 % of the total Options granted, shall vest on the first anniversary of the First Vesting date ;
  - iii) further 25 % of the total Options granted, shall vest on the second anniversary of the First Vesting date; and
  - iv) the balance 25 % of the total Options shall vest on the third anniversary of the First Vesting date.

## **12. Exercise Price**

The Exercise Price of the Option shall be Rs.2/- (i.e. face value of the equity share as on the Grant date) or such other price as may be determined by the Committee. The Exercise Price shall be paid to the Company in cash or in any other mode as prescribed by the Committee .

## **13. Exercise of Options**

- 13.1 The Vested Options shall be exercisable according to the terms and conditions as determined and set forth under the Plan.
- 13.2 Subject to clause 14.1 below, the Participant alone can exercise the Vested Option.

- 13.3 Subject to clause 11 above and clause 14 below, 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 13.4 below.
- 13.4 No fraction of a Vested Option shall be exercisable in its fractional form.
- 13.5 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.
- 13.6 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.
- 13.7 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 after completing the necessary formalities in this regard, or, if requested in writing by the Participant, to the Participant jointly with another person, provided the Committee / Company finds the Exercise form complete and conditions of the Plan are complied with. 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. The Employee shall sell the Share so acquired in accordance with suitable policies/ rules/ procedures framed by the Company/ the Committee as required by SEBI.
- 13.8 The Shares of the Company allotted consequent to exercising of Options shall rank pari passu with the Shares of the Company.
- 13.9 There will be no lock in period in respect of the Shares, which may be allotted upon exercising of Options.
- 13.10 The Shares allotted upon exercising of Option shall be listed on such stock exchanges, where the Shares of the Company are listed, subject to the terms and conditions of the Listing Agreement.
- 13.11 Notwithstanding anything else contained in this Plan, if the Participant does not Exercise his Vested Options within the time specified in clause 13.3 above and clause 14 below, the Options shall lapse.
- 13.12 There shall be no cashless exercise of the Options unless otherwise decided by the Committee.

## **14. Termination of employment**

- 14.1 On death of a Participant

In the event of death of a Participant while in employment, all the Options granted to him till such date shall vest in the Beneficiary of the deceased Participant. All the Vested Options shall be permitted to be exercised within 2 (two) years from the date of death. However, under no circumstances, Options can be exercised by the Beneficiary beyond the Exercise period.

14.2 On disability of Participant

In the event of the termination of a Participant's employment with 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 as on the date of permanent incapacitation, shall vest in him on that day. All the vested Options shall be permitted to be exercised within 2 (two) years from the date of termination. However, under no circumstances option can be exercised beyond the Exercise period.

14.3 On Attainment of Superannuation age

Upon the retirement of the Participant on superannuation, the Unvested Options shall continue to vest as per the schedule, subject to the following conditions: -

- i. Such Participant, after his superannuation with the Group, shall not directly or indirectly, or through his relatives, engage in any service or business of a competitive nature with that of the Company:
- ii. The Participant shall furnish a Declaration to the Company that he shall not engage in any activity stipulated in Clause (i) above: and
- iii. The decision of the Company to allow or disallow the vesting of options shall be final.

All vested options shall be permitted to be exercised within 2 (two) years from the date of retirement on superannuation or 90 (ninety) days from the vesting date, whichever is later. However, under no circumstances, the vested options can be exercised beyond the exercise period.

14.4 Termination with cause

In case the termination of employment of a Participant with the Group is with cause (i.e. negligence, fraud, professional misconduct, moral turpitude etc), his/ her Options (Vested as well as Unvested) shall lapse on the termination date and the contract referred to in clause 11.1 above shall stand automatically terminated.

14.5 Other termination

In case the service of the Participant with the Group is terminated due to resignation of the Participant from the Group or otherwise, 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. All Unvested Options on the date of termination shall lapse.

14.6 Long Leave

Long leave of the Participant approved by the Company shall not have any effect on the vesting and exercise of Options granted to him under the Plan.

## **15. Notices and correspondence**

- 15.1 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 General Manager - Investors' Services, of the Company at the registered office of the Company or the Committee as may be notified by the Company in writing.
- 15.2 Any notice, required to be given by the Company or the Committee to a Participant or any correspondence to be made between the Company or the Committee and a Participant shall be given or made by the Company or the Committee on behalf of the Company at the address provided by the Participant in his acceptance form.

## **16. Beneficiary designation**

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.

## **17. Non-transferability of Options**

Save as provided in Clause 14.1 above, 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 laws, and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void and unenforceable against the Company.

## **18. Corporate Action**

In the event of any Corporate Action, the Company, in consultation with the Committee, subject to the provisions of the Plan and Applicable Laws, shall make fair and reasonable adjustments to 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.

## **19. Withholding Tax**

- 19.1 All Options granted under the Plan shall be subject to all applicable withholding tax requirements, if any under the Income Tax Law, and the Company or Committee may withhold such taxes accordingly.

Notwithstanding anything else contained in this Plan, no Shares/sale proceeds therefrom, as the case may be, shall be disbursed to the Participant or his Beneficiary, on exercise of the Options under this Plan unless appropriate taxes as required under the Income Tax Law, are discharged.

- 19.2 Any Income Tax liability arising upon exercising of options and sale of allotted shares, shall be borne by the employee.

## **20. Accounting and Disclosures**

### **20.1 Accounting**

The Company shall comply with the following accounting policies as prescribed under the SEBI Guidelines in addition to any other requirements for accounting of Options:

- i. In respect of Options granted during any accounting period, the accounting value of the Options shall be treated as another form of employee compensation in the financial statements of the Company.
- ii. The accounting value of Options shall be equal to the aggregate, over all Options granted during the accounting period, of the intrinsic value of the Option.

### **20.2 Disclosures**

The Company in addition to any other prescribed disclosure, shall disclose the following particulars as prescribed under the SEBI Guidelines:

- i. The details of grant, vest, exercise and lapse of the Options in the Directors' Report.
- ii. The difference between the employee compensation cost so computed using the intrinsic value of the Options and the employee compensation cost that shall have been recognized if it had used the fair value of the Options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on earning per share of the Company shall also be disclosed in the Directors' Report.

## **21. Certificate from Auditors**

The Board shall at each annual general meeting place before the Shareholders a certificate from the Auditors of the Company that the Plan has been implemented in accordance with the SEBI Guidelines and in accordance with the resolution of the Company in the general meeting.

## **22. Arbitration**

Subject to the provisions of clause 7 of the Plan and at the discretion of the Committee, any dispute being a subject matter of this Plan can be referred to Arbitration as under:

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 notice thereof to the other party in writing. In case of such failure, either party may refer the dispute to a single 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 in 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.

## **23. Governing Laws and Jurisdiction**

- 23.1 This Plan and all agreements thereunder shall be governed by and construed in accordance with the Applicable Laws of India.
- 23.2 Any term of the Plan that is contrary to the requirement of the Income Tax Law, SEBI Guidelines, or any other Applicable Law shall not apply to the extent it is contrary and such provision or requirement of the Income Tax Law, SEBI Guidelines, or any other Applicable Law shall prevail over the relevant provision of the Plan as if it is originally contained in the Plan.
- 23.3 The Courts in Mumbai, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this Plan.
- 23.4 Nothing in this clause shall however limit the right of the Company to bring any proceedings against any Grantee or Participant in connection with this Plan:
- (i) in any other Court of competent jurisdiction; or
  - (ii) con-currently in more than one jurisdiction.

## **24. Regulatory approvals**

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, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.

## **25. Modification of Plan**

The Committee may subject to compliance of Applicable Laws at any time and from time to time:

- 25.1 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;
- 25.2 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

25.3 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.

25.4 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.

## **26. Miscellaneous provisions**

26.1 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 here-under to such Participant.

26.2 This Plan shall not form part of any contract of employment between the Company 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.

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

26.4 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.

26.5 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 and/ or submitting the Exercise form, the Participant thereof is deemed to have represented to the Company 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.

26.6 The grant of Option does not constitute guarantee or continuity of employment and the Company shall reserve the right to terminate the employment of Grantee with the Company in accordance with the terms of employment. 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.

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

26.8 This Plan constitutes the entire document in relation to its subject matter and supersedes all prior agreements and understandings whether oral or written with respect to such subject matter.

- 26.9 In the event that any term, condition or provision of this Plan being held to be a violation of any Applicable law, statute or regulation, the same shall be severable from the rest of this Plan and shall be of no force and effect and this Plan shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Plan.

## **27. Set-off**

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

## **28. Effect of termination of the Plan**

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.

## **29. Confidentiality**

- 29.1 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 so under any statutes or regulations applicable to such Participant.
- 29.2 On acceptance of the grant of Option offered by the Company, it shall be deemed that as if the Participant has authorized the Company to disclose information relating to the Participant during the process of implementation of the Plan or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need to know basis.

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