

August 13, 2015

To, Mr. Avinash Kharkar Asst. Vice President Listing & Compliance National Stock Exchange of India Limited Exchange Plaza Bandra-Kurla Complex Bandra (East) Mumbai 400 051 Scrip Code – OFSS	To, Mr. Abhijit Pai ✓ Asst. General Manager Listing & Compliance BSE Ltd. 1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 Scrip Code – 532466
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Sub: Intimation of Amendment in the existing ESOP Schemes of the Company

This is to inform you that, pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014 ("Regulations"), the Company has amended its existing ESOP Schemes (namely, 2002 Employees Stock Option Plan, Employees Stock Option Plan 2010 Scheme, Employees Stock Option Plan 2011 Scheme and OFSS Stock Plan 2014) respectively.

A copy of each of the Scheme is enclosed herewith for your reference and records.

Thanking you,

Yours sincerely,

For Oracle Financial Services Software Limited

O. Banerjee

Onkarnath Banerjee
Company Secretary & Compliance Officer

Encl: as above



Oracle Financial Services Software Limited
Stock Plan 2014 (OFSS Stock Plan 2014)



Table of Contents

1. NAME, OBJECTIVE AND TERM OF THE SCHEME	4
2. DEFINITIONS AND INTERPRETATION	4
3. AUTHORITY AND CEILING	12
4. ADMINISTRATION	13
5. ELIGIBILITY, APPLICABILITY AND GRANT	16
6. VESTING SCHEDULE / CONDITIONS	17
7. EXERCISE	17
8. OTHER TERMS AND CONDITIONS	20
9. TRANSFERABILITY OF SHARES	22
10. LOCK-IN PERIOD	22
11. TAX LIABILITY	22
12. AUTHORITY TO VARY TERMS	23
13. MISCELLANEOUS	23
14. CONFIDENTIALITY	25
15. METHOD USED FOR VALUING OPTIONS	25
16. LISTING OF THE SHARES	25
17. CONFORMANCE TO THE ACCOUNTING POLICIES	26
18. NO RESTRICTION ON CORPORATE ACTION	26
19. NEW SCHEMES	26
20. NOTICES	26
21. SEVERABILITY	27
22. ARBITRATION	27
23. GOVERNING LAW AND JURISDICTION	27



1. Name, Objective and Term of the Scheme

1.1 This Scheme shall be called the "OFSS Stock Plan 2014", which expression shall include any alterations, amendments or modifications hereto.

1.2 This OFSS STOCK PLAN 2014 has been formulated by the Nomination and Remuneration Committee of the Company (as defined hereinafter) and approved by it in its meeting held on August 7, 2014 pursuant to the authority vested in it by the shareholders of the Company vide a special resolution passed in their Annual General Meeting held on August 18, 2011 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").

1.3 The objective of the OFSS STOCK PLAN 2014 is to reward OFSS Employees, as defined hereinafter, to motivate them to contribute to the long term growth and profitability of the Company. The Company also intends to use this Scheme to attract and reward talent and performance in the organization. The Company views stock based incentive plans as an instrument that would enable the Employees to share the value they would create and contribute to the Company in the years to come.

1.4 The OFSS STOCK PLAN 2014 is established with effect from August 7, 2014 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 available for issuance under the OFSS STOCK PLAN 2014 have been issued and Exercised as defined hereinafter.

1.5 The Board of Directors may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the OFSS STOCK PLAN 2014.

2. Definitions and Interpretation

2.1 Definitions

- i) "Applicable Law" means every law, rule, regulation or bye-law relating to Employee Stock Options, including, without limitation, the Companies Act,



2013, Securities and 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, rules, regulations or bye-laws of India or any relevant jurisdiction or of any stock exchange on which the shares as defined hereinafter are listed or quoted and includes, any amendment, modification, alteration or re-enactment made to such laws, rules, regulations or bye-laws.

ii) "Awards" mean Employee Stock Options or Restricted Stock Units Granted under this OFSS Stock Plan 2014.

iii) "Board" means the Securities and Exchange Board of India or SEBI.

iv) "Board of Directors" means the Board of Directors of the Company.

v) "Cause" for termination of a Participant's Continuous Service Status will exist if the Participant is terminated by the Company for any of the following reasons:

a. Participant's willful failure to perform his or her duties and responsibilities to the Company or deliberate violation of a Company policy;

b. Participant's commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct in respect to Employee's duties that has caused or is reasonably expected to cause an adverse effect on the Company or any of its businesses or its reputation;

c. unauthorized use or disclosure by a Participant of any proprietary information or trade secrets of the Company or any other party to whom the Participant owes an obligation of nondisclosure as a result of his or her relationship with the Company; or



- d. Participant's willful breach of any of his or her obligations under any written agreement or covenant with the Company or any of its Subsidiary companies or Parent company.

The determination as to whether a Participant is terminated for Cause shall be made in good faith by the Nomination and Remuneration Committee and shall be final and binding on the Participant. The foregoing definition does not in any way limit the Company's ability to terminate a Participant's employment at any time as provided in Section 13.7 below, and the term "Company" will be interpreted to include any Subsidiary, or Parent as appropriate.

Provided "Cause" shall exclude the following and which shall constitute reasons for "Termination without Cause" for purposes of OFSS Stock Plan 2014:

- a. a material reduction in Employee's titles, duties, authorities or responsibilities;
- b. a reduction in Employee's base salary, bonus or other benefits to which he is entitled hereunder without his express written consent on account of a drop in performance of the employee as may be decided by the Nomination and Remuneration Committee.
- vi) "Change of Control" means (1) a sale of all or substantially all of the Company's assets or (2) any merger, consolidation or other business combination transaction of the Company with or into another company, entity

or person, other than a transaction in which shareholders with at least a majority of the voting rights of the Company outstanding immediately prior to such transaction continue to hold (either by such shares remaining outstanding or by their being converted into shares of the surviving entity) a majority of the total voting power represented by the shares of the Company (or the surviving



entity) outstanding immediately after such transaction; provided, however, that none of the following shall be considered a Change of Control: (a) a merger effected exclusively for the purpose of changing the domicile of the Company, (b) an equity financing in which the Company is the surviving corporation, or (c) a transaction in which the shareholders of the Company immediately prior to the transaction own 50% or more of the voting power of the surviving company following the transaction.

vii) **"Companies Act"** means The Companies Act, 2013 and includes any statutory modifications or reenactments thereof.

viii) **"Company"** means Oracle Financial Services Software Limited.

ix) **"Control"** shall have the same meaning as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

x) **"Nomination and Remuneration Committee"** means the Nomination and Remuneration Committee constituted by the OFSS Board of Directors, in accordance with Applicable Law, from time to time.

xi) **"Director"** means a member of the Board of the Company.

xii) **"Eligibility Criteria"** means the criteria as may be determined from time to time by the Nomination and Remuneration Committee for Granting the Employee Stock Options/ Restricted Stock Units (RSUs) to the employees.

xiii) **"Employee"** means (i) a permanent employee of the Company; or (ii) a director of the Company, whether a whole time director or not; or (iii) an employee, as defined in sub-clauses (i) or (ii) in this paragraph of any of the present or future subsidiaries of the Company but excludes:

a. an employee who is a promoter or belongs to the promoter group;



- b. a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company; and
- xiv) Independent directors of the Company.
- xv) “Employee Stock Option” or “Option” means the option Granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the shares underlying the option at a pre-determined price.
- xvi) “Exercise” of an Option/RSU means making of an application in writing by an Employee to the Company to purchase or subscribe to the Shares underlying the Award Vested in him, in pursuance of the OFSS Stock Plan 2014, in accordance with the procedure laid down by the Company for exercise of Awards.
- xvii) “Exercise Application” means the application form as may be prescribed by the Nomination and Remuneration Committee, in which the Employee has to apply to the Company along with a cheque/demand draft in respect of the Exercise Price, for Exercising the Awards Vested in him/her.
- xviii) “Exercise Period” means such time period after Vesting within which the Employee should Exercise the Awards Vested in him in pursuance of the OFSS Stock Plan 2014.
- xix) “Exercise Price” means the price payable by an Employee in order to Exercise the Awards Granted to him in pursuance of the OFSS Stock Plan 2014.
- xx) “Grant” means issue of Awards to the Employees under the OFSS STOCK PLAN 2014.



- xxi) “Grant Date” means the date on which Compensation Committee approves the grant.

xxii) **"Intrinsic Value"** means the excess of the Market Price of the Share under OFSS Stock Plan 2014 over the Exercise Price of the Option (including up-front payment, if any).

xxiii) **"Key Managerial Personnel"** shall have the same meaning as defined under Section 2 (51) of the Companies Act, 2013.

xxiv) **"Letter of Grant"** means the letter issued by the Company intimating the Employee of the Awards Granted to him/her for acquiring a specified number of Shares at the Exercise Price.

xxv) **"Lock-in Period"** means the period during which Employees shall not sell, pledge or otherwise transfer, directly or indirectly, any of his/her Shares or dispose of any interest in or over or right attaching to any of his/her Shares.

xxvi) **"Market Price"** means the latest available closing price, prior to the date of meeting of the Nomination and Remuneration Committee in which Awards are Granted/ Shares are issued, on the Recognized Stock Exchange on which the Shares of the Company are listed. If the shares are listed on more than one Recognized Stock Exchange, then the Stock Exchange where there is highest trading volume on the said date shall be considered.

xxvii) **"Participant"** means an Employee who has been granted Awards in pursuance to the OFSS Stock Plan 2014.

xxviii) **"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 Nomination and Remuneration Committee based on a certificate of a medical expert identified by such Committee.

xxix) **"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 program pursuant to which the Shares were offered to the public; and (c) the person or persons named in the offer document as promoter(s) and where a promoter of a 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.

xxx) **"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); and (b) persons whose shareholding is aggregated for the purpose of disclosing in the offer document "shareholding of the promoter group".

xxxi) **"Recognized Stock Exchange(s)"** means the Bombay Stock Exchange Limited, National Stock Exchange of India Limited or any other Stock Exchange in India on which the Company's Shares are listed or proposed to be listed.

xxxii) **"Relative"** shall have the same meaning as defined under Section 2 (77) of the Companies Act, 2013.

xxxiii) **"Relevant Date"** means

- i) In the case of grant, the date of the meeting of the Compensation Committee on which the grant is made or;
- ii) In the case of exercise, the date on which the notice of exercise is given to the company or to the trust by the employee

xxxiv) **"Restricted Stock Units (RSUs)"** is an entitlement to receive stock at a specified date in future subject to conditions related to performance or tenure of employment at a predetermined price.

xxxv) **"Retirement"** means retirement of an Employee as per the rules of the Company.



xxxvi) "Scheme" / "Plan" / "OFSS Stock Plan 2014" means this Oracle Financial Services Software Limited Stock Plan 2014 under which the Company is authorized to Grant Awards to the Employees.

xxxvii) "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.

xxxviii) "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.

iii) "Shares" means equity shares of the Company arising out of the Exercise of an Award Granted under the OFSS Stock Plan 2014.

iv) "Vesting" means process by which the Participant is given the right to Exercise the Awards Granted to him in pursuance of the OFSS Stock Plan 2014.

v) "Vesting Condition" means any condition subject to which the Awards Granted would vest in a Participant.

vi) "Vesting Period" means the period during which the Vesting of the Awards Granted to the Employee, in pursuance of the OFSS Stock Plan 2014 takes place.

vii) "Vested Award" means an Award in respect of which the relevant Vesting Conditions linked to passage of time and/ or performance criteria have been satisfied and the Participant has become eligible to Exercise the Award.

viii) "Unvested Award" means an Award in respect of which the relevant Vesting Conditions linked to passage of time and/ or performance



criteria have not been satisfied and, as such, the Participant has not become eligible to Exercise the Award.

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, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number includes a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender; and
- e) 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 shareholders in their Annual General Meeting held on August 18, 2011 have authorized the Board (which term shall include the Nomination and Remuneration Committee to which the Board may delegate its powers, including the powers conferred by the resolutions in the aforesaid Annual General Meeting) to issue Awards to Employees, under one or more Stock Plans, exercisable into equity shares of face value of Rs.5/- each (or such other number adjusted in terms of Clause 3.3 herein below), not exceeding 12.5% of the issued and paid up share capital of the Company at any given time including the number of shares issued under any of the previous Employee Stock Option Plans of the Company, in one or more tranches in accordance with the terms and conditions of such issue.



3.2 Where Shares are issued consequent upon Exercise of an Award under the OFSS Stock Plan 2014, the maximum number of Shares that can be issued under OFSS Stock Plan 2014 as referred to in Clause 3.1 above will stand reduced to the extent of such Shares issued.

3.3 In case of stock consolidation or other reorganization of the capital structure of the Company from time to time, the maximum number of shares available for being Granted under OFSS Stock Plan 2014 shall stand modified accordingly, so as to ensure that the cumulative face value (Number of shares x Face value per share) prior to such share consolidation or reorganization, as the case may be, remains unchanged after such share split, consolidation or reorganization of capital structure.

3.4 Awards not Vested due to non-fulfillment of the stipulated conditions, Vested Awards which the Participants have expressly refused to Exercise and any Awards Granted but not Vested or Exercised within the stipulated time due to any reasons, shall lapse and Awards will be available for Grant by the Nomination and Remuneration Committee to any Employee(s) as it may deem fit in its absolute discretion, whether under the present OFSS Stock Plan 2014 or under a new scheme, subject to compliance of the provisions of Applicable Law. The terms relating to Exercise Price, Exercise Period, Vesting, etc. in respect of such lapsed Awards to be granted, as aforesaid, will be determined by the Nomination and Remuneration Committee at the time of Grant as it may deem fit in its absolute discretion, subject to compliance with all Applicable Laws.

4. Administration

4.1 The OFSS Stock Plan 2014 shall be administered by the Nomination and Remuneration 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 OFSS Stock Plan 2014 shall be referred to the Nomination and Remuneration Committee and shall be determined by the Nomination and Remuneration Committee. Such determination / decision / interpretation shall be final and binding upon all persons having an interest in or affected by the OFSS Stock Plan 2014.



4.2 The Nomination and Remuneration Committee shall in accordance with this Scheme and Applicable Laws, in its absolute discretion, determine the following:

- (a) The quantum of Awards to be Granted under the OFSS Stock Plan 2014 per Employee, subject to the ceiling as specified in Para 3.1;
- (b) The Eligibility Criteria;
- (c) The timing of Awards are to be Granted;
- (d) The number of tranches in which the Awards are to be Granted and the number of Awards to be Granted in each such tranche;
- (e) The quantum of Awards to be Granted at various points in time;
- (f) The amount of up-front fee payable, if any, by the Employee at the time of Grant of Awards;
- (g) The number of Awards reserved, if any, for Granting to new Employees who would join the services of the Company;
- (h) The Vesting Period, the Vesting schedule and the date of Vesting of the Awards Granted;
- (i) The terms and conditions subject to which the Awards Granted would Vest in the Employee;
- (j) The conditions under which Awards Vested in Employees may lapse in case of termination of employment for misconduct;
- (k) The Exercise Period within which the Employee should Exercise the Option and that Option would lapse on failure to Exercise the Option within the Exercise Period;

The specified time period within which the Employee shall Exercise the Vested Awards in the event of termination or resignation of an Employee;



- (m) The right of an Employee to exercise all the Awards Vested in him at one time or at various points of time within the Exercise Period;
- (n) Deciding the treatment of Unvested Awards upon termination of employment or upon a director ceasing to hold office;
- (o) The procedure for making a fair and reasonable adjustment to the number of shares and to the exercise price in case of corporate actions such as merger, sale of division, stock split / consolidation, rights issues, bonus issues and others;
- (p) The procedure and terms for the Grant, Vesting and Exercise of the Awards in case of Employees who are on long leave;
- (q) The procedure for cashless Exercise of the Awards, if required;
- (r) Obtaining permissions from and making periodic reports to regulatory authorities, as may be required by, and ensuring compliance with, all Applicable Law;
- (s) Framing appropriate procedures and rules for Granting, Vesting and Exercise of Awards and amending, altering, modifying or rescinding such procedures and rules from time to time;
- (t) Arranging to get the Shares, issued under the OFSS Stock Plan 2014, listed in the Recognized Stock Exchanges on which the equity shares of the Company are already listed;
- (u) Ensuring submission of information / reports, etc., in connection with the OFSS Stock Plan 2014, to the Stock Exchanges at stipulated periodical intervals or otherwise; and
- (v) Approve forms, writings and/or agreements for use in pursuance of the OFSS Stock Plan 2014.



4.3 The Nomination and Remuneration Committee shall establish suitable policies and systems in compliance with any Applicable Law, including the SEBI (Insider Trading) Regulations, 1992, the SEBI Guidelines and the SEBI (Prohibition of Fraudulent and Unfair Trading Practice relating to the Securities Market) Regulations, 1995.

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

4.5 No member of the Nomination and Remuneration Committee shall be personally liable for any decision or action taken in good faith with respect to the OFSS Stock Plan 2014.

5. Eligibility, Applicability and Grant

5.1 Only Permanent Employees are eligible for being Granted Awards under OFSS Stock Plan 2014. The specific Employees to whom the Awards 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 Nomination and Remuneration Committee, at its absolute discretion, provided that the Nomination and Remuneration Committee, during one year, shall not Grant Awards equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Awards to identified Employees, without the approval of the members of the Company in a general meeting by way of a separate resolution.

5.2 The Scheme shall be applicable to the Company, its present and future subsidiary Companies and any successor company thereof and Awards may be granted to the Employees of the Company and its subsidiary companies as determined by the Nomination and Remuneration Committee on its own discretion. The offer of the Awards to the employees of the subsidiary companies is pursuant to the approval of the shareholders of the Company by way of a separate resolution in a general meeting of the shareholders held on August 18, 2011.



5.3 The Employee identified for Grant of Awards shall be furnished with: (i) the disclosures prescribed under the SEBI Guidelines including the salient features of the Scheme; (ii) a form for exercise of Awards; and (iii) a nomination form.

5.4 The maximum number of Awards that can be granted to an Employee in each grant as well as in the aggregate shall not be more than 1% of the issue up share capital (excluding outstanding warrants and conversions) of the Company as on the time of the grant of the Option.

6. Vesting Schedule / Conditions

Awards Granted under OFSS Stock Plan 2014 would Vest not less than one year and not more than five years from the date of Grant of such Awards. Vesting of Awards would be a function of continued employment with the Company (passage of time) and/ or achievement of performance criteria as specified by the Nomination and Remuneration Committee as communicated at the time of grant of Awards. The specific Vesting schedule and conditions subject to which Vesting would take place would be outlined in the Letter of Grant given to the Participant at the time of Grant of Awards.

7. Exercise

7.1 The Participants may, subject to fulfillment of conditions of Vesting, Exercise the Awards in one or more tranches, by submitting Exercise Application(s) to the Company accompanied by payment of an amount equivalent to the Exercise Price in respect of such Shares. The Exercise Application shall be in such form as may be prescribed in this regard and the Nomination and Remuneration Committee may determine the procedure for Exercise from time to time.

7.2 The Exercise Price shall be a price that is not less than the face value per share per Award. The exact price payable by the Participant for each grant would be as specified in the Notice of Grant. Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favor of the Company or in such other manner as the Nomination and Remuneration Committee may determine.



7.3 Each Option would entitle the Employee, on Exercise, to acquire 1 (One) Share of face value of Rs.5/- each (or such other number adjusted for any consolidation or other reorganization of capital structure of the Company in terms of Clause 3.3 of this Scheme or otherwise adjusted in terms of Clause 4.2(o) from time to time, as may be determined by the Nomination and Remuneration Committee pursuant to the provisions of this OFSS Stock Plan 2014). Provided that, in the event of Exercise of Awards resulting in fractional Shares, the Nomination and Remuneration 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 Awards shall rank pari passu with the existing Shares of the Company.

7.4 The Awards Granted shall be capable of being Exercised as detailed below in such proportions as defined in the Notice of Grant. The Awards cancelled or lapsed without being exercised will be available for further grant under any Employee Stock Plan of the Company. For a Participant to exercise the Awards, he shall have been in continuous employment of the company as on the date of Vesting of Awards except under sub-clause E and F below.

	Vested Awards	Unvested Awards
A While in Employment	Can be Exercised within a period of ten years from the date of grant.	The Awards would continue to vest as per the original vesting schedule.
B Resignation / Termination other than Cause	All the Vested Awards shall be exercised by the Participant not later than 3 months from his date of resignation/ date of such termination.	All Unvested Awards on the date of resignation/ termination shall stand cancelled with effect from that date.
C Termination for Cause [®]	All the Vested Awards which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Awards on the date of such termination shall stand cancelled with effect from that date.



Handwritten signature or scribble in blue ink.

	Vested Awards	Unvested Awards
D Retirement / Early Retirement approved by the Company	All Vested Awards can be exercised by the Participant immediately after, but in no event later than three months from the date of retirement.	All Unvested Awards will stand cancelled as on the last working day, unless otherwise determined by the Nomination and Remuneration Committee, whose determination will be final and binding.
E Death	All Vested Awards may be Exercised by the Participant's nominee [#] immediately after, but in no event later than one year from the date of Death of the Participant.	All unvested Awards may be Exercised by the Participant's nominee [#] immediately after, but in no event later than one year from the date of Death of the Participant.
F Permanent Disability [§]	All Vested Awards may be Exercised by the Participant immediately after, but in no event later than one year from the date of such disability.	All unvested Awards may be Exercised by the Participant immediately after, but in no event later than one year from the date of such disability.
G Abandonment [*]	All the Vested Awards, which were not exercised at the time of abandonment of employment, shall stand cancelled.	All the Unvested Awards at the time of abandonment shall stand cancelled.
H Other Reasons apart from those mentioned above	The Nomination and Remuneration Committee will decide whether the Vested Awards as on that date can be Exercised by the employee or not, and such decision shall be final.	The Nomination and Remuneration Committee will decide whether the unvested Awards as on that date can be exercised by the employee or not, and such decision shall be final.

@ the Nomination and Remuneration Committee, in their sole discretion, shall decide whether an act constitutes misconduct or breach of policy or terms of employment.

the mode of nominating any person as a nominee shall be prescribed by the Nomination and Remuneration Committee. In case of the death of any Employee who has not nominated any person(s), the Vested Awards and the Unvested Awards shall be Exercisable by the legal heir(s) / successor(s) of such Employee immediately, but in no event later than one year from the death of the employee; provided however that the legal heir(s) / successor(s) shall be required to produce to the Company all such documents / indemnities as may be required by the Company to prove the succession of the assets of the deceased Employee. In case the proof of succession is not submitted to the Company within six months from the date of death of the Employee or such further time as the Nomination and Remuneration Committee may permit in its absolute discretion, the Awards shall lapse and shall be available for Grant by the Nomination and Remuneration Committee to any other Employee(s) as it may deem fit in its absolute discretion.

§ in the event of death of the Participant after such separation and before the expiry of one year from the date of such separation, the nominee/legal heir of such Participant will be allowed to Exercise all Vested Awards and Unvested Awards of the Participant before the expiry of one year from the date of death or three years from the date of vesting, whichever is earlier, and the provisions of Clause 7.4 E above shall be applicable, mutatis mutandis.



% the Nomination and Remuneration Committee, at its sole discretion shall decide the date of cancellation of Awards and such decision shall be binding on all concerned.

7.5 The Awards Granted but not Vested and the Awards Vested but not Exercised in case of an Employee 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, misconduct, violation of Company Policies, codes of the Company or Terms of Employment 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 Nomination and Remuneration Committee. In case of Awards that have been suspended or kept in abeyance, the same may be Vested in the concerned Employee on such additional terms and conditions, as may be imposed by the Nomination and Remuneration Committee in its absolute discretion. Cancelled Awards, if any, shall be treated as lapsed Awards and shall be available for Grant, as provided under Clause 3.4.

7.6 There will be no amount of up-front fee payable by the Employee at the time of Grant of Awards.

8. Other Terms and Conditions

8.1 Nothing herein is intended to or shall give the Participant 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 Participant Exercises the Awards and becomes a registered holder of the Shares of the Company.

8.2 The Awards shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner whatsoever. The Company shall not recognize any pledge, hypothecation, mortgage or other alienation done in violation of this condition.

8.3 If the Company issues bonus or rights shares, the Participant will not be eligible for the bonus or rights shares in the capacity of a Participant. However, an adjustment to the



number of Awards or the Exercise Price or both would be made in accordance with Clause 4.2(o) of the OFSS Stock Plan 2014.

8.4 In the event of any change in the constitution of the Company, Change of Control of the Company, re-structuring of the Company including but not limited to, merger, de-merger, spin-off, reverse merger, delisting, subsidiarisation etc. or amalgamation of any other entity with the Company, (a) unless outstanding Awards are effectively assumed by the surviving or acquiring corporation or otherwise remain outstanding, the Awards Granted herewith shall become fully vested and exercisable subject to the minimum time for Vesting prescribed under the SEBI Guidelines at the discretion of the Nomination and Remuneration Committee and (b) if an Award is effectively so assumed or remains outstanding, the Nomination and Remuneration Committee would have the authority to alter all or any of the terms relating to the Grant or this OFSS Stock Plan 2014 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 the benefits under the Grant are passed on to the Employees. The Nomination and Remuneration Committee shall take appropriate actions to ensure that total value of the Awards remains the same after the aforesaid corporate actions and in this regard shall if necessary, issue fresh Awards/shares of the holding/subsidiary companies of the Company and/or resultant entities emerging due to such corporate actions. In the event that outstanding Awards at the time of Change of Control was effectively assumed or remains outstanding in the resulting entity, and the Participant's employment is terminated by the surviving or acquiring corporation without cause within twelve (12) months after the consummation of such Change of Control transaction, such Awards shall accelerate and become immediately and fully exercisable upon such termination.

8.5 Awards shall not be transferable to any person except in the event of death of the Participant, in accordance with Clauses 7.4 E and F of this Scheme.

8.6 The Company will not be obliged to sell, issue or allot any Shares upon Exercise of the Awards or otherwise unless the issuance and delivery of such Shares complies, in the judgment of the Nomination and Remuneration Committee, with all the relevant



provisions of OFSS Stock Plan 2014 and Applicable Law including but not limited to, any applicable securities laws and the requirement of any stock exchanges in which the Shares of the Company are listed.

9. Transferability of Shares

There will be no restriction on transferability of the Shares, which may be issued/ allotted on Exercise of the Awards Granted pursuant to this Scheme. However, Employees are required to always adhere to Applicable Law and Company Policies while dealing with the Shares or exercising any rights thereunder. In particular, each Employee and the Nomination and Remuneration Committee 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/ allotted on Exercise of the Awards Granted pursuant to this Scheme.

11. Tax Liability

The benefits conferred in terms of OFSS Stock Plan 2014 shall be taxable in the hands of the Participants based on present and future provisions of the Income-Tax Act, 1961 or any other statutory modification or re-enactment thereof (the said Act) or as separately determined by the relevant tax authorities from time to time including Perquisite Tax. In accordance with the provisions of the said Act, the Company shall have the right and is hereby authorized by the Participants to deduct at source any applicable taxes, in connection with the OFSS Stock Plan 2014 or the Shares acquired upon the Exercise thereof, arising in the hands of the Company or of the Participants, from the salary income of the Employee or to take any such other action as may be necessary in the opinion of the Nomination and Remuneration Committee to satisfy all its obligations for the payment of such taxes. The liability of paying tax, if any, on the



Awards Granted pursuant to this OFSS Stock Plan 2014 and the Shares issued pursuant to Exercise of Awards shall be entirely on the Employees and shall be in accordance with the provisions of the said Act and the Rules framed there-under or, if such Employees are resident in a territory outside India, 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 and/or the Rules framed there-under, as existing on the date of this OFSS Stock Plan 2014, the Nomination and Remuneration Committee shall have the power to amend or modify this OFSS Stock Plan 2014, without 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 said Act and/or the Rules framed there-under have not been made.

12. Authority to vary terms

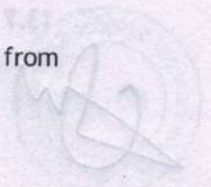
12.1 Subject to Applicable Law, the Nomination and Remuneration Committee shall in its absolute discretion have the right to modify/amend the OFSS Stock Plan 2014 in such manner and at such time or times as it may deem fit, subject however that any such modification/amendment shall not be detrimental to the interest of the Participants and approval wherever required for such modification and/or the amendment is obtained from the shareholders of the Company in terms of the SEBI Guidelines.

12.2 The Nomination and Remuneration Committee may re-price the Awards, which are not Exercised, if OFSS Stock Plan 2014 is rendered unattractive due to fall in the Share price in the stock market. Provided that the Nomination and Remuneration Committee shall ensure that such re-pricing shall not be detrimental to the interest of the Participants and such re-pricing is in terms/compliance with the SEBI Guidelines.

13. Miscellaneous

13.1 Government Regulations

This OFSS Stock Plan 2014 shall be subject to all Applicable Laws, and approvals from Governmental authorities.



13.2 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 Laws, for the lawful issuance and sale 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 such Shares.

13.3 The Grant of an Award does not form part of the Participant'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 Award Granted to him in respect of any number of shares or any expectation that an Award might be Granted to him whether subject to any condition or at all.

13.4 Neither the existence of this Scheme nor the fact that an individual has on any occasion been Granted an Award 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 by being Granted an Award on any other occasion.

13.5 The rights granted to a Participant upon the Grant of an Award shall not afford the Participant 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).

13.6 The Participant 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 Award in whole or in part.

13.7 Nothing contained in the OFSS Stock Plan 2014 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.

13.8 Neither the adoption of the OFSS Stock Plan 2014 nor any action of the Nomination and Remuneration Committee shall be deemed to give an Employee any right to be Granted any Option to acquire Shares or to any other rights, except as may be evidenced by a Letter of Grant.

13.9 Participation in this OFSS Stock Plan 2014 shall not be construed as any guarantee of return on any investment. Any loss due to fluctuations in the market price of the Shares and the risks associated with the investments is that of the Employee alone.

14. Confidentiality

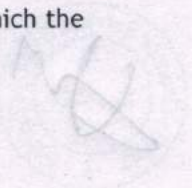
Employees shall keep the details of the Options Granted to them strictly confidential and shall not share or disclose the said details with or to any other Employee. In case of non-adherence to the provisions of this Clause, the Nomination and Remuneration Committee will have the authority to deal with such cases as it may deem fit in its absolute discretion.

15. Method used for Valuing Options

The Company shall follow the intrinsic value method for computing the compensation cost for the Options Granted. The difference between the compensation cost so calculated and the compensation cost that would have been recognized if the Company had used fair value method and its impact on the profits and earnings per share shall be disclosed in the Directors' Report.

16. Listing of the Shares

Subject to the approval of the stock exchanges, the Shares issued and allotted on Exercise of the Options shall be listed on the Recognized Stock Exchanges on which the shares of the Company are listed.



17. Conformance to the Accounting Policies

The Company shall conform to the accounting policies prescribed by Securities and Exchange Board of India and as specified by the SEBI Guidelines from time to time.

18. No Restriction on Corporate Action

The existence of the OFSS Stock Plan 2014 and the Grants made hereunder shall not in any way affect the right or the power of the Board of Directors or the shareholders of the Company to make or authorize any change in its capital structure; including any issue of shares, debt or other securities having any priority or preference with respect to the shares or the rights thereof 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 OFSS Stock Plan 2014 or any Grant made under the OFSS Stock Plan 2014. No Employee or other person shall have any claim against the Company as a result of such corporate action.

19. New Schemes

Nothing contained in the OFSS Stock Plan 2014 shall be construed to prevent the Company directly or through any trust settled by the company, from implementing any other new scheme for granting stock options and/or share purchase rights, which is deemed by the Company to be appropriate or in its best interest, whether or not such other action would have any adverse impact on the OFSS Stock Plan 2014 or any Grant made under the OFSS Stock Plan 2014. No Employee or other person shall have any claim against the Company and/or trust as a result of such action.

20. Notices

All notices or communication required to be given by the Company to a Participant by virtue of this OFSS Stock Plan 2014 shall be in writing and shall be sent to the last address of the Participant available in the records of the Company and any



communication to be given by an Participant to the Company in respect of OFSS Stock Plan 2014 shall be sent to the address mentioned below:

Secretarial Department
Oracle Financial Services Software Limited
Oracle Park, Off Western Express Highway
Goregaon (East), Mumbai - 400 063
Maharashtra, India

21. Severability

In the event of any term, condition or provision of this OFSS Stock Plan 2014 being held to be a violation of or contrary to any Applicable Law, the same shall be severable from the rest of this OFSS Stock Plan 2014 and shall have no force and effect and this OFSS STOCK PLAN 2014 shall remain in full force and effect as if such term, condition or provision had not originally been contained in this OFSS Stock Plan 2014.

22. Arbitration

All disputes arising out of or in connection with the OFSS Stock Plan 2014 or the Grant, Vesting or Exercise shall be referred to for arbitration to a single arbitrator to be appointed by the Company. The arbitration proceedings shall be in accordance with the provisions of the Arbitration and Conciliation Act, 1996 as amended. The place of Arbitration shall be Mumbai, Maharashtra, India.

23. Governing Law and Jurisdiction

23.1 The terms and conditions of the OFSS Stock Plan 2014 shall be governed by and construed in accordance with the laws of India.

23.2 The Courts of Mumbai, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this OFSS Stock Plan 2014.



23.3 Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this OFSS Stock Plan 2014:

- (i) in any other court of competent jurisdiction; or
- (ii) concurrently in more than one jurisdiction.



23.1 Severability

In the event of any term, condition or provision of this OFSS Stock Plan 2014 being held to be a violation of or contrary to any applicable Law, the same shall be severable from the rest of the OFSS Stock Plan 2014 and shall have no force and effect and the OFSS Stock Plan 2014 shall remain in full force and effect as if such term, condition or provision had not originally been contained in the OFSS Stock Plan 2014.

23.2 Arbitration

All disputes arising out of or in connection with the OFSS Stock Plan 2014 or the Grant, Vesting or Exercise shall be referred to for arbitration to a single arbitrator to be appointed by the Company. The arbitration proceedings shall be in accordance with the provisions of the Arbitration and Conciliation Act, 1996 as amended. The place of Arbitration shall be Mumbai, Maharashtra, India.

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The terms and conditions of the OFSS Stock Plan 2014 shall be governed by and construed in accordance with the laws of India.

23.4 The Courts of Mumbai, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this OFSS Stock Plan 2014.



Oracle Financial Services Software Limited
EMPLOYEES STOCK OPTION PLAN 2011 SCHEME

1. **Short title, extent and commencement:**

- a) This Plan may be called the "ESOP 2011 Scheme". It applies only to the present and future Employees and Directors (Whole-time or otherwise) of the Company and present and future subsidiaries of the Company ("the Eligible Employees").
- b) It shall be deemed to have come into force on the August 18, 2011.

2. **Object:**

Pursuant to the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as modified from time to time and the approvals granted by the Members of the Company at their Annual General Meeting held August 18, 2011, the Board of Directors of the Company at its meeting held on August 18, 2011 has approved the ESOP 2011 Scheme with the object of granting, at the absolute discretion of the Board or the Compensation Committee, to, such of the Company's "Eligible Employees", Options to acquire equity Shares directly from the Company and to be allotted Equity Shares of the Company on Exercise of such Options.

Purpose of the Scheme is to reward the employees and retain talented resources with the Company.

3. **Definitions:**

In this Plan, unless the context otherwise requires,

- a) "Act" means the Companies Act, 1956 and includes any statutory modifications or reenactments thereof.



OFSSL- ESOP 2011 Scheme (as amended on August 6, 2015)



- b) "Administrator" means the Compensation Committee or any such committee authorized by the Compensation Committee, established under Section 5 of the SEBI Guidelines and which shall be administering the Plan in accordance with Section 6 hereof.
- c) "Applicable Laws" means the legal requirements relating to stock Option plans, including, without limitation, the tax, securities or corporate laws of India, any stock exchange or quotation on which the Shares are listed or quoted.
- d) "Board" means the Securities and Exchange Board of India or SEBI.
- e) "Board of Directors" means the Board of Directors of the Company.
- f) "Company" means Oracle Financial Services Software Limited having its registered office at Oracle Park, Off. Western Express Highway, Goregaon (East), Mumbai 400 063.
- g) "Compensation Committee" means the Compensation Committee constituted by the Board or any such committee of the executives authorised by the Board to act on its behalf in this respect.
- h) "Control" shall have the same meaning as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- i) "Director" means a member of the Board of the Company.
- j) "Disability" shall mean "Permanent total Disability" as defined in the Workmen's Compensation Act, 1923.
- k) "Eligible Employee" means an Employee and Directors (whole-time or otherwise) of the Company and present and future subsidiaries of the Company who qualifies for issue of Options under this Plan.
- l) "Employee" means
- (a) a permanent employee of the Company working in India or out of India; or
 - (b) a director of the Company; or



OFSSL- ESOP 2011 Scheme (as amended on August 6, 2015)

- (c) an employee, as defined in sub-clauses (a) or (b) above, of a Subsidiary or of a holding company of the Company wherever located.
- m) "Employee Compensation" means the total cost incurred by the Company towards Employee Compensation including basic salary, other allowances, bonuses and commissions, and the value of all benefits and perquisites provided, but does not include the fair value of the Options granted under any Option Plan and the discount at which shares are issued under an employee stock purchase scheme.
- n) "Employee Stock Option" means the Option given to the Eligible Employees which gives such Eligible Employees the benefit or right to purchase or subscribe at a future date, the equity shares offered by the Company at a predetermined price.
- o) "Exercise" is the act of a written application being made by the Eligible Employee to the Company to have the Options vested in him issued as Shares upon payment of the Exercise Price. Exercise can take place as specified after Vesting in accordance with procedure specified for Exercise herein.
- p) "Exercise Period" means the time period after vesting within which the employee should exercise his right to apply for shares against the options vested in him in pursuance of the Plan.
- q) "Exercise Price" means, such amount as may be decided by the Compensation Committee from time to time that shall be paid by an Optionee at the time of Exercise.
- r) "Fair Market Value" of a share on a given date means the Market Price as defined in the SEBI Guidelines, which is the latest available closing price, prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered.
- s) "Grant Date" means the date on which Compensation Committee approves the grant.
- t) "Key Managerial Personnel" shall have the same meaning as defined under Section 2 (51) of the Companies Act, 2013.



OFSSL- ESOP 2011 Scheme (as amended on August 6, 2015)

- u) "Independent Director" means a director of the Company not being a Whole Time Director and who is neither a promoter nor belongs to the promoter group.
- v) "Option" means a stock Option granted pursuant to the Plan, comprising of a right but not an obligation granted to an Eligible Employee under the Plan to apply for and be allotted Shares of the Company at the Exercise Price determined earlier, during or within the Exercise Period, subject to the requirements of Vesting.
- w) "Option Agreement" means a written or electronic agreement between the Company and an Optionee evidencing the terms and conditions of an individual Option grant. The Option Agreement is subject to the terms and conditions of the Plan.
- x) "Optionee" means the holder of an outstanding Option granted pursuant to this Plan.
- y) "Plan" / "Scheme" means ESOP 2011 Scheme.
- z) "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). 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.

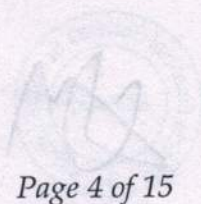
Explanation: Where a promoter of a Company is a Body Corporate, the promoters of that body corporate shall also be deemed to be promoters of the Company.

- aa) "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 "shareholding of the promoter group".
- bb) "Relative" shall have the same meaning as defined under Section 2 (77) of the Companies Act, 2013

- cc) "Relevant Date" means



OFSSL- ESOP 2011 Scheme (as amended on August 6, 2015)



- (i) In the case of grant, the date of the meeting of the compensation committee on which the grant is made or;
 - (ii) In the case of exercise, the date on which the notice of exercise is given to the company or to the trust by the employee
- dd) "SEBI" means Securities and Exchange Board of India constituted under the SEBI Act, 1992.
- ee) "SEBI Guidelines" means SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 as modified from time to time.
- ff) "Stock Exchange" means the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Ltd. (NSE) or any other Stock Exchange in India on which the Company's shares are listed or to be listed.
- gg) "Shares" mean, the equity Shares of the Company with a nominal par value of Rs.5/- (Rupees five only) which have no preference in respect of dividends or in respect of amounts payable in the event of any voluntary liquidation or winding up of the Company.
- hh) "Subsidiary" means a Subsidiary of the Company in India or overseas, whether now or hereafter existing as defined under Section 4 of the Companies Act, 1956.
- ii) "Vesting" means the process by which the employee is given the right to apply for shares of the Company against the option granted to him/her in pursuance of this Plan.
- jj) "Vesting period" means the period that shall occur on the expiry of period of every 12 months from the date of grant of the Options for first 60 months (i.e.12, 24, 36, 48 and 60 months from the date of grant of option) to the Eligible Employee or at such time after the expiry of 12 months from the date of grant of the Options, as may be determined by the Compensation Committee, subject to not being less than a period of one year between the grant and vesting of the option.

4. Stock subject to the Plan

- a) Under the Plan the maximum aggregate number of Shares, which may be subject to Option and granted under the Plan, are 5,100,000 Equity Shares of the face value of Rs. 5/- each. The Shares may be authorised but unissued, or reacquired.



OFSSL- ESOP 2011 Scheme (as amended on August 6, 2015)

- b) If an Option expires or becomes unexercisable without having been exercised in full, the unpurchased options, which were subject thereto, shall become available for future grant or sale under the Plan (unless the Plan has been terminated).

The equity shares that will be issued pursuant to exercise of stock options by Eligible Employees under the Plan shall rank pari passu with the existing equity shares of the Company in all respects.

The options that may lapse or get forfeited under the Plan will be available for future distribution under the Plan. However, Shares that have actually been issued under the Plan upon Exercise of an Option, shall not be returned to the Plan and shall not become available for future distribution under the Plan.

5. Establishment of the Compensation Committee:

The Board shall, from time to time, constitute a Committee by the name of the "Compensation Committee" in compliance with the applicable rules and regulations of the SEBI and Companies Act.

6. Administration of the Plan:

- (a) The Plan shall be administered by the Compensation Committee appointed by the Board.
- (b) Subject to the provisions of the Plan, and subject to the approval of any relevant authorities, the Compensation Committee shall have the authority in its absolute discretion:
- i) to determine Exercise Price
 - ii) to select the Eligible Employees to whom Options may from time to time be granted hereunder;
 - iii) to determine the number of Shares to be covered by each such Option granted hereunder;



OFSSS- ESOP 2011 Scheme (as amended on August 6, 2015)

- iv) to determine the quantum of option to be granted under the Plan per employee and in aggregate.
- v) to determine the Vesting period and the Exercise Period
- vi) to determine the conditions under which the option vested in employees may lapse in case of termination of employment for misconduct.
- vii) to determine the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
- viii) to determine the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- ix) to approve forms of agreement for acceptance of the grant of Option under the Plan;
- x) to determine the terms and conditions, consistent with the terms of the Plan, of any Option granted hereunder;
- xi) to prescribe, amend, and cancel any rules and regulations relating to the Plan; and
- xii) to construe and interpret the terms of the Plan and Options granted pursuant to the Plan.
- xiii) to approve or reject, the grant, vesting, exercise or forfeiture of Options in case of Eligible Employees who are on long leave.
- xiv) Subject to the SEBI Guidelines, to approve acceleration of exercise of options and to make a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration by the Compensation Committee:



OFSSS- ESOP 2011 Scheme (as amended on August 6, 2015)

- (a) the number and the price of options shall be adjusted in a manner such that total value of the ESOP remains the same after the corporate action.
- (b) for this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered.
- (c) the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders
- (d) All decisions, determinations and interpretations of the Compensation Committee shall be final and binding on all Optionees.

7. **Appraisal of Eligible Employees:**

The Compensation Committee shall, based on the various criteria for selection of the Eligible Employees during the year (which criteria shall be decided from time to time by the Compensation Committee for assessing the contribution of the Employees) decide on the Eligible Employees who qualify under the Plan and the number of Options of the Company that may be granted to them.

8. **Grant of Options:**

- a) The Compensation Committee may, on such dates as it shall determine, grant to such Eligible Employees as it may in its absolute discretion select, Options of the Company on the terms and conditions and for the consideration as it may decide.
- b) The date of grant of an Option shall, for all purposes, be the date on which the Compensation Committee grants such Option, or such other date as is determined by the Compensation Committee. Notice of the grant of option shall be given to each Employee to whom an Option is so granted within a reasonable time after the date of such grant.

9. **Term of Plan and Option:**

- a) The Plan shall become effective upon its adoption by the Board. It shall continue in effect for a term of 120 (One Hundred Twenty) months from the date of granting unless

OFSSL- ESOP 2011 Scheme (as amended on August 6, 2015)



all the Options granted under the Plan are exercised or have been extinguished or unless the Plan is terminated under Section 13 of the Plan.

10. Option Exercise Price and Consideration:

a) The Exercise Price per share for the Shares to be issued upon Exercise of an Option shall be such price as is determined by the Administrator.

The Exercise Price per Share of an Option shall not be less than the Fair Market Value. However, notwithstanding the foregoing, the Compensation Committee may, after getting the approval of the Shareholders in general meeting, grant Options with a Exercise Price per Share lesser than the Fair Market Value, subject to adhering to the accounting policies relating to ESOP as provided for in the SEBI guidelines.

b) The consideration to be paid for the Shares to be issued upon Exercise of an Option, including the method of payment, shall be determined by the Compensation Committee at the time of grant. Such consideration may consist of (1) cash, (2) cheque, (3) promissory note (4) consideration received by the Company under a cash-less Exercise program implemented by the Company in connection with the Plan, or (5) any combination of the foregoing methods of payment.

11. Individual Limits for Grant of Options:

a) No Employee shall be granted, in any fiscal year of the Company, Options to purchase more than or equaling 1% of the outstanding issued share capital as on the date of grant, (excluding outstanding Options and conversions).

Notwithstanding the foregoing, pursuant to a specific special resolution passed by the Shareholders in General Meeting, the Compensation Committee may grant to the Employee/s mentioned in such special resolution, Options to purchase Shares exceeding or equal to 1% of the of the outstanding issued share capital as on the date of the grant, (excluding outstanding Options and conversions).

12. Exercise of Option and Rights as a Shareholder:

OFSSL- ESOP 2011 Scheme (as amended on August 6, 2015)



- a) Any Option granted hereunder shall be vested at 20% after completion of a period of each 12 months from the grant of such option (i.e. from 12, 24, 36, 48 and 60 months from the date of grant). The vested option can be exercised within a period of 120 months from the date of grant of such option in accordance with the terms hereof under such conditions as determined by the Compensation Committee and set forth in the Option Agreement. Unless the Compensation Committee provides otherwise, the Vesting of Options granted hereunder shall be stalled / blocked during any unauthorised & unpaid leave of absence or for any other reason including but not limited to undisciplined behavior or breach of rules and regulations of the Company or such other reason as deemed fit by the Compensation Committee. Subject to the requisite approval of the management of the Company; an Employee can exercise Options during the period of long leave of absence provided the said Employee is in compliance with rules and regulations of the Company.
- b) An Option may not be exercised for a fraction of a share.
- c) An Option shall be deemed exercised when the Company receives: (i) written or electronic notice of Exercise (in accordance with the Option Agreement) from the Optionee entitled to Exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised. Full payment may consist of any consideration and method of payment authorized by the Compensation Committee and permitted by the Option Agreement and the Plan. Shares issued upon Exercise of an Option shall be issued in the name of the Optionee. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares, notwithstanding the Exercise of the Option. The Company shall issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued.

13. Termination of Relationship as an Employee:

If an Optionee ceases to be an Employee, (whether by reason of resignation or superannuation) subject to the specific approval of the Compensation Committee in each case, such Optionee may Exercise his or her Option within such period of time as is specified in the Option Agreement to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of the Option as set forth in the Option Agreement). In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for three (3) months or such other period as decided

OFSSL- ESOP 2011 Scheme (as amended on August 6, 2015)



by the Compensation Committee following the Optionee's termination. If, on the date of termination, the Optionee is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall again become available for issuance under the Plan. If, after termination, the Optionee does not Exercise his or her Option within the time specified by the Administrator, the Option shall terminate, and the Shares covered by such Option shall again become available for issuance under the Plan.

In case, where the employee ceases to be an employee of the Company due to communication received from the employer, to become the employee of the subsidiary of the company or vice versa for the employee of the present and future subsidiaries of the Company to become the employee of the Company, he/she shall continue to hold the number of options with the same terms and conditions under which they were granted initially on the date of grant.

14. Death or Disability of Optionee:

If an Optionee dies while in service, or ceases to be an Employee as a result of the Optionee's Disability, the Vesting and exercisability of the Option shall accelerate in full and all the Options granted shall be vested on such date of death or Disability. In case an Optionee suffers a permanent incapacity while in employment, all the Option granted to him/her as on the date of permanent incapacitation, shall vest in him/her on that day. Further, in the event of death of an Employee while in employment, all the Options granted to him/her till such date shall vest, subject to the terms and conditions contained herein, in the nominees or legal heirs of the deceased Optionee. The Options may be exercised within such period of time as is specified in the Option Agreement to the extent of the original grant of Options as it stands on the date of death (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement) by the Optionee, his/her nominee, or Optionee's estate or by a person who acquires the right to Exercise the Option by bequest or inheritance. In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for twelve (12) months following the Optionee's death or Disability. If the Option is not so exercised within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall again become available for issuance under the Plan.

15. Adjustments Upon Changes in Capitalization, Merger or Asset Sale:

OFSSL- ESOP 2011 Scheme (as amended on August 6, 2015)



- a) Changes in Capitalization: Subject to any required action by the shareholders of the Company, the number of Shares covered by each outstanding Option, and the number of Shares, which have been authorized for issuance under the Plan but as to which no Options have yet been granted or which have been returned to the Plan upon cancellation or expiration of an Option, as well as the price per Share covered by each such outstanding Option, shall be proportionately adjusted for any increase or decrease in the number of issued Shares resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Shares, or any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company. The conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of Shares of stock of any class, or securities convertible into Shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of the Shares subject to an Option.
- b) Dissolution or Liquidation: In the event of the proposed dissolution or liquidation of the Company, the Administrator shall notify each Optionee as soon as practicable prior to the effective date of such proposed transaction. The Administrator in its discretion may provide for an Optionee to have the right to Exercise his or her Option until 15 days prior to such transaction as to all of the Optioned Stock covered thereby, including Shares as to which the Option would not otherwise be exercisable. To the extent it has not been previously exercised, an Option will terminate immediately prior to the consummation of such proposed action.
- c) Merger or Asset Sale: In the event of a merger of the Company with or into another corporation, or the sale of substantially all of the assets of the Company, each outstanding Option shall be assumed or an equivalent Option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the Option, the Optionee shall fully vest in and have the right to Exercise the Option as to all of the Optioned Stock, including Shares as to which it would not otherwise be vested or exercisable. If an Option becomes fully vested and exercisable in lieu of assumption or substitution in the event of a merger or sale of assets, the Administrator shall notify the Optionee in writing that the Option shall be fully exercisable for a period of 45 days from the date of such notice, and the Option shall terminate upon the expiration of such period. For the purposes of this paragraph, the Option shall be considered assumed if, following the merger or sale of assets, the Option

OFSSL- ESOP 2011 Scheme (as amended on August 6, 2015)



confers the right to purchase or receive, for each Share subject to the Option immediately prior to the merger or sale of assets, the consideration (whether stock, cash, or other securities or property) received in the merger or sale of assets by holders of Shares for each Share held on the effective date of the transaction (and if the holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the merger or sale of assets is not solely equity Shares (or their equivalent) of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the Exercise of the Option, for each Share subject to the Option, to be solely equity Shares (or their equivalent) of the successor corporation or its Parent equal in Fair Market Value to the per Share consideration received by holders of Share in the merger or sale of assets.

16. Non-Transferability of Options:

The Options may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, subject to the terms and conditions of this Scheme, only by the Optionee.

17. Terms and Conditions of the Shares:

All Shares allotted on Exercise of Warrants will rank pari-passu with all other equity Shares of the Company for the time being in issue (save as regards any right attached to such Shares by reference to a record date prior to the date of allotment).

18. Amendment and Termination of the Plan:

- a) The Compensation Committee may at any time amend, alter, suspend or terminate the Plan.

Provided that the Company obtains shareholder approval by the way of a special resolution, of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

OFSSL- ESOP 2011 Scheme (as amended on August 6, 2015)



b) No amendment, alteration, suspension or termination of the Plan shall impair the existing rights of any Optionee, unless mutually agreed otherwise between the Optionee and the Administrator, which agreement must be in writing and signed by the Optionee and the Company. Termination of the Plan shall not affect the Administrator's ability to Exercise the powers granted to it hereunder with respect to Options granted under the Plan prior to the date of such termination.

19. General:

- a) This Plan shall not form part of any contract of employment between the Company and the Employee. The rights and obligations of any individual under the terms of his office or employment with the Company shall not be affected by his participation in this Plan or any right which he may have to participate in it and nothing in this Plan shall be construed as affording such an individual any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.
- b) This Plan shall not confirm on any person any legal or equitable rights (other than that to which he would be entitled as an ordinary member of the Company) against the Company either directly or indirectly or give rise to any cause of action in law or in equity against the Company.
- c) Any question or dispute arising out of or in any way connected with this Plan shall be referred to the Administrator first. The terms and conditions of the Plan shall be governed by the laws of India and the Civil Court at Mumbai alone shall have jurisdiction in respect of such proceedings.
- d) All expenses, taxes, stamp duty, etc. relating to issue of the Shares on exercise of the Options would be borne by the Eligible Employees. The Eligible Employee would also be responsible for declaring and paying income tax and any other form of taxes or levies associated with the Option granted to, vested in or exercised by him. The tax laws and rules as prevalent in India and/or in any other country (as applicable) will be enforced.

Notwithstanding anything to the contrary contained in the Plan or any agreement under the Plan, the Eligible Employee shall bear and pay or reimburse to the Company, all taxes, charges and duties, etc. including but not limited to, surcharge, cess, or any other levy, to the extent to which the Company has paid or is liable to pay in relation to any benefits provided

OFSSL- ESOP 2011 Scheme (as amended on August 6, 2015)



to the Eligible Employee and determined under the applicable tax laws in India and/or any other country (as applicable). The Administrator is authorized to determine the amount of withholding, deduction or recovery, if any, of such tax, duty, etc. from the Eligible Employee and also finalise the timing and modalities for such recovery.



Oracle Financial Services Software Limited
EMPLOYEES STOCK OPTION PLAN 2010 SCHEME

1. Short title, extent and commencement:

- a) This Plan may be called the "ESOP 2010 Scheme". It applies only to the present and future Employees and Directors (Whole-time or otherwise) of the Company and present and future subsidiaries of the Company ("the Eligible Employees").
- b) It shall be deemed to have come into force on the August 25, 2010.

2. Object:

- a) In pursuance to the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as modified from time to time relating to Employee Stock Option Plans, this Plan has been adopted by resolution of the Board of Directors of the Company, pursuant to the enabling authority of the Shareholders of the Company in General Meeting held on August 14, 2001 and further approved by the Board on August 25, 2010, with the object of granting, at the absolute discretion of the Board or any committee thereof, to, such of the Company's "Eligible Employees", Options to acquire equity Shares directly from the Company and to be allotted Equity Shares of the Company on Exercise of such Options.
- b) Purpose of the Scheme – To reward the employees and retain talented resources with the Company

3. Definitions:

In this Plan, unless the context otherwise requires,

- a) "Act" means the Companies Act, 1956 and includes any statutory modifications or reenactments thereof.



OFSSL– ESOP 2010 Scheme (as amended on August 6, 2015)

- b) "Administrator" means the Compensation Committee or any such committee authorized by the Compensation Committee, established under Section 5 of the SEBI Guidelines and which shall be administering the Plan in accordance with Section 6 hereof.
- c) "Applicable Laws" means the legal requirements relating to stock Option plans, including, without limitation, the tax, securities or corporate laws of India, any stock exchange or quotation on which the Shares are listed or quoted
- d) "Board" means the Securities and Exchange Board of India or SEBI.
- e) "Board of Directors" means the Board of Directors of the Company.
- f) "Company" means Oracle Financial Services Software Limited having its registered office at Oracle Park, Off. Western Express Highway, Goregaon (East), Mumbai 400 063.
- g) "Compensation Committee" means the Compensation Committee constituted by the Board or any such committee of the executives authorised by the Board to act on its behalf in this respect.
- h) "Control" shall have the same meaning as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- i) "Director" means a member of the Board of the Company
- j) "Disability" shall mean "Permanent total Disability" as defined in the Workmen's Compensation Act, 1923.
- k) "Eligible Employee" means an Employee and Directors (whole-time or otherwise) of the Company and present and future subsidiaries of the Company who qualifies for issue of Options under this Plan.
- l) "Employee" means
- (a) a permanent employee of the Company working in India or out of India; or
- (b) a director of the Company; or



OFSSL- ESOP 2010 Scheme (as amended on August 6, 2015)

- (c) an employee, as defined in sub-clauses (a) or (b) above, of a Subsidiary or of a holding company of the Company wherever located.
- m) "Employee Compensation" means the total cost incurred by the Company towards Employee Compensation including basic salary, other allowances, bonuses and commissions, and the value of all benefits and perquisites provided, but does not include the fair value of the Options granted under any Option Plan and the discount at which shares are issued under an employee stock purchase scheme.
- n) "Employee Stock Option" means the Option given to the Eligible Employees which gives such Eligible Employees the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a predetermined price.
- o) "Exercise" is the act of a written application being made by the Eligible Employee to the Company to have the Options vested in him issued as Shares upon payment of the Exercise Price. Exercise can take place as specified after Vesting in accordance with procedure specified for Exercise herein.
- p) "Exercise Period" means the time period after vesting within which the employee should exercise his right to apply for shares against the options vested in him in pursuance of the Plan.
- q) "Exercise Price" means, such amount as may be decided by the Compensation Committee from time to time that shall be paid by an Optionee at the time of Exercise.
- r) "Fair Market Value" of a share on a given date means latest available closing price, prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered.
- s) "Grant Date" means the date on which Compensation Committee approves the grant.
- t) "Independent Director" means a director of the Company not being a Whole time director and who is neither a promoter nor belongs to the promoter group.



OFSSL- ESOP 2010 Scheme (as amended on August 6, 2015)

- u) "Key Managerial Personnel" shall have the same meaning as defined under Section 2 (51) of the Companies Act, 2013.



- v) "Option" means a stock Option granted pursuant to the Plan, comprising of a right but not an obligation granted to an Eligible Employee under the Plan to apply for and be allotted Shares of the Company at the Exercise Price determined earlier, during or within the Exercise Period, subject to the requirements of Vesting.
- w) "Option Agreement" means a written or electronic agreement between the Company and an Optionee evidencing the terms and conditions of an individual Option grant. The Option Agreement is subject to the terms and conditions of the Plan.
- x) "Optionee" means the holder of an outstanding Option granted pursuant to this Plan.
- y) "Plan" / "Scheme" means ESOP 2010 Scheme.
- z) "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). 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.

Explanation: Where a promoter of a Company is a Body Corporate, the promoters of that body corporate shall also be deemed to be promoters of the Company.

- aa) "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 "shareholding of the promoter group".
- bb) "Relative" shall have the same meaning as defined under Section 2 (77) of the Companies Act, 2013



OFSSL- ESOP 2010 Scheme (as amended on August 6, 2015)

cc) "Relevant Date" means

- (i) In the case of grant, the date of the meeting of the compensation committee on which the grant is made or;
- (ii) In the case of exercise, the date on which the notice of exercise is given to the company or to the trust by the employee

dd) "SEBI" means Securities and Exchange Board of India constituted under the SEBI Act, 1992.

ee) "SEBI Guidelines" means SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 as modified from time to time.

ff) "Stock Exchange" means the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Ltd. (NSE) or any other Stock Exchange in India on which the Company's shares are listed or to be listed.

gg) "Shares" mean, the equity Shares of the Company with a nominal par value of Rs.5/- (Rupees five only) which have no preference in respect of dividends or in respect of amounts payable in the event of any voluntary liquidation or winding up of the Company.

hh) "Subsidiary" means a Subsidiary of the Company in India or overseas, whether now or hereafter existing as defined under Section 4 of the Companies Act, 1956.

ii) "Vesting" means the process by which the employee is given the right to apply for shares of the Company against the option granted to him in pursuance of this Plan.

jj) "Vesting period" means the period that shall occur on the expiry of period of every 12 months from the date of grant of the Options for first 60 months (i.e.12, 24, 36, 48 and 60 months from the date of grant of option) to the Eligible Employee or at such time after the expiry of 12 months from the date of grant of the Options, as may be determined by the Compensation Committee, subject to not being less than a period of one year between the grant and vesting of the option.



OFSSL- ESOP 2010 Scheme (as amended on August 6, 2015)

4. **Stock subject to the Plan**

- a) Under the Plan the maximum aggregate number of Shares, which may be subject to Option and granted under the Plan, are 618,000 Equity Shares of the face value of Rs. 5/- each. The Shares may be authorised but unissued, or reacquired.
- b) If an Option expires or becomes unexercisable without having been exercised in full, the unpurchased options, which were subject thereto, shall become available for future grant or sale under the Plan (unless the Plan has been terminated). However, Shares that have actually been issued under the Plan upon Exercise of an Option, shall not be returned to the Plan and shall not become available for future distribution under the Plan.

5. **Establishment of the Compensation Committee:**

The Board shall, from time to time, constitute a Committee by the name of the "Compensation Committee" in compliance with the applicable rules and regulations of the SEBI and Companies Act.

6. **Administration of the Plan:**

- (a) The Plan shall be administered by the Compensation Committee appointed by the Board.
- (b) Subject to the provisions of the Plan, and subject to the approval of any relevant authorities, the Compensation Committee shall have the authority in its absolute discretion:
 - i) to determine Exercise Price
 - ii) to select the Eligible Employees to whom Options may from time to time be granted hereunder;
 - iii) to determine the number of Shares to be covered by each such Option granted hereunder;



OFSSL- ESOP 2010 Scheme (as amended on August 6, 2015)

- iv) to determine the quantum of option to be granted under the Plan per employee and in aggregate.
- v) to determine the Vesting period and the Exercise Period
- vi) to determine the conditions under which the option vested in employees may lapse in case of termination of employment for misconduct.
- vii) to determine the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
- viii) to determine the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- ix) to approve forms of agreement for acceptance of the grant of Option under the Plan;
- x) to determine the terms and conditions, consistent with the terms of the Plan, of any Option granted hereunder;
- xi) to prescribe, amend, and cancel any rules and regulations relating to the Plan; and
- xii) to construe and interpret the terms of the Plan and Options granted pursuant to the Plan.
- xiii) to approve or reject, the grant, vesting, exercise or forfeiture of Options in case of Eligible Employees who are on long leave.
- xiv) to make the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration by the Compensation Committee:



OFSSL- ESOP 2010 Scheme (as amended on August 6, 2015)

- (a) the number and the price of options shall be adjusted in a manner such that total value of the ESOP remains the same after the corporate action.
- (b) for this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered.
- (c) the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders
- (d) All decisions, determinations and interpretations of the Compensation Committee shall be final and binding on all Optionees.

7. Appraisal of Eligible Employees:

The Compensation Committee shall, based on the various criteria for selection of the Eligible Employees during the year (which criteria shall be decided from time to time by the Compensation Committee for assessing the contribution of the Employees) decide on the Eligible Employees who qualify under the Plan and the number of Options of the Company that may be granted to them.

8. Grant of Options:

- a) The Compensation Committee may, on such dates as it shall determine, grant to such Eligible Employees as it may in its absolute discretion select, Options of the Company on the terms and conditions and for the consideration as it may decide.
- b) The date of grant of an Option shall, for all purposes, be the date on which the Compensation Committee grants such Option, or such other date as is determined by the Compensation Committee. Notice of the grant of option shall be given to each Employee to whom an Option is so granted within a reasonable time after the date of such grant.



OFSSL- ESOP 2010 Scheme (as amended on August 6, 2015)

9. **Term of Plan and Option:**

- a) The Plan shall become effective upon its adoption by the Board. It shall continue in effect for a term of 120 (One Hundred Twenty) months from the date of granting unless all the Options granted under the Plan are exercised or have been extinguished or unless the Plan is terminated under Section 13 of the Plan.

10. **Option Exercise Price and Consideration:**

- a) The Exercise Price per share for the Shares to be issued upon Exercise of an Option shall be such price as is determined by the Administrator.

The Exercise Price per Share of an Option shall not be less than the Fair Market Value. However, notwithstanding the foregoing, the Compensation Committee may, after getting the approval of the Shareholders in general meeting, grant Options with a Exercise Price per Share lesser than the Fair Market Value, subject to adhering to the accounting policies relating to ESOP as provided for in the SEBI guidelines.

- b) The consideration to be paid for the Shares to be issued upon Exercise of an Option, including the method of payment, shall be determined by the Compensation Committee at the time of grant. Such consideration may consist of (1) cash, (2) cheque, (3) promissory note (4) consideration received by the Company under a cash-less Exercise program implemented by the Company in connection with the Plan, or (5) any combination of the foregoing methods of payment.

11. **Individual Limits for Grant of Options:**

- a) No Employee shall be granted, in any fiscal year of the Company, Options to purchase more than or equaling 1% of the outstanding issued share capital as on the date of grant, (excluding outstanding Options and conversions).

Notwithstanding the foregoing, pursuant to a specific special resolution passed by the Shareholders in General Meeting, the Compensation Committee may grant to the Employee/s mentioned in such special resolution, Options to purchase Shares exceeding or equal to 1% of the of the outstanding issued share capital as on the date of the grant, (excluding outstanding Options and conversions).

OFSSL- ESOP 2010 Scheme (as amended on August 6, 2015)



12. Exercise of Option and Rights as a Shareholder:

- a) Any Option granted hereunder shall be vested at 20% after completion of a period of each 12 months from the grant of such option (i.e. from 12, 24, 36, 48 and 60 months from the date of grant). The vested option can be exercised within a period of 120 months from the date of grant of such option in accordance with the terms hereof under such conditions as determined by the Compensation Committee and set forth in the Option Agreement. Unless the Compensation Committee provides otherwise, the Vesting of Options granted hereunder shall be stalled / blocked during any unauthorised & unpaid leave of absence or for any other reason including but not limited to undisciplined behavior or breach of rules and regulations of the Company or such other reason as deemed fit by the Compensation Committee. Subject to the requisite approval of the management of the Company; an Employee can exercise Options during the period of long leave of absence provided the said Employee is in compliance with rules and regulations of the Company.
- b) An Option may not be exercised for a fraction of a share.
- c) An Option shall be deemed exercised when the Company receives: (i) written or electronic notice of Exercise (in accordance with the Option Agreement) from the Optionee entitled to Exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised. Full payment may consist of any consideration and method of payment authorized by the Compensation Committee and permitted by the Option Agreement and the Plan. Shares issued upon Exercise of an Option shall be issued in the name of the Optionee. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares, notwithstanding the Exercise of the Option. The Company shall issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued.

13. Termination of Relationship as an Employee:

If an Optionee ceases to be an Employee, (whether by reason of resignation or superannuation) subject to the specific approval of the Compensation Committee in each case, such Optionee may Exercise his or her Option within such period of time as is specified in the Option Agreement to the extent that the Option is vested on the date of

OFSSL- ESOP 2010 Scheme (as amended on August 6, 2015)



termination (but in no event later than the expiration of the term of the Option as set forth in the Option Agreement). In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for three (3) months or such other period as decided by the Compensation Committee following the Optionee's termination. If, on the date of termination, the Optionee is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall again become available for issuance under the Plan. If, after termination, the Optionee does not Exercise his or her Option within the time specified by the Administrator, the Option shall terminate, and the Shares covered by such Option shall again become available for issuance under the Plan.

14. Death or Disability of Optionee:

If an Optionee dies while in service, or ceases to be an Employee as a result of the Optionee's Disability, the Vesting and exercisability of the Option shall accelerate in full and all the Options granted shall be vested on such date of death or Disability. In case an Optionee suffers a permanent incapacity while in employment, all the Option granted to him/her as on the date of permanent incapacitation, shall vest in him/her on that day. Further, in the event of death of an Employee while in employment, all the Options granted to him/her till such date shall vest, subject to the terms and conditions contained herein, in the nominees or legal heirs of the deceased Optionee. The Options may be exercised within such period of time as is specified in the Option Agreement to the extent of the original grant of Options as it stands on the date of death (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement) by the Optionee, his/her nominee, or Optionee's estate or by a person who acquires the right to Exercise the Option by bequest or inheritance. In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for twelve (12) months following the Optionee's death or Disability. If the Option is not so exercised within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall again become available for issuance under the Plan.

15. Adjustments Upon Changes in Capitalization, Merger or Asset Sale:

- a) **Changes in Capitalization:** Subject to any required action by the shareholders of the Company, the number of Shares covered by each outstanding Option, and the number of Shares, which have been authorized for issuance under the Plan but as to which no Options have yet been granted or which have been returned to the Plan upon cancellation

OFSSL- ESOP 2010 Scheme (as amended on August 6, 2015)



or expiration of an Option, as well as the price per Share covered by each such outstanding Option, shall be proportionately adjusted for any increase or decrease in the number of issued Shares resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Shares, or any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company. The conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of Shares of stock of any class, or securities convertible into Shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of the Shares subject to an Option.

- b) Dissolution or Liquidation: In the event of the proposed dissolution or liquidation of the Company, the Administrator shall notify each Optionee as soon as practicable prior to the effective date of such proposed transaction. The Administrator in its discretion may provide for an Optionee to have the right to Exercise his or her Option until 15 days prior to such transaction as to all of the Optioned Stock covered thereby, including Shares as to which the Option would not otherwise be exercisable. To the extent it has not been previously exercised, an Option will terminate immediately prior to the consummation of such proposed action.
- c) Merger or Asset Sale: In the event of a merger of the Company with or into another corporation, or the sale of substantially all of the assets of the Company, each outstanding Option shall be assumed or an equivalent Option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the Option, the Optionee shall fully vest in and have the right to Exercise the Option as to all of the Optioned Stock, including Shares as to which it would not otherwise be vested or exercisable. If an Option becomes fully vested and exercisable in lieu of assumption or substitution in the event of a merger or sale of assets, the Administrator shall notify the Optionee in writing that the Option shall be fully exercisable for a period of 45 days from the date of such notice, and the Option shall terminate upon the expiration of such period. For the purposes of this paragraph, the Option shall be considered assumed if, following the merger or sale of assets, the Option confers the right to purchase or receive, for each Share subject to the Option immediately prior to the merger or sale of assets, the consideration (whether stock, cash, or other securities or property) received in the merger or sale of assets by holders of Shares for each Share held on the effective date of the transaction (and if the holders were offered a

OFSSL- ESOP 2010 Scheme (as amended on August 6, 2015)



choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the merger or sale of assets is not solely equity Shares (or their equivalent) of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the Exercise of the Option, for each Share subject to the Option, to be solely equity Shares (or their equivalent) of the successor corporation or its Parent equal in Fair Market Value to the per Share consideration received by holders of Share in the merger or sale of assets.

16. Non-Transferability of Options:

The Options may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, subject to the terms and conditions of this Scheme, only by the Optionee.

17. Terms and Conditions of the Shares:

All Shares allotted on Exercise of Warrants will rank pari-passu with all other equity Shares of the Company for the time being in issue (save as regards any right attached to such Shares by reference to a record date prior to the date of allotment).

18. Amendment and Termination of the Plan:

- a) The Compensation Committee may at any time amend, alter, suspend or terminate the Plan.

Provided that the Company obtains shareholder approval by the way of a special resolution, of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

- b) No amendment, alteration, suspension or termination of the Plan shall impair the existing rights of any Optionee, unless mutually agreed otherwise between the Optionee and the Administrator, which agreement must be in writing and signed by the Optionee and the Company. Termination of the Plan shall not affect the Administrator's ability to Exercise

OFSSL- ESOP 2010 Scheme (as amended on August 6, 2015)



the powers granted to it hereunder with respect to Options granted under the Plan prior to the date of such termination.

19. General:

- a) This Plan shall not form part of any contract of employment between the Company and the Employee. The rights and obligations of any individual under the terms of his office or employment with the Company shall not be affected by his participation in this Plan or any right which he may have to participate in it and nothing in this Plan shall be construed as affording such an individual any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.
- b) This Plan shall not confirm on any person any legal or equitable rights (other than that to which he would be entitled as an ordinary member of the Company) against the Company either directly or indirectly or give rise to any cause of action in law or in equity against the Company.
- c) Any question or dispute arising out of or in any way connected with this Plan shall be referred to the Administrator first. The terms and conditions of the Plan shall be governed by the laws of India and the Civil Court at Mumbai alone shall have jurisdiction in respect of such proceedings.
- d) All expenses, taxes, stamp duty, etc. relating to issue of the Shares on exercise of the Options would be borne by the Eligible Employees. The Eligible Employee would also be responsible for declaring and paying income tax and any other form of taxes or levies associated with the Option granted to, vested in or exercised by him. The tax laws and rules as prevalent in India and/or in any other country (as applicable) will be enforced.

Notwithstanding anything to the contrary contained in the Plan or any agreement under the Plan, the Eligible Employee shall bear and pay or reimburse to the Company, all taxes, charges and duties, etc. including but not limited to, surcharge, cess, or any other levy, to the extent to which the Company has paid or is liable to pay in relation to any benefits provided to the Eligible Employee and determined under the applicable tax laws in India and/or any other country (as applicable). The Administrator is authorized to determine the amount of withholding, deduction or recovery, if any, of such tax, duty, etc. from the Eligible Employee and also finalise the timing and modalities for such recovery.

OFSSL- ESOP 2010 Scheme (as amended on August 6, 2015)



i-flex solutions limited

2002 EMPLOYEES STOCK OPTION PLAN

1. **Short title, extent and commencement:**

- a) This Plan may be called the "2002 Stock Option Plan". It applies only to the present and future Employees and Directors (Whole-time or otherwise) of the Company and present and future subsidiaries of the Company ("the eligible employees").
- b) It shall be deemed to have come into force on the March 4, 2002.

2. **Object:**

- a) In pursuance to the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) guidelines, 1999as modified from time to time relating to Employee Stock Option Plans, this Plan has been adopted by resolution of the Board of Directors of the Company, pursuant to the enabling authority of the members of the Company in General Meeting held on August 14, 2001, with the object of granting, at the absolute discretion of the Board or any committee thereof, to, such of the Company's "Eligible Employees", Options to acquire equity Shares directly from the Company and to be allotted Equity Shares of the Company on Exercise of such Options.

3. **Definitions:**

In this Plan, unless the context otherwise requires,

- a) Act means the Companies Act, 1956
- b) "Administrator" means the Compensation Committee or any such committee authorized by the Compensation Committee, established under Section 5 and which shall be administering the Plan in accordance with Section 6 hereof.
- c) "Applicable Laws" means the legal requirements relating to stock Option plans, including, without limitation, the tax, securities or corporate laws of India, any stock exchange or quotation on which the Shares are listed or quoted

i-flex solutions ltd. – ESOP Scheme 2002 as amended on August 6, 2015



- d) "Board" means the Securities and Exchange Board of India or SEBI.
- e) "Board of Directors" means the Board of Directors for the time being of the Company.
- f) "Company" means i-flex solutions limited.
- g) "Compensation Committee" means the Compensation committee constituted by the Board or any such committee of the executives authorised by the Board to act on its behalf in this respect.
- h) "Control" shall have the same meaning as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- i) "Director" means a member of the Board
- j) "Disability" shall mean "Permanent total Disability" as defined in the Workmen's Compensation Act, 1923.
- k) "Eligible Employee" means an Employee and Directors (whole-time or otherwise) of the Company and present and future subsidiaries of the Company who qualifies for issue of Options under this Plan.
- l) "Employee" means any person, including officers and Directors, employed by the Company or any Subsidiary of the Company. An Employee shall not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, any Subsidiary, or any successor.
- m) "Employee Compensation" means the total cost incurred by the Company towards Employee Compensation including basic salary, other allowances, bonuses and commissions, and the value of all benefits and perquisites provided, but does not include the fair value of the Options granted under any Option Plan.
- n) "Exercise" is the act of a written application being made by the Eligible Employee to the Company to have the Options vested in him issued as Shares upon payment of the Exercise Price. Exercise can take place as specified after Vesting in accordance with procedure specified for Exercise herein.



- o) "Exercise Period" means, the period after 12 months of the date of issue of Options to the Eligible Employee but within 120 months from the date of Vesting of the Options by the Company. On the expiry of the Exercise Period, any Options that have not been exercised will lapse and cease to be valid for any purpose.
- p) "Exercise Price" means, such amount as may be decided by the Compensation Committee from time to time that shall be paid by an Optionee at the time of Exercise.
- q) "Fair Market Value" of a share on a given date means the closing price of the share on the stock exchange on which the shares are listed and if the shares are quoted in more than one stock exchange, the closing price on that date where the highest volume of trading had taken place. If the Shares are not quoted on the given date then the share price on the next trading day will be considered.
- r) "Grant Date" means the date on which Compensation Committee approves the grant.
- s) "Key Managerial Personnel" shall have the same meaning as defined under Section 2 (51) of the Companies Act, 2013.
- t) "Option" means a stock Option granted pursuant to the Plan, comprising of a right but not an obligation granted to an Eligible Employee under the Plan to apply for and be allotted Shares of the Company at the Exercise Price determined earlier, during or within the Exercise Period, subject to the requirements of Vesting.
- u) "Option Agreement" means a written or electronic agreement between the Company and an Optionee evidencing the terms and conditions of an individual Option grant. The Option Agreement is subject to the terms and conditions of the Plan.
- v) "Optionee" means the holder of an outstanding Option granted pursuant to this Plan
- w) "Plan" mean this 2002 Employee Stock Option Plan
- x) "Qualifying Date" means the 31st day of March of every year or the last day of the financial year of the Company, or such date as the Compensation Committee may decide. However, the Compensation Committee may relax the Qualifying Date condition on a case-to-case basis.
- y) "Relative" shall have the same meaning as defined under Section 2 (77) of the Companies Act, 2013,



z) "Relevant Date" means

- (i) In the case of grant, the date of the meeting of the compensation committee on which the grant is made or;
- (ii) In the case of exercise, the date on which the notice of exercise is given to the company or to the trust by the employee

aa) "SEBI" means Securities And Exchange Board of India constituted under the SEBI Act, 1992.

bb) "SEBI Guidelines" means SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 as modified from time to time.

cc) "Shares" mean, the equity Shares of the Company with a nominal par value of Rs.5/- (Rupees five only) which have no preference in respect of dividends or in respect of amounts payable in the event of any voluntary liquidation or winding up of the Company.

dd) "Subsidiary" means a Subsidiary of the Company in India or overseas, whether now or hereafter existing as defined under Section 4 of the Companies Act, 1956.

ee) "Vesting" means the event of the Option granted under this Plan becoming effective and shall occur on the expiry of period of every 12 months from the date of issue of the Options for first 60 months (i.e.12, 24, 36, 48 and 60 months from the date of grant of option) to the Eligible Employee or at such time after the expiry of 12 months from the date of issue of the Options, as may be determined by the Compensation Committee.

4. Stock subject to the Plan

a) Subject to the provisions of section, of the Plan the maximum aggregate number of Shares, which may be subject to Option and granted under the Plan, are 23,76,800 Shares. The Shares may be authorised but unissued, or reacquired.

b) If an Option expires or becomes unexercisable without having been exercised in full, the unpurchased options, which were subject thereto, shall become available for future grant or sale under the Plan (unless the Plan has been terminated). However, Shares that have actually been issued under the Plan upon Exercise of an Option, shall not be returned to the Plan and shall not become available for future distribution under the Plan.

i-flex solutions ltd. – ESOP Scheme 2002 as amended on August 6, 2015



5. Establishment of the Compensation Committee:

- a) The Board shall, from time to time, constitute a Committee by the name of the "Compensation Committee". Such Committee shall have authority to form such committee to act on its behalf.
- b) The Compensation Committee shall consist of such number of members not exceeding five (5), as the Board may deem fit.

Provided that the majority of the Committee shall consist of independent Directors of the Company.

6. Administration of the Plan:

- (a) The Plan shall be administered by Compensation Committee appointed by the Board
- (b) Subject to the provisions of the Plan, and subject to the approval of any relevant authorities, the Compensation Committee shall have the authority in its absolute discretion:
 - i) to determine Exercise Price; the first Option Price being IPO price that will be discovered at the time of Company's first IPO.
 - ii) to select the Employees to whom Options may from time to time be granted hereunder;
 - iii) to determine the number of Shares to be covered by each such Option granted hereunder;
 - iv) to determine the Vesting period and the Exercise Period.
 - v) to approve forms of agreement in for acceptance of the grant of Option under the Plan;
 - vi) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option granted hereunder;



- vii) to prescribe, amend and cancel, amend, modify rules and regulations relating to the Plan; and
 - viii) to construe and interpret the terms of the Plan and Options granted pursuant to the Plan.
 - ix) The procedure for making a fair and reasonable adjustment to the number of options, bonus issues, the exercise price in case of rights issues, and other corporate actions.
- (c) All decisions, determinations and interpretations of the Compensation Committee shall be final and binding on all Optionees.

7. Appraisal of Eligible Employees:

The Compensation Committee shall, based on the various criteria for selection of the Eligible Employees during the year (which criteria shall be decided from time to time by the Compensation Committee for assessing the contribution of the Employees) decide on the Eligible Employees who qualify under the Plan and the number of Options of the Company that may be granted to them.

8. Grant of Options:

- a) The Compensation Committee may, on such dates as it shall determine, grant to such Eligible Employees as it may in its absolute discretion select, Options of the Company on the terms and conditions and for the consideration as it may decide.
- b) The date of grant of an Option shall, for all purposes, be the date on which the Compensation Committee grants such Option, or such other date as is determined by the Compensation Committee. Notice of the grant of option shall be given to each Employee to whom an Option is so granted within a reasonable time after the date of such grant.



9. **Term of Plan and Option:**

- a) The Plan shall become effective upon its adoption by the Board. It shall continue in effect for a term of (120) months from the date of granting unless all the Options granted under the Plan are exercised or have been extinguished or unless the Plan is terminated under Section 13 of the Plan.
- b) The term of each Option shall be stated in the Option Agreement; provided, however, that the term shall be not more than (60) months from the date of entire Vesting thereof.

10. **Option Exercise Price and Consideration:**

- a) The per share Exercise Price for the Shares to be issued upon Exercise of an Option shall be such price as is determined by the Administrator.

The per Share Exercise Price of an Option shall not be less than the Fair Market Value on the date of grant. However, notwithstanding the foregoing, the Compensation Committee may, after getting the approval of the members in general meeting, grant Options with a per Share Exercise Price lesser than the Fair Market Value, subject to adhering to the accounting policies relating to ESOP as provided for in the SEBI guidelines.

- b) The consideration to be paid for the Shares to be issued upon Exercise of an Option, including the method of payment, shall be determined by the Compensation Committee at the time of grant. Such consideration may consist of (1) cash, (2) cheque, (3) promissory note (4) consideration received by the Company under a cash-less Exercise program implemented by the Company in connection with the Plan, or (5) any combination of the foregoing methods of payment.

11. **Individual Limits for Grant of Options:**

- a) No Employee shall be granted, in any fiscal year of the Company, Options to purchase more than or equaling 1% of the outstanding issued share capital as on the date of grant, (excluding outstanding Options and conversions).

Notwithstanding the foregoing, pursuant to a specific special resolution passed by the members in General Meeting, the Compensation Committee may grant to the Employee/s mentioned in such special resolution, Options to purchase Shares exceeding or equal to



1% of the of the outstanding issued share capital as on the date of the grant, (excluding outstanding Options and conversions).

12. Exercise of Option and Rights as a Shareholder:

- a) Any Option granted hereunder shall be vested at 20% after completion of a period of each 12 months from the grant of such option (i.e. from 12, 24, 36, 48 and 60 months from the date of grant). The vested option can be exercised within a period of 120 months from the grant of such option in accordance with the terms hereof under such conditions as determined by the Compensation Committee and set forth in the Option Agreement. Unless the Compensation Committee provides otherwise, the Vesting of Options granted hereunder shall be stalled / blocked during any unauthorised & unpaid leave of absence or for any other reason including but not limited to undisciplined behavior or breach of rules and regulations of the Company or such other reason as deemed fit by the Compensation Committee.
- b) An Option may not be exercised for a fraction of a share.
- c) An Option shall be deemed exercised when the Company receives: (i) written or electronic notice of Exercise (in accordance with the Option Agreement) from the person entitled to Exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised. Full payment may consist of any consideration and method of payment authorized by the Compensation Committee and permitted by the Option Agreement and the Plan. Shares issued upon Exercise of an Option shall be issued in the name of the Optionee. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares, notwithstanding the Exercise of the Option. The Company shall issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued.



13. Termination of Relationship as an Employee:

- a) If an Optionee ceases to be an Employee, (whether by reason of resignation or superannuation) subject to the specific approval of the Compensation Committee in each case, such Optionee may Exercise his or her Option within such period of time as is specified in the Option Agreement to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of the Option as set forth in the Option Agreement). In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for three (3) months or such other period as decided by the Compensation Committee following the Optionee's termination. If, on the date of termination, the Optionee is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall again become available for issuance under the Plan. If, after termination, the Optionee does not Exercise his or her Option within the time specified by the Administrator, the Option shall terminate, and the Shares covered by such Option shall again become available for issuance under the Plan.

14. Death or Disability of Optionee:

If an Optionee dies while in service, or ceases to be an Employee as a result of the Optionee's Disability, the Vesting and exercisability of the Option shall accelerate in full and all the Options granted shall be vested on such date of death or disability. The Options may be exercised within such period of time as is specified in the Option Agreement to the extent of the original grant of Options as it stands on the date of death (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement) by the Optionee or Optionee's estate or by a person who acquires the right to Exercise the Option by bequest or inheritance. In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for twelve (12) months following the Optionee's death or Disability. If the Option is not so exercised within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall again become available for issuance under the Plan.

15. Adjustments Upon Changes in Capitalization, Merger or Asset Sale:

- a) Changes in Capitalization: Subject to any required action by the shareholders of the Company, the number of Shares covered by each outstanding Option, and the number of Shares, which have been authorized for issuance under the Plan but as to which no Options have yet been granted or which have been returned to the Plan upon cancellation



or expiration of an Option, as well as the price per Share covered by each such outstanding Option, shall be proportionately adjusted for any increase or decrease in the number of issued Shares resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Shares, or any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company. The conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of Shares of stock of any class, or securities convertible into Shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of the Shares subject to an Option.

- b) Dissolution or Liquidation: In the event of the proposed dissolution or liquidation of the Company, the Administrator shall notify each Optionee as soon as practicable prior to the effective date of such proposed transaction. The Administrator in its discretion may provide for an Optionee to have the right to Exercise his or her Option until 15 days prior to such transaction as to all of the Optioned Stock covered thereby, including Shares as to which the Option would not otherwise be exercisable. To the extent it has not been previously exercised, an Option will terminate immediately prior to the consummation of such proposed action.
- c) Merger or Asset Sale: In the event of a merger of the Company with or into another corporation, or the sale of substantially all of the assets of the Company, each outstanding Option shall be assumed or an equivalent Option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the Option, the Optionee shall fully vest in and have the right to Exercise the Option as to all of the Optioned Stock, including Shares as to which it would not otherwise be vested or exercisable. If an Option becomes fully vested and exercisable in lieu of assumption or substitution in the event of a merger or sale of assets, the Administrator shall notify the Optionee in writing that the Option shall be fully exercisable for a period of 45 days from the date of such notice, and the Option shall terminate upon the expiration of such period. For the purposes of this paragraph, the Option shall be considered assumed if, following the merger or sale of assets, the Option confers the right to purchase or receive, for each Share subject to the Option immediately prior to the merger or sale of assets, the consideration (whether stock, cash, or other securities or property) received in the merger or sale of assets by holders of Shares for each Share held on the effective date of the transaction (and if the holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the

i-flex solutions ltd. – ESOP Scheme 2002 as amended on August 6, 2015



merger or sale of assets is not solely equity Shares (or their equivalent) of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the Exercise of the Option, for each Share subject to the Option, to be solely equity Shares (or their equivalent) of the successor corporation or its Parent equal in Fair Market Value to the per Share consideration received by holders of Share in the merger or sale of assets.

16. Non-Transferability of Options:

The Options may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Optionee, only by the Optionee.

17. Terms and Conditions of the Shares:

All Shares allotted on Exercise of Warrants will rank pari-passu with all other equity Shares of the Company for the time being in issue (save as regards any right attached to such Shares by reference to a record date prior to the date of allotment).

18. Amendment and Termination of the Plan:

- a) The Compensation Committee may at any time amend, alter, suspend or terminate the Plan.

Provided that the Company obtains shareholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

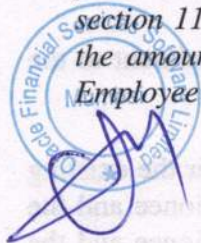
- b) No amendment, alteration, suspension or termination of the Plan shall impair the existing rights of any Optionee, unless mutually agreed otherwise between the Optionee and the Administrator, which agreement must be in writing and signed by the Optionee and the Company. Termination of the Plan shall not affect the Administrator's ability to Exercise the powers granted to it hereunder with respect to Options granted under the Plan prior to the date of such termination.

19. General:



- a) This Plan shall not form part of any contract of employment between the Company and the Employee. The rights and obligations of any individual under the terms of his office or employment with the Company shall not be affected by his participation in this Plan or any right which he may have to participate in it and nothing in this Plan shall be construed as affording such an individual any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.
- b) This Plan shall not confirm on any person any legal or equitable rights (other than that to which he would be entitled as an ordinary member of the Company) against the Company either directly or indirectly or give rise to any cause of action in law or in equity against the Company.
- c) Any question or dispute arising out of or in any way connected with this Plan shall be referred to the Administrator first. The terms and conditions of the Plan shall be governed by the laws of India and the Civil Court at Mumbai alone shall have jurisdiction in respect of such proceedings.
- d) All expenses, taxes, stamp duty relating to issue of the Shares would be borne by Eligible Employees the Eligible Employee would also be responsible for declaring and paying income tax any other levies associated with the option granted to him.

**Notwithstanding anything to the contrary contained in the Plan or any agreement under the Plan, the Eligible Employee shall bear and pay or reimburse to the Company fringe benefit tax, including related surcharge, cess, duty, or any other levy, to the extent to which the Company is liable to pay the fringe benefit tax in relation to the value of fringe benefits provided to the Eligible Employee and determined under clause (ba) of sub-section (1) of section 115WC of the Income tax Act, 1961. The Administrator is authorized to determine the amount of withholding, deduction or recovery, if any, of such tax from the Eligible Employee and also finalise the timing and modalities for such recovery.*



* Inserted vide resolution passed by the members of the Company at their Eighteenth Annual General Meeting held on August 24, 2007 and by the Board of Directors of the Company at its meeting held on January 22, 2008. The above amendment is effective from April 1, 2007.

