

8th April, 2016

Bombay Stock Exchange Limited
Listing Department
P.J.Towers, Dalal Street
Mumbai-400001

Fax. No. 22722037/3121/2041/2061

Dear Sir,

Sub: Amendment in ESOP Scheme-2010 (Through Trust Route) and ESOP Scheme-2007 of the Company

We would like to inform you that members of the Company have approved amendment to ESOP Scheme-2010 (Through Trust Route) and ESOP Scheme-2007 of the Company by adding/amending the some of the clauses as mentioned in the enclosed ESOP Scheme -2010 (Through Trust Route) and ESOP Scheme-2007(Highlighted by Red) through Postal Ballot Process/ e-voting on 9th March, 2016 vide special resolutions.

Please acknowledge the receipt of the same.

Thanking you,

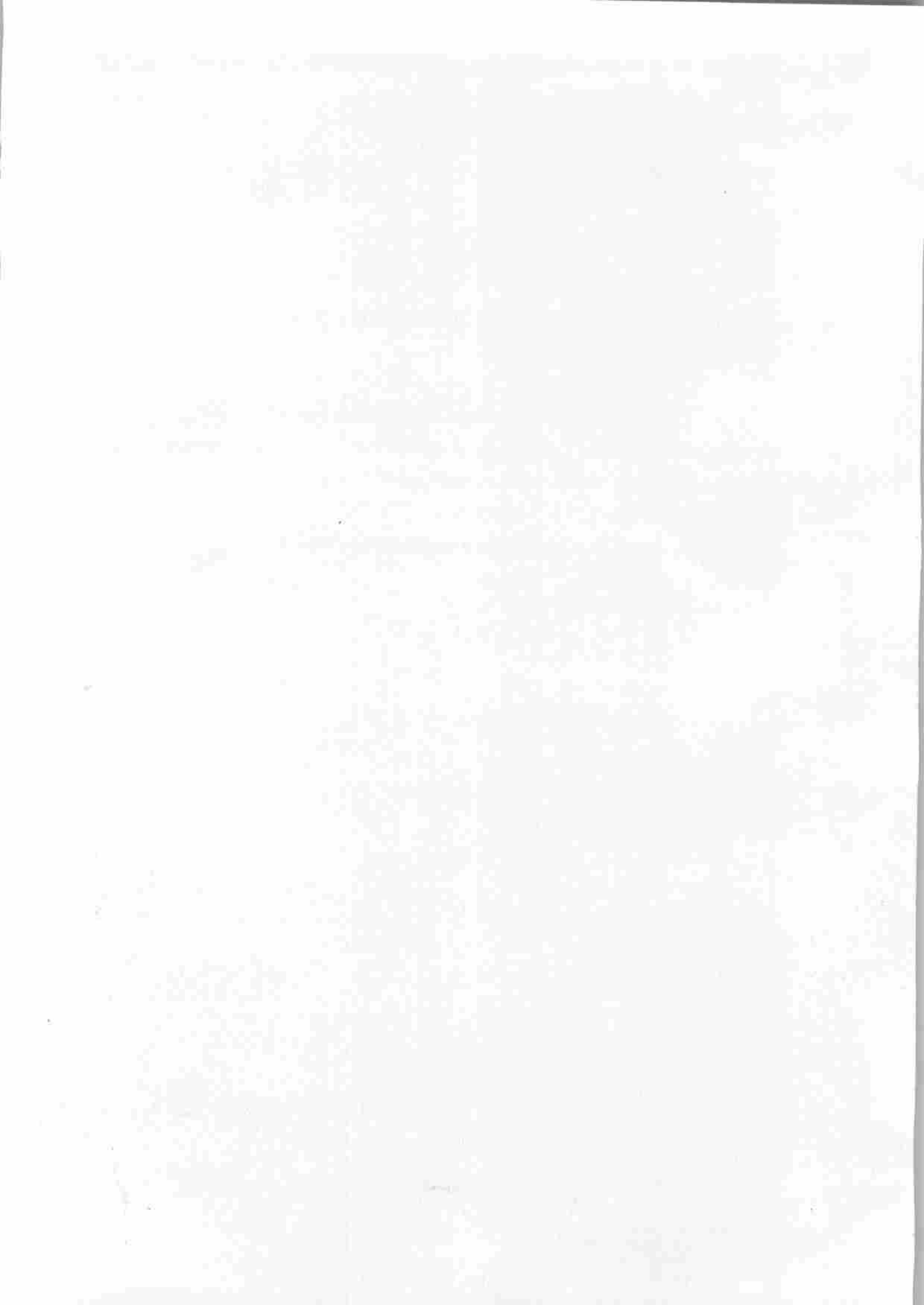
Yours Faithfully,
For Emkay Global Financial Services Limited



B. M. Raul
Company Secretary & Compliance Officer

Encl: as above







Employee Stock Option Scheme 2007

Emkay Global Financial Services Limited
(earstwhile Emkay Share & Stock Brokers Limited)

Emkay Global Financial Services Limited

Table of Contents

1.	NAME, OBJECTIVE AND TERM OF THE PLAN	3
2.	DEFINITIONS AND INTERPRETATION	3
3.	AUTHORITY AND CEILING	7
4.	ADMINISTRATION	8
5.	ELIGIBILITY AND APPLICABILITY	9
6.	VESTING SCHEDULE / CONDITIONS.....	9
7.	EXERCISE	9
8.	OTHER TERMS AND CONDITIONS	12
9.	DEDUCTION OF TAX	14
10.	AUTHORITY TO VARY TERMS	14
11.	MISCELLANEOUS	14
12.	NOTICES	15
13.	GOVERNING LAW AND JURISDICTION	16
14.	INCOME TAX RULES	16

Emkay Global Financial Services Limited

1. Name, Objective and Term of the Plan

1.1 This Plan shall be called the "ESOP 2007".

1.2 The objective of the ESOP 2007 is to reward the Employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to attract and retain talent in the organization. The Company views employee stock options as instruments that would enable the Employees to share the value they create for the Company in the years to come.

1.3 The ESOP 2007 is established with effect from **17.01.2008** and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the options available for issuance under the ESOP 2007 have been issued and exercised.

1.4 The Board of Directors may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the ESOP 2007.

2. Definitions and Interpretation

2.1 Definitions

- i. "Applicable Law" means every law relating to Employee Stock Options, including, without limitation to, the Companies Act, 1956, Securities Exchange Board of India Act, 1992, the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and all relevant tax, securities, exchange control or corporate laws of India or any relevant jurisdiction or of any stock exchange on which the shares are listed or quoted.
- ii. "Board" means the Board of Directors of the Company.
- iii. "Companies Act" means The Companies Act, 1956 and includes any statutory modifications or reenactments thereof.
- iv. "Company" means "Emkay Share & Stock Brokers Limited" now Emkay Global Financial Services Limited.
- v. "Company Policies/Terms of Employment" means the Company's policies for employees and the terms of employment as contained in the Employment

Emkay Global Financial Services Limited

Letter and the Company Handbook, which includes provisions for securing Confidentiality, Non Compete and non Poaching of other Employees and customers.

- vi. "Nomination, Remuneration and Compensation Committee" means a Committee constituted by the Board of Directors from time to time to administer ESOP 2007.
- vii. "Director" means a member of the Board of the Company.
- viii. "Eligibility Criteria" means the criteria as may be determined from time to time by the Nomination, Remuneration and Compensation Committee for granting the Employee Stock Options to the employees.
- ix. "Employee" means (i) a permanent employee of the Company working in India or out of India; 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 Para, of a Subsidiary company, in India or out of India, or of a holding company 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.

Clause 2.1 (ix) amended vide special resolution passed by the members of the Company through postal ballot process/Evoting on 9th March, 2016 and result declared on 11th March, 2016 and substituted by the following clause.

Employee (s) means, –

- (i) a permanent employee of the company who has been working in India or outside India; or
- (ii) a director of the company, whether a whole time director or not but excluding an independent director; or
- (iii) an employee as defined in clauses (i) or (ii) of a subsidiary, in India or outside India, or of a holding company of the company but does not include–

Emkay Global Financial Services Limited

- (a) an employee who is a promoter or a person belonging to the promoter group; or
 - (b) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company;
-
- x. **"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.
 - xi. **"Exercise"** of an Option means expression of an intention by an Employee to the Company to purchase the Shares underlying the Options vested in him, in pursuance of the ESOP 2007, in accordance with the procedure laid down by the Company for exercise of options.
 - xii. **"Exercise Period"** means such time period after Vesting within which the Employee should exercise the options vested in him in pursuance of the ESOP 2007.
 - xiii. **"Exercise Price"** means the price payable by an Employee in order to exercise the Options granted to him in pursuance of the ESOP 2007.
 - xiv. **"Grant"** means issue of Options to the Employees under the ESOP 2007.
 - xv. **"Market Price"** means the latest available closing price, prior to the date of meeting of the Board of Directors in which options are granted/shares are issued, on the stock exchange on which the shares of the company are listed.
 - xvi. **"Option Grantee"** means an Employee who has been granted an Employee Stock Option in pursuance of the ESOP 2007.
 - xvii. **"Parent Company"** means any future holding company of the Company.
 - xviii. **"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

Emkay Global Financial Services Limited

determined by the Nomination, Remuneration and Compensation Committee based on a certificate of a medical expert identified by the Board.

- xix. **"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.
- xx. **"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".
- xxi. **"Recognised Stock Exchange"** means the BSE, NSE or any other Stock Exchange in India on which the Company's Shares are listed or to be listed.
- xxii. **"Retirement"** means retirement as per the rules of the Company.
- xxiii. **"Scheme / Plan / ESOP 2007"** means this Employee Stock Option Plan 2007 under which the Company is authorised to grant Employee Stock Options to the Employees.
- xxiv. **"SEBI Act"** means the Securities & Exchange Board of India Act, 1992 as amended, and includes all regulations and clarifications issued there under.
- xxv. **"SEBI Guidelines"** means the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended and includes all regulations and clarifications issued there under.
- xxvi. **"Shares"** means equity shares of the Company arising out of the exercise of Employee Stock Options granted under the ESOP 2007.
- xxvii. **"Subsidiary company"** means any present or future subsidiary company of the Company, as defined in the Companies Act, 1956.
- xxviii. **"Vesting"** means earning by the Option Grantee, of the right to Exercise the Employee Stock Options granted to him in pursuance of the ESOP 2007.

Emkay Global Financial Services Limited

- xxix. **“Vesting Condition”** means any condition subject to which the options granted would vest in an Option Grantee.
- xxx. **“Vesting Period”** means the period during which the vesting of the Employee Stock Option granted to the Employee, in pursuance of the ESOP 2007 takes place.
- xxxi. **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.
- xxxii. **“Unvested Option”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to exercise the Option.

2.2 Interpretation

In this Plan, 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 is 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;
- 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 its meeting on 11.01.2008 has resolved to issue to employees under ESOP 2007, Employee Stock Options exercisable into not more than 24, 26,575 equity shares of a face value of Rs.10/- each, with each such option conferring a right upon the employee to apply for one equity share of the Company, in accordance with the terms and conditions of such issue.
- 3.2 If an Employee Stock Option expires or becomes unexercisable due to any other reason, it shall become available for future Grants, subject to compliance with all Applicable Laws.

Emkay Global Financial Services Limited

- 3.3 Where Shares are issued consequent upon exercise of an Employee Stock Option under the ESOP 2007, the maximum number of Shares that can be issued under ESOP 2007 as referred to in Clause 3.1 above will stand reduced to the extent of such Shares issued.
- 3.4 In case of a share-split where the face value of the shares is reduced below Rs.10/-, the maximum number of shares available for being granted under ESOP 2007 shall stand modified accordingly, so as to ensure that the cumulative face value (No. of shares X Face value per share) prior to such split remains unchanged after the share split. Thus, for instance, if the face value of each share is reduced to Rs. 5, the total number of shares available under ESOP 2007 would be 24,26,575 X 2 equity shares of Rs. 5 each.

4. Administration

- 4.1 The ESOP 2007 shall be administered by the Nomination, Remuneration and Compensation Committee. All questions of interpretation of the ESOP 2007 or any Employee Stock Option shall be determined by the Nomination, Remuneration and Compensation Committee and such determination shall be final and binding upon all persons having an interest in the ESOP 2007 or such Employee Stock Option.
- 4.2 The Nomination, Remuneration and Compensation Committee shall in accordance with this Plan and Applicable Laws determine the following:
- (a) The quantum of Employee Stock Options to be granted under the ESOP 2007 per Employee, subject to the ceiling as specified in Para 3.1;
 - (b) The Eligibility Criteria;
 - (c) The procedure for making a fair and reasonable adjustment in case of corporate actions such as merger, sale of division, stock split / consolidation, rights issues, bonus issues and others;
 - (d) The procedure and terms for the Grant, Vest and Exercise of Employee Stock Option in case of Employees who are on long leave;
 - (e) The procedure for cashless exercise of Employee Stock Options, if required;
 - (f) Approve forms, writings and/or agreements for use in pursuance of the ESOP 2007.

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5. Eligibility and Applicability

- 5.1 Only Employees are eligible for being granted Employee Stock Options under ESOP 2007. The specific employees to whom the options would be granted and their eligibility criteria would be determined by the Nomination, Remuneration and Compensation Committee.
- 5.2 The Scheme shall be applicable to the Company, its Subsidiary companies in India and abroad, its holding Company and any successor company thereof and may be granted to the Employees and Directors of the Company, its subsidiaries and its holding company, as determined by the Nomination, Remuneration and Compensation Committee on its own discretion.

6. Vesting Schedule / Conditions

Options granted under ESOP 2007 would vest not less than one year and not more than five years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and thus the options would vest on passage of time. In addition to this, the Nomination, Remuneration and Compensation Committee may also specify certain performance parameters subject to which the options would vest. The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the document given to the option grantee at the time of grant of options.

7. Exercise

- a) The exercise price shall be equal to the latest available closing market price on the date prior to the date on which the Nomination, Remuneration and Compensation Committee finalizes the specific number of options to be granted to the employees. Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company or in such other manner as the Nomination, Remuneration and Compensation Committee may decide.
- b) The Employee Stock Options granted shall be capable of being exercised within a period of three years from the date of Vesting of the respective Employee Stock Options. The shares arising out of exercise of vested options will not be subject to any lock - in period after such exercise.

Emkay Global Financial Services Limited

Clause 7 (a) and (b) amended vide resolution passed by the members of the Company in their Annual General Meeting of the Company held on 05.09.2008 and substituted the following clause.

Clause 7(a) and (b) be substitute by the following clause.

To modify/ re-price the Options granted to the Employees of the Company and its subsidiary Companies namely Emkay Fincap Limited, Emkay Commtrade Limited and Emkay Insurance Brokers Limited (including Non-executive directors and/or Independent Directors of the Company, but excluding the Promoter Directors), under Employee Stock Option Scheme 2007 ("ESOP 2007") by re-pricing the options to a price equal to or greater than the latest available closing market price of the equity shares (as quoted on a National Level Stock Exchange determined by the Board/ Nomination, Remuneration and Compensation Committee) on the date immediately preceding the date on which the Nomination, Remuneration and Compensation Committee finalizes the terms of the modification/re-pricing of the options granted to the employees and as a consequence thereof and as connected therewith, if need be, to revise/extend the vesting period or the exercise period already determined by the Nomination, Remuneration and Compensation Committee in terms of the Scheme in a manner such that the reduction in the exercise price of the options is adequately compensated by revision/extension of the vesting or exercise period.

Clause 7(a) and (b) further amended vide special resolution passed by the members of the Company through postal ballot process/ Evoting on 9th March, 2016 and result declared on 11th March, 2016 and substituted by the following clause.

Clause 7(a) and (b) be amended as under:

To modify/ re-price the Options granted to the Employees and Employee Directors of the Company excluding Promoter Directors and Independent Directors of the Company and its Subsidiary and Holding Companies, under Employee Stock Option Scheme 2007 ("ESOP 2007") by re-pricing the options to a price equal to or greater than the latest available closing market price of the equity shares (as quoted on a National Level Stock Exchange determined by the Board/ Nomination, Remuneration and Compensation Committee) on the date immediately preceding the date on which the Nomination, Remuneration and Compensation Committee finalizes the terms of the modification/re-pricing of

Emkay Global Financial Services Limited

the options granted to the employees and as a consequence thereof and as connected therewith, if need be, to revise/extend the vesting period or the exercise period already determined by the Nomination, Remuneration and Compensation Committee in terms of the Scheme in a manner such that the reduction in the exercise price of the options is adequately compensated by revision/extension of the vesting or exercise period.

- c) In the event of the death of an Employee while in employment with the Company, all the Vested and Unvested Options may be Exercised by the Option Grantee's nominee immediately after, but in no event later than six months from the date of death.
- d) In the event of separation of an Employee from the Company due to reasons of Permanent Incapacity the Option Grantee may Exercise his or her Vested as well as Unvested Option immediately after Permanent Incapacity but in no event later than six months from the date of separation from employment. In the event of death of the option grantee after such separation and before the expiry of six months from the date of such separation, the nominee/legal heir of such option grantee will be allowed to exercise all vested options of the option grantee before the expiry of six months from the date of such separation.
- e) In the event of separation from employment for reasons of normal retirement or a retirement specifically approved by the Company,
 - i. all Vested Options should be exercised by the Option Grantee immediately after, but in no event later than six months from the date of such Option Grantee's retirement, and
 - ii. all Unvested Options will lapse as on the date of such retirement, unless otherwise determined by the Nomination, Remuneration and Compensation Committee whose determination will be final and binding.
- f) In the event of resignation, all Unvested Options, on the date of submission of resignation, shall expire and stand terminated with effect from that date. However, all Vested Options as on that date shall be exercisable by the employee before his last working day with the Company.

Emkay Global Financial Services Limited

- g) In the event of abandonment of employment by an Option Grantee without the Company's consent, all Employee Stock Options granted to such employee, including the Vested Options, which were not exercised at the time of abandonment of employment, shall stand terminated with immediate effect. The Nomination, Remuneration and Compensation Committee, at its sole discretion shall decide the date of abandonment by an Employee and such decision shall be binding on all concerned.
- h) In the event of termination of the employment of an Option Grantee due to breach of policies of the Company or the terms of employment, all Employee Stock Options granted to such employee, including the Vested Options which were not exercised at the time of such breach shall stand terminated with effect from the date of such breach; the date of such breach shall be determined by the Nomination, Remuneration and Compensation Committee, and its decision on this issue shall be binding and final.
- i) In the event of transfer of an employee from the company to the holding or subsidiary of the company, the unvested options as on the date of transfer, will continue to vest as per the original schedule and be exercised, subject to the compliance of the applicable laws.

8. Other Terms and Conditions

- 8.1 The number of options that may be granted to any specific employee under the Scheme shall not exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options.
- 8.2 The number of options that may be granted to any Non-Executive director (including any independent director) in any financial year under the Scheme shall not exceed 20,000 options and in aggregate shall not exceed 1% of the issued and paid up capital of the Company at the time of grant of options.

Clause 8 (8.1) and (8.2) amended vide resolution passed by the members of the Company in their Annual General Meeting of the Company held on 05.09.2008 and substituted by the following clause.

To provide that the Board / Nomination, Remuneration and Compensation Committee constituted by the Board may grant additional options to identified employees (including Non-executive directors and/or Independent Directors of the Company but

Emkay Global Financial Services Limited

excluding the Promoter Directors), of the Company such that the options granted under the ESOP 2007 to each such identified employee exceed 1% of the paid up share capital of the Company but do not exceed 5 % of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options.

Clause 8(8.1) and (8.2) further amended vide special resolution passed by the members of the Company through postal ballot process / Evoting on 9th March, 2016 and result declared on 11th March, 2016 and substituted by the following clause.

Clause 8(8.1) and (8.2) are amended as under:

To provide that the Board /Nomination, Remuneration and Compensation Committee constituted by the Board may grant additional options to identified employees and Employee Directors excluding Independent Directors and Promoter Directors of the Company and its Subsidiary Companies and Holding Companies such that the options granted under the ESOP Scheme-2007 to each such identified employee shall exceed 1% of the paid up share capital of the Company but do not exceed 5 % of the paid up capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options.

- 8.3 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc) in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.
- 8.4 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 8.5 If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of options or the exercise price or both would be made in accordance with Clause 4.2(c) of ESOP 2007.
- 8.6 Employee Stock Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case clause 7(c) would apply.

Emkay Global Financial Services Limited

- 8.7 No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option except in the event of the death of the Option Grantee holder, in which case clause 7(c) would apply.

ESOP Scheme-2007 amended vide members resolution dated 01st August, 2011 by adding the following clause.

- 8.8 (i) An employee may surrender his vested / unvested options at any time during his employment with the company.
- 8.8 (ii) Any employee willing to surrender his options shall communicate the same to the company. Thereafter the surrendered options shall expire with effect from the date of surrender of options and become available for future grant under the Scheme (unless the Scheme has been terminated)

9. Deduction/Recovery of Tax

The Company shall have the right to deduct from the employee's salary, any of the employee's or employer's tax obligations arising in connection with the Employee Stock Option or the Shares acquired upon the Exercise thereof. The Company shall have no obligation to deliver Shares to the Option Grantee until such tax obligations have been satisfied by the Option Grantee.

10. Authority to vary terms

The Nomination, Remuneration and Compensation Committee may, if it deems necessary, vary the terms of ESOP 2007, subject to the Applicable Laws.

11. Miscellaneous

11.1 Government Regulations

This ESOP 2007 shall be subject to all Applicable Laws, and approvals from governmental authorities.

11.2 Inability to obtain authority

The inability of the Company to obtain authority 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.

Emkay Global Financial Services Limited

- 11.3 The grant of an Employee Stock Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person and the Company give such person any right or entitlement to have an Employee Stock Option granted to him in respect of any number of shares or any expectation that an Employee Stock Option might be granted to him whether subject to any condition or at all.
- 11.4 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Employee Stock Option 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 Plan by being granted an Employee Stock Option on any other occasion.
- 11.5 The rights granted to an Option Grantee upon the grant of an Employee Stock Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 11.6 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Employee Stock Option in whole or in part.

12. Notices

All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP 2007 shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company and any communication to be given by an Option Grantee to the Company in respect of ESOP 2007 shall be sent to the address mentioned below:

Emkay Share & Stock Brokers Limited
Phoenix House - 'C', 4th Floor
Phoenix Mills, Senapati Bapat Marg
Lower Parel, Mumbai-400013.

Emkay Global Financial Services Limited

Clause 12 amended vide special resolution passed by the members of the Company through postal ballot process / Evoting on 9th March, 2016 and result declared on 11th March, 2016 and substituted by the following clause.

Clause 12 to be amended as under:

Notices

All notices of communication required to be given by the Company to an Option Grantee by virtue of this shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company and any communication to be given by an Option Grantee to the Company in respect of ESOP Scheme-2007 shall be sent to the address mentioned below:

Emkay Global Financial Services Limited
The Ruby, 7th Floor,
Senapati Bapat Marg, Dadar (West),
Mumbai-400028

13. Governing Law and Jurisdiction

- 13.1 The terms and conditions of the ESOP 2007 shall be governed by and construed in accordance with the laws of India.
- 13.2 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 ESOP 2007.
- 13.3 Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP 2007:
- (i) in any other court of competent jurisdiction; or
 - (ii) Concurrently in more than one jurisdiction.

14. Income Tax Rules

The Income Tax Laws and Rules in force will be applicable.

EMKAY GLOBAL FINANCIAL SERVICES LIMITED

EMPLOYEES STOCK OPTION PLAN 2010 (ESOP)

1. Purpose

The Company already has Employee Stock Option Plans in place for its employees as well as the employees of its subsidiaries.

The Company now desires to institute an additional Employee Stock Option Plan (ESOP) titled "ESOP 2010". The purpose of this ESOP is to provide the employees with an additional incentive in the form of Options to receive the equity shares of the Company at a future date. The ESOP is aimed at further motivating, and retaining the employees and thereby increasing the profitability of the Company.

The Company decides the remuneration based on performance of the employee, the seniority of the employee, the commitment in executing his/her duty, etc. The objective of the ESOP is not merely to have another kind of remuneration. The objective is also to use the scheme as a business strategy to enhance the Company's profitability by providing equity linked incentive to employees, so that the employees keep exploring possibilities of increasing the revenue, saving costs and enhancing the profits of the Company.

The Company proposes to set up an employee trust (the "Trust") that will purchase the shares of the Company from the secondary market and hold these shares for the benefit of the employees. Further, in accordance with the directions and the recommendations of the Nomination, Remuneration and Compensation Committee of the Company, the Trust shall grant Options to the employees in respect of the equity shares so purchased by it. On the exercise of the Options by the employees, the Trust shall transfer to the employees the equity shares in the Company as described below.

Above clause in ESOP Scheme-2010 through trust route Amended as under vide Members Resolution dated 20th December, 2013.

The Company's employee trust (the "Trust") will subscribe to the shares issued by the Company and hold these shares for the benefit of the employees. Further, in accordance with the directions and the recommendations of the Nomination, Remuneration and Compensation Committee of the Company, the Trust shall grant Options to the employees in respect of the equity shares so issued to it by the Company. On the exercise of the Options by the employees, the Trust shall transfer to the employees the equity shares of the Company.

Clause 1 (Para 4) further amended vide special resolution passed by the members of the Company through postal ballot process/ E-voting on 9th March, 2016 and result declared on 11th March, 2016 and substituted by the following clause.

Clause 1(Para 4)

The Company's ESOP TRUST will purchase the shares of the Company from the secondary market and /or will also subscribe to the shares issued by the Company and hold these shares for the benefit of the employees of the Company and for the benefit of the employees of its subsidiary and holding Companies present and future. The ESOP Trust shall be required to hold the shares acquired through secondary market acquisition for minimum period of six

months except where they are required to be transferred in the circumstances enumerated in clause (b) of the sub-regulation (14) of this Regulation, "whether off market or on the platform of stock exchange. Further, in accordance with the directions and the recommendations of the Nomination, Remuneration and Compensation Committee of the Company, the Trust shall grant Options to the employees in respect of the equity shares so purchased from the secondary market and /or equity shares so issued to it by the Company. On the exercise of the Options by the employees, the Trust shall transfer to the employees the equity shares in the Company as described below.

Pursuant to Regulation 6(3) (a) and (b) and Regulation 3 (11) of the SEBI Regulation, 2014, the total number of shares under secondary acquisition held by the trust shall at no time exceed the 5% cap as prescribed limits as a percentage of the paid up equity capital of the Company as at the end of the financial year immediately prior to the year in which approval of the shareholders is obtained for such secondary acquisition as prescribed in the SEBI Regulations- 2014.

2. Definitions

The following terms as used herein shall have the meaning specified:

- (a) Company means EMKAY GLOBAL FINANCIAL SERVICES LIMITED, a Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at The Ruby, 7th Floor, Senapati Bapat MArg, Dadar (West), Mumbai-400028.
- (b) Employee(s) means:
 - (i) all present and future permanent employees of the company;
 - (ii) all present and future directors of the Company,

unless they are prohibited from participating in the ESOP under any law or regulations for the time being in force.

Clause 2 (b) amended vide special resolution passed by the members of the Company through postal ballot process/ e-voting on 9th March, 2016 and result declared on 11th March, 2016 and substituted by the following clause.

Clause 2(b)

Employee (s) means, –

- (i) a permanent employee of the company who has been working in India or outside India; or
- (ii) a director of the company, whether a whole time director or not but excluding an independent director; or
- (iii) an employee as defined in clauses (i) or (ii) of a subsidiary, in India or outside India, or of a holding company of the company but does not include–

- (a) an employee who is a promoter or a person belonging to the promoter group; or
- (b) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company;
- (c) Eligible Employee(s) or Beneficiary (ies) means all Employees to whom an Option is granted under the ESOP, or those Employees who satisfy the eligibility criteria for Grant of Options. The word Eligible Employee(s) should also mean and to be read as Beneficiary (ies) or vice-versa here in after.
- (d) Equity Share means an equity share in the Company of the face value of Rs.10 (Rupees ten only) each or where the equity share of the Company has been split up into a par value of less than Rs.10 (Rupees ten only), then the equivalent number of equity shares for the revised par value per equity share.
- (e) Exercise means the act whereby the Eligible Employee actually applies in the prescribed format to the Trust to exercise the Option granted to him/her under the ESOP.
- (f) Exercise Date means the date on which a Beneficiary Exercises his/her Option to acquire the Equity Shares of the Company.
- (g) Exercise Price means the price at which the Eligible Employee is entitled to acquire the Equity Shares pursuant to the Options granted and vested in him/her under the ESOP. The Exercise Price per Equity Share shall be decided by the Trust in accordance with the recommendations of the Nomination, Remuneration and Compensation Committee at the time of Grant of Options. The exercise price shall be calculated on the basis of latest closing price of the Company's equity shares quoted on the Stock Exchange prior to the date of grant of the Options, which for this purpose shall be the date on which the Nomination, Remuneration and Compensation Committee meets to make its recommendations for grant of Options.
- (h) Exercise Period means the period specified in this ESOP during which an Eligible Employee is entitled to exercise the Options vested in him/her to acquire the Equity Shares of the Company in accordance with the terms of this ESOP.
- (i) Exercise Application Form means the application form as may be prescribed, in which the Eligible Employee has to apply to the Trust for Exercising the Options granted to him/her.
- (j) Grant means the process whereby the Trustees pass a resolution based on the recommendation of the Nomination, Remuneration and Compensation Committee in accordance with this ESOP granting a specified number of Options to the Eligible Employees.
- (k) Letter of Grant means the letter issued by the Trust intimating the Eligible Employee of the Options granted to him/her for acquiring a specified number of Equity Shares from the Trust at the Exercise Price.

- (l) Long Leave means Earned Leave, Maternity Leave and Study Leave or any other leave as may be prescribed by the Company from time to time, as per the Company rules and practices
- (m) Maximum Exercise Period means a period of 3(three) years from the date of vesting of each tranche of Options after which the Options would lapse if they are not exercised.
- (n) Options(s) means a right but not an obligation granted under this ESOP to the Eligible Employees, to apply for acquisition from the Trust a specified number of Equity Shares of the Company at a future date at the Exercise Price.
- (o) Nomination, Remuneration and Compensation Committee means the Committee of Directors as constituted by the Board of Directors of the Company consisting of a majority of Independent directors and entrusted with the authority to formulate, implement and regulate the ESOP.
- (p) Trust means Emkay Employees' Welfare Trust established or to be established by the Company for the purposes of administering and implementing the ESOP.
- (q) Trustee means trustees of the Emkay Employees' Welfare Trust appointed in accordance with the Deed of Trust executed by the Company for the purpose of establishing the Trust.

3. Constitution of the Trust and the Nomination, Remuneration and Compensation Committee

(i) Trust

The Company has/shall set up a Private Trust under the Indian Trust Act, 1882, which shall administer and implement this ESOP in accordance with the terms of a Deed of Trust executed or to be executed by the Company and as per the directions/ recommendations given by the Nomination, Remuneration and Compensation Committee from time to time under this ESOP. The Trustees shall Grant Options based on the recommendations of the Nomination, Remuneration and Compensation Committee. On the Exercise of the Options by the Eligible Employees, the Trust shall transfer the Equity Shares in respect of such Options to the Eligible Employees. The Trustees shall be advised by the Nomination, Remuneration and Compensation Committee in relation to the operation of the ESOP, which advice shall be binding upon the Trust. No member of the Nomination, Remuneration and Compensation Committee or the Trust shall be liable for any action or determination made by him/her in good faith. No Trustee shall participate and/or vote with respect to any Option granted or to be granted to such Trustee under the ESOP. The beneficiaries of the Trust would be the Eligible Employees as defined above.

(ii) Nomination, Remuneration and Compensation Committee

- (a) For the effective implementation and monitoring of the ESOP, the Board of Directors of the Company has already constituted a Nomination, Remuneration and Compensation Committee. The Board of Directors has, in its absolute discretion, power to change the composition of the Nomination, Remuneration and Compensation Committee from time to time. The Nomination, Remuneration and Compensation Committee shall exercise all such

authorities, powers and functions as may be necessary or required for the implementation of this ESOP

- (b) Without prejudice to the generality of the foregoing the Nomination, Remuneration and Compensation Committee shall determine
- the Eligible Employees to whom the Options are to be granted;
 - the time when the Options are to be granted;
 - the number of tranches in which the Options are to be granted and the number of Options to be granted in each such tranche;
 - the quantum of Options to be granted at various points in time;
 - the criteria for determining the number of Options to be granted to the Eligible Employees;
 - the number of Options to be granted to each Eligible Employee;
 - the terms and conditions subject to which the Options granted would vest in the Eligible Employee;
 - the vesting schedule and the date of vesting of the Options granted;
 - the terms and conditions subject to which the Options vested would be exercisable by the Eligible Employee;
 - the date by which the Options have to be exercised by the Eligible Employee;
 - the exercise of the options vested in case of retirement, resignation, termination, death or incapability of an Eligible Employee.
 - the number of Options to be apportioned/allocated for various grades of Eligible Employees;
 - the assignment of weightage to length of service, grade and performance rating; and
 - the number of Options reserved, if any, for granting to new employees who would join the services of the Company.
 - the procedure for making adjustments in relation to the Options in case of corporate actions such as rights issues, bonus issues, sub division of shares, merger, acquisition, sale of division etc.
 - the Conditions under which options vested may lapse including in case of termination of employment for misconduct or other wise

The terms and conditions prescribed by the Nomination, Remuneration and Compensation Committee shall be final and binding on all the Employees and the Trust.

The Nomination, Remuneration and Compensation Committees shall also frame, at appropriate time, suitable policies and systems for the purpose of ensuring that there is no violation of:

- a) Securities and Exchange Board of India (Insider Trading) Regulations, 1992; and
- b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.

by any Employee.

With respect to any matters that are not specifically provided for, the Nomination, Remuneration and Compensation Committee shall have absolute discretion to decide such matters in the manner deemed fit by it and any such decision of the Nomination, Remuneration and Compensation Committee shall be binding on all Eligible Employees and the Trust.

4. Total number of Equity Shares in respect of which Options could be Granted

The existing issued and paid-up capital of the Company consists of 2,44,19,950 equity shares of Rs. 10 each as on 30th August 2010. Subject to the compliance with the applicable laws, the Trust shall purchase from the Secondary Market, the Equity Shares of the Company, in one or more installments, which constitutes 10% of the total paid-up equity share capital of the Company at that time. The Company may grant such financial assistance to the Trust for this purpose and on such terms and conditions as it deems fit.

Above clause in ESOP Scheme-2010 through trust route Amended as under vide Members Resolution dated 20th December, 2013.

The existing issued and paid-up capital of the Company consists of 2,44,19,950 equity shares of Rs. 10 each as on 30th August 2010. Subject to the compliance with the applicable laws, the Company shall issue to the Trust, and the trust shall subscribe to the Equity Shares of the Company, not exceeding 24,41,995 Equity Shares in one or more installments, which constitutes 10% of the total paid-up equity share capital of the Company at that time. The Company may grant such financial assistance to the Trust for this purpose and on such terms and conditions as it deems fit.

Above Clause 4 (Para 1) further amended vide special resolution passed by the members of the Company through postal ballot process/ e-voting on 9th March, 2016 and result declared on 11th March, 2016 and substituted by the following clause.

Clause 4 (Para 1)

The issued, subscribed and paid-up capital of the Company consists of 2, 44, 19,950 equity shares of Rs. 10 each as on 30th August 2010. Subject to the compliance with the Securities and Exchange Board of India (Shares Based Employee Benefits) Regulations, 2014 dated 28.10.2014 (hereinafter referred as SEBI Regulations, 2014), SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 th dated 16.06.2015 issued

by SEBI and further Notification No. SEBI/LAD-NRO/GN/2015-16/021 dated 18 September, 2015 issued by SEBI under SEBI (Shares Based Employee Benefits) (Amendment) Regulations, 2015 (hereinafter referred as SEBI (Amendment) Regulations, 2015), and other applicable laws, the Trust shall purchase from the secondary market and /or the Trust shall subscribe to the Equity Shares of the Company, in one or more installments, which constitutes 5% of the total paid-up equity share capital of the Company at that time as per SEBI Regulation, 2014. The Company may grant such financial assistance to the Trust for this purpose and on such terms and conditions as it deems fit.

Pursuant to Regulation 6(3) (a) and (b) and Regulation 3 (11) of the SEBI Regulation, 2014, the total number of shares under secondary acquisition held by the trust shall at no time exceed the 5% cap as prescribed limits as a percentage of the paid up equity capital of the Company as at the end of the financial year immediately prior to the year in which the shareholder approval is obtained for such secondary acquisition as prescribed in the SEBI Regulations- 2014.

The Company reserves the right to issue further Equity Shares and/or Warrants and/or such other instruments convertible into Equity Shares to the Trust at its discretion, for the purposes of the ESOP or any further scheme/plan as may be determined by the Company, subject to compliance with the applicable laws. The Trust shall hold the said Equity Shares/Warrants/other instruments for the benefit of the Eligible Employees. The Trust shall in turn issue Options to the Eligible Employees in accordance with the terms and conditions specified herein and as may be prescribed by the Nomination, Remuneration and Compensation Committee from time to time.

The Trust would, on the basis of the decision of the Nomination, Remuneration and Compensation Committee, Grant from time to time the Options to the Eligible Employees. The Nomination, Remuneration and Compensation Committee in its absolute discretion would be authorized to determine the number of tranches in which the Trust would Grant the Options.

5. Options allocated for various grades/ groups of grades of Eligible Employees and for individual allotment based on length of service and/or grade and/or performance rating.

The Nomination, Remuneration and Compensation Committee would have the authority to allocate / give advice to allocate a certain percentage out of the total available Options for being granted by the Trust to various grades/group of grades of Eligible Employees. The Nomination, Remuneration and Compensation Committee would also have in its absolute discretion the authority to further allocate/ advise to allocate a certain percentage out of the aforesaid, for Grant of the Options by the Trust to individual Eligible Employees based on length of service and/or grade and/or performance rating. The Nomination, Remuneration and Compensation Committee shall inform the Trust about such allocation, based on which the Trust shall Grant Options to the Eligible Employees.

The criteria for eligibility of the Eligible Employees for the Grant of Options will be decided by the Nomination, Remuneration and Compensation Committee based on number of years' service and/or grade and/or performance rating of the Beneficiaries. The Nomination, Remuneration and Compensation Committee may review and revise the criteria for eligibility as aforesaid in keeping with the needs

of the business, remuneration policies, various laws and regulations from time to time.

The date of the meeting of the Nomination, Remuneration and Compensation Committee for considering the grant of the Options would be the relevant date for determining the criteria for considering the Grant of Options.

The maximum number of options which may be granted per employee shall be 5% of the issued equity share capital of the Company.

6. Basis of determining the number of Options to be Granted

The actual number of Options to be granted to each Employee would be in accordance with the criteria determined by the Nomination, Remuneration and Compensation Committee in its absolute discretion, and communicated to the Trust.

The Nomination, Remuneration and Compensation Committee may not recommend the Grant of any Options or may not recommend the vesting of Options already granted in the event the Eligible Employee has not performed up to the expectations or has not attended the office for a substantial period of the financial year of the Company or in case of misconduct of the Employee or in such other circumstances as at it may deem fit in its absolute discretion.

7. Vesting of the Options Granted

The Options granted would vest in an Eligible Employee within such time from the date of Grant and in such number of installments and subject to such terms as the Nomination, Remuneration and Compensation Committee may decide, in its absolute discretion, and recommend to the Trust, at the time of Grant of the Options, subject to a minimum vesting period of one year and a maximum vesting period of five years.

8. Procedure of Granting and exercising

Granting

The Trust shall upon the recommendation of the Nomination, Remuneration and Compensation Committee issue a Letter of Grant to all Eligible Employees who have been granted Options, within such time from the date of Grant as it may deem fit, containing such terms and conditions relating to the vesting and exercise of the Options as may be prescribed by the Nomination, Remuneration and Compensation Committee and in particular the following:

- a. Employment Covenant: A condition in any Option granted that the Eligible Employee shall agree to remain in the employment of, and to render services to, the Company, for a period of time (specified in the Letter of Grant) following the Grant. The Grant of an Option shall, however, not impose upon the Company any obligation to employ the Eligible Employee for any period of time.
- b. Number of Equity Shares and the Exercise Price : Each Letter of Grant shall state the total number of Equity Shares to which it pertains, and the Exercise Price.
- c. Vesting of Options: The Options granted pursuant to this ESOP shall vest in such number of tranches as will be determined by the Nomination, Remuneration and Compensation Committee, subject to a minimum vesting period of one year and a maximum vesting period of five years. The Eligible

Employee shall be entitled to exercise the Options only to the extent that they have vested in accordance with the Letter of Grant.

- d. No rights of Shareholders: An Eligible Employee shall not have any of the rights of a shareholder of the Company until the Equity Shares are transferred to him, and no adjustments shall be made for dividends or other rights for which the record date is prior to the date such Equity Shares are transferred to the Eligible Employee.

Exercise of Options

- a. An Eligible Employee wishing to exercise the Options vested in him/her shall submit an application in the specified format to the Trust.
- b. In case the Eligible Employee wishes to exercise the Options, the Eligible Employee shall submit the Exercise Application Form to the Trust along with a cheque/demand draft for the Exercise Price being the number of Options exercised multiplied by the Exercise Price per Equity Share as indicated in the Letter of Grant. Such cheque/demand draft should be drawn on any bank payable at Mumbai and shall be drawn in favour of "Emkay Employees' Welfare Trust".
- c. Subject to the provisions of Clause 10, the Options vested in the Eligible Employees shall be exercised by him/her within the Maximum Exercise Period of three (3) years from the date of vesting of each tranche of Options or such other extended period as may be decided by the Nomination, Remuneration and Compensation Committee. The Eligible Employee may exercise any number of Options during each tranche subject to the following conditions:-
- (i) The Eligible Employee must exercise a minimum of 100 (hundred only) Options or Options vested whichever is lower in each tranche;
 - (ii) Once the Options become vested in an Eligible Employee, he can exercise them at various points of time within the Maximum Exercise Period
- The Options remaining unexercised at the end of three (3) years from the date of each vesting (or such extended period as may be decided by the Nomination, Remuneration and Compensation Committee), shall lapse.
- d. For all Options exercised during a calendar quarter being either January 1 to March 31, April 1 to June 30, July 1 to September 30 or October 1 to December 31, the Trust shall take appropriate steps to transfer the relevant number of Equity Shares as soon as possible but not later than the first month of the subsequent quarter and shall thereafter either deliver share certificates to the concerned employees for the relevant number of Equity Shares or credit the relevant number of Equity Shares to their designated depository account. The period aforesaid for grouping of Exercise and transfer of Equity Shares would be subject to review by the Nomination, Remuneration and Compensation Committee from time to time.
- e. The Eligible Employees who wish to exercise the Options will have the right to nominate their nominees and can include the names of their spouse, children and/or their parent(s) as the second and third holders of the shares to be transferred consequent to the exercise of the Options.

9. Event of death/incapacitation/Long Leave of any Employee who has been granted Options

Notwithstanding anything contained herein, in case of death or permanent disability of any Eligible Employee whilst in service of the Company, the Options granted but not vested in that Eligible Employee shall vest in the person(s) nominated by such Eligible Employee in case of death and in the Eligible Employee himself/herself in case of permanent disability. These Options shall vest in and shall be exercised by the nominee(s)/ Eligible Employee as the case may be within a period of four (4) years from the date of grant of the Options or such other extended period as may be decided by the Nomination, Remuneration and Compensation Committee. The nomination shall be made in the form prescribed by the Trust for this purpose. The decision whether or not an Eligible Employee is permanently disabled will be taken by the Nomination, Remuneration and Compensation Committee and such decision shall be final and binding on such Employee.

In case of the death of any Eligible Employee who has, not nominated any person(s), the Option will vest in and shall be exercised by the successor(s) of such Eligible Employee within such time as is stipulated in the Letter of Grant, provided however that the successor(s) shall be required to produce to the Company all such documents as may be required by the Company to prove the succession to the assets of the deceased Eligible Employee. In case the proof of the succession is not produced to the Company within one year from the date of death of the Eligible Employee or such further time as the Nomination, Remuneration and Compensation Committee or the Trust may permit in its absolute discretion, the Options shall lapse.

Where an Eligible Employee has been granted a Long Leave, then the Employee shall be entitled to retain all the Options allotted to him whether those Options have vested or not at the time of going on Long Leave and also to exercise the Options in accordance with this ESOP. Provided However That the vesting of the Options will be subject to the fulfillment by the Employee of the terms and conditions, in respect of Long Leave, prescribed by the Company or in force at the time of granting the Long Leave and if the Employee fails to fulfill the prescribed terms and conditions, then all the Options for which the Employee has not exercised his Option, even though they may have vested in him, shall lapse.

10. Event of termination of service of the Employee who has been Granted Options

a. Due to resignation of the employee

In case of termination of the services of the Eligible Employee due to resignation, the Options granted but not vested shall automatically lapse forthwith on submission of the resignation by an Eligible Employee. However, the Options vested but not exercised by the Eligible Employee who has resigned from the services of the Company, could be exercised by such Eligible Employee on or before the last working day. However, Nomination, Remuneration and Compensation Committee may, in its absolute discretion, allow such eligible employees(s) to exercise the vested options during the exercise period of three years from the date of vesting provided that such eligible employee(s) does not engage in any capacity

with any company or any other form of an entity which is in similar business as that of the Company, without the prior written approval of the Company. All Options vested and eligible for being exercised shall be exercised by the resigned employee in accordance with the ESOP

For the purposes of this clause, resignation means cessation of employment otherwise than on retirement or early retirement as defined/ referred to in sub clause (d) below.

b. Due to dismissal or discharge for misconduct of the Eligible Employee

In case of termination of the services of the Eligible Employee due to dismissal for misconduct of the Eligible Employee, the Trust shall have the right (on recommendation to that effect by the Nomination, Remuneration and Compensation Committee) to cancel the Options granted but not vested and/or Options vested but not exercised by such Eligible Employee.

c. Due to discharge for reasons other than misconduct of the Eligible Employee

In case of termination of the services of the Eligible Employee due to discharge for any reason other than misconduct of the Employee or resignation by the Employee or Early Retirement or normal retirement, the terms relating to vesting and exercise shall be determined by the Trust on the recommendation of the Nomination, Remuneration and Compensation Committee .

d. Due to retirement of the Eligible Employee

In case the Eligible Employee retires from the Company pursuant to reaching the age of retirement as prescribed by the Company, all Options that may vest in an Eligible Employee subsequent to the retirement date shall continue to vest in accordance with the vesting schedule specified in the Letter of Grant. All such options vested and eligible for being exercised shall be exercised by the retired employee in accordance with the ESOP.

In case an Eligible Employee, who has been granted Options, opts for Early Retirement otherwise than under a scheme of voluntary retirement, all Options that are vested in an Eligible Employee subsequent to the date on which an Eligible Employee retired shall lapse. However, the Options vested but not exercised by an Eligible Employee who has opted for Early Retirement otherwise than under a scheme of voluntary retirement could be exercised by such Eligible Employee on or before the last working day. However, Nomination, Remuneration and Compensation Committee may, in its absolute discretion, allow such eligible employees(s) to exercise the vested options during the exercise period of three years from the date of vesting provided that such eligible employee(s) does not engage in any capacity with any company or with any other form of an entity which is in similar business as that of the Company, without the prior written approval of the Company. All Options vested and eligible for being exercised shall be exercised by such Eligible Employee in accordance with the ESOP.

For the purposes of this clause, Early Retirement means retirement, otherwise than under a Scheme of Voluntary Retirement or resignation by an Employee before the date of normal retirement where such early retirement has been approved by the Nomination, Remuneration and Compensation Committee.

Notwithstanding the above, the Trust, based on the recommendation of the Nomination, Remuneration and Compensation Committee, in its absolute

discretion shall have the authority to waive the aforesaid restrictions relating to the subsequent vestings.

In case of termination of the services of an Eligible Employee due to his/her retirement pursuant to a scheme of voluntary retirement as formulated by the Company, the terms relating to vesting and exercise shall be framed by the Nomination, Remuneration and Compensation Committee.

11. Suspended Employees and Employees under enquiry

In case an Eligible Employee has been suspended or in case of an Eligible Employee against whom an enquiry is being conducted for any reason, all Options shall stand suspended and shall neither vest nor shall be exercisable until the suspension period or an enquiry is completed. If an Eligible Employee is found guilty of misconduct under any such enquiry, the provisions of clause 10(b) above shall apply.

12. Event of Transfer of Employee to subsidiary/group Companies

In the event of an employee's services transferred by the Company to one of its subsidiaries or to a Group Company prior to the date of vesting of all Options granted, such Options shall continue to vest in accordance with the vesting schedule specified in the Letter of Grant. This will apply provided an Employee continues to be in the employment of the respective subsidiary or Group Company on the date of vesting of the Options.

Notwithstanding the above, the Nomination, Remuneration and Compensation Committee, in its absolute discretion shall have the authority to decide upon the aforesaid conditions in the event of transfer of an employee to subsidiary companies.

13. Lapsed Options

When an Option lapses under any of the circumstances mentioned above, then an Eligible Employee shall have no right, title or interest in respect thereof or any claim against the Trust or the Company. In an event of the lapse of any Options, the Trustees shall be entitled to, on the recommendation of the Nomination, Remuneration and Compensation Committee, create fresh Options in lieu of the lapsed Options, and Grant such Options to such of the Eligible Employees as recommended by the Nomination, Remuneration and Compensation Committee .

14. Other Conditions

- (a) The Eligible Employee shall not, directly or indirectly, sell, pledge, assign or otherwise transfer or dispose of (hereinafter collectively referred to as "alienation") all or any unexercised portion of the Options or the rights and benefits attached thereto till the time exercise of the options.
- (b) If any bonus and/or rights Equity Shares are issued by the Company or the Equity Shares of the Company are split up reducing the face (par) value per Equity Share, or if there is a corporate re organization of the Company, then the Trust would, on the recommendations of the Nomination, Remuneration and Compensation Committee, make a fair and reasonable adjustment to the number of outstanding Options and/or to the Exercise Price.

The Nomination, Remuneration and Compensation Committee, would while making its recommendation, consider various factors, including, but not limited to, the following

1. that the number and price of the Options shall be adjusted in a manner such that the total value of the options remains the same after the Corporate action;
2. that global practices in this area, such as those in the derivatives market, should be adopted;
3. that, as far as possible, the vesting period and the life of the Options should be left unaltered.

Similarly, if the Company takes any action which in the opinion of the Nomination, Remuneration and Compensation Committee requires any adjustment to the number of outstanding Options and/or the Exercise Price, then the Trust would, on the recommendations of the Nomination, Remuneration and Compensation Committee, make a fair and reasonable adjustment to the number of outstanding Options and/or to the Exercise Price.

- (c) The Options granted herewith shall not be affected by any takeover by/of, merger with, or amalgamation of any other entity with the Company or in the event of restructuring of the capital of the Company. In such an event, the Trust on the recommendation of the Nomination, Remuneration and Compensation Committee would have the authority to alter all or any of the terms relating to the Grant and would also have the authority to do all such acts and deeds as it may deem fit in its absolute discretion and as permitted under law, so to ensure that the benefits under the Grant are passed on to the Eligible Employees.
- (d) PROVIDED HOWEVER THAT what is provided in sub-clauses (b) and (c) hereinabove shall not apply to the issue of Equity Shares by the Company either on a preferential basis, subject to the approval of its members in General Meeting, to certain persons, whether they are existing shareholders of the Company or not, or under an Offer for Sale by the existing shareholders of the Company.
- (e) The Trust shall have the discretion, but shall not be obliged to distribute the dividends received from the Company to such Eligible Employees to whom the Options have been granted but have not exercised their Options.
- (f) The date of exercise shall be the date on which an Eligible Employee submits an Exercise Application Form (complete in all respects) for exercising the Options granted to him, to the Trust.
- (g) Grant, vesting and exercise of Options will be liable to tax, if any, in the hands of the Eligible Employee in accordance with the provisions of the Income-tax Act, 1961 and the Rules framed thereunder from time to time. Further, the Company shall notwithstanding anything contained in this Scheme or any other agreement or scheme for granting of Options to the Employee concerned, have the right to recover from such Employee (including former Employee) any tax, cess, levy or assessment, by whatever name called levied upon or payable by the Company in respect of or in relation to such Options. The Company or the Trust will deduct tax at source, wherever necessary, from any payments to the Employee concerned in respect of his entitlements under the ESOP. Alternatively, the employee who exercises the option shall be liable to produce the proof of payment of the tax, if any, payable in respect of exercise of the options, prior to the Trust transferring the shares to the designated

depository account of the employee. The Trust will transfer the shares to the designated depository account of the employee only after it receives a confirmation from the Company on the submission of proof of payment of taxes including penalty if any payable by the employee. The Company/Trust shall have lien on all the shares of employees who have not produced the proof of payment of the taxes and shall be free to deal with the shares in such manner as it may deem fit for recovery of the tax liabilities of the Employee. The Trust for this purpose shall also be permitted to transfer the shares as required for payment of the taxes and if necessary, the Trust may also sell or otherwise dispose of part of the Equity Shares to be distributed to the Eligible Employees who have received their Options, and to retain the proceeds thereof towards deductions of tax or otherwise required to meet any tax obligation of the Eligible Employee. The Company/ Trust shall be authorised to execute transfer forms and other documents as it may require in this respect.

- (h) The Equity Shares acquired pursuant to the Options would not be subject to any lock-in period. The Equity Shares would carry voting rights and other rights in accordance with the provisions of the Companies Act, 1956 or its modification from time to time or re-enactment, and the Articles of Association of the Company in force from time to time.

The Equity Shares shall rank pari passu with the existing Equity Shares of the Company in all respects except that they shall be entitled to a pro rata dividend for the financial year in which they are allotted. It is expressly provided that an Option Holder shall not have any right to receive dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of the Options granted to him, till the Equity Shares are issued to him on exercise of the Options.

The decision of the Trust on the recommendation of the Nomination, Remuneration and Compensation Committee on any of the above matters including the date of exercise of Options will be final and binding on the Eligible Employees.

Following New Clause 14 (i) inserted vide special resolution passed by the members of the Company through postal ballot process/ e-voting on 9th March, 2016 and result declared on 11th March, 2016 after clause 14 (h).

New Clause 14 (i) inserted - Power to Borrow by ESOP Trust From Company:

- 14(i) ESOP Trust has power to borrow money by way of Loan/s and / or accept donation/s from Emkay Global Financial Services Limited (Company) towards corpus of the ESOPTrust as provided under Securities and Exchange Board of India (Shares Based Employee Benefits) Regulations, 2014 dated 28.10.2014 (hereinafter referred as SEBI Regulations, 2014), SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16.06.2015 issued by SEBI and further Notification No. SEBI/LADNRO/ GN/2015-16/021 dated 18th September, 2015 issued by SEBI under SEBI (Shares Based Employee Benefits) (Amendment) Regulations, 2015(hereinafter referred as SEBI (Amendment) Regulations, 2015), and as per the Rule 16 of the Companies (Shares and Debentures) Rules, 2014 issued under Section 67 (3) (b) of the Companies Act, 2013 for any purposes / business / activities of the ESOP Trust, or incidental to the administration thereof, upon such terms and conditions as the Trustees may deem fit but including, upon their bond or promissory note as the Trustees, and by securing the repayment thereof by mortgaging, creating a security interest in, or pledging, or otherwise encumbering the whole property of the ESOP Trust or any part thereof, and with respect to the purchase or other acquisition of any property

as part of the consideration given there, or to assume a liability of the transferor, or to acquire such property subject to a liability.

15. Effective Date of the ESOP

The ESOP shall be effective from the date that the ESOP is approved by the Nomination, Remuneration and Compensation Committee and shall continue in effect till its termination by the Nomination, Remuneration and Compensation Committee .

16. Exit Mechanism

- (i) The Employee would be entitled to transfer the Equity Shares at any time in accordance with the provisions of the Articles of Association of the Company and the applicable laws.
- (ii) The Employee can sell the shares on the floor of the stock exchange if he so desires.
- (iii) In future, the Company may at its sole discretion, buy-back the Equity Shares acquired by the Employees under this ESOP on such terms and conditions and price as it deems fit and by following the specified procedure in this regard.
- (iv) In future, the Trust may buy-back the Equity Shares acquired by the Employees under this ESOP on such terms and conditions and price as it deems fit.

ESOP Scheme-2010 through trust route Amended vide Members Resolution dated 01st August, 2011 by adding the following clause no. 16.(v) and (vi)

- (v) An employee may surrender his vested / unvested options at any time during his employment with the company.
- (vi) Any employee willing to surrender his options shall communicate the same to the company. Thereafter the surrendered options shall expire with effect from the date of surrender of options and become available for future grant under the Scheme (unless the Scheme has been terminated)

17. Variation of Terms of ESOP

The Company may by a special resolution in a general meeting vary the terms of the ESOP in respect of the Options which have yet not been exercised by the Employees.

Further, the Company may re-price the Options which have yet not been exercised by the Employees if the Options are rendered unattractive due to fall in the share price.

The Company will not vary the terms of the ESOP in any manner which may be detrimental to the interests of the Employee.

18. Applicable Laws

- (i) The provisions of the ESOP comply with the provisions of the Companies Act, 1956, the SEBI (Employee Stock Option Scheme and Employee Stock

Purchase Scheme) Guidelines, 1999, as modified from time to time and the Income-tax Act, 1961.

- (ii) The ESOP would be subject to all applicable laws at present and those which may become applicable in the future. In order to comply with any such law(s), if it is necessary to modify any of the provisions contained herein, then the Company shall be entitled to suitably vary the terms of the ESOP by a special resolution in a general meeting of the members of the Company.
- (iii) In respect of the ESOP, the Company shall conform to the applicable Accounting Policies.
- (iv) All disputes, differences, claims and questions which shall arise between the Company and the Employees in relation to the ESOP, shall be amicably settled. In the event of the failure to do so, the same shall be settled by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996, as modified from time to time. The site of the Arbitration shall be Mumbai, Maharashtra, India. The language of the Arbitration shall be English.
- (v) This ESOP is subject to the exclusive jurisdiction of Mumbai, Maharashtra, India.

19. Representation

Neither the Company nor the Nomination, Remuneration and Compensation Committee nor the Trust makes any representation regarding the performance of the Company or the future value of the Equity Shares. Each Employee should take the decision to exercise the Options granted to him/her after considering all the provisions of this ESOP and other relevant factors.

20. Right to modify the scheme

The ESOP may be modified, amended or altered by the Nomination, Remuneration and Compensation Committee at its absolute discretion at such time or times as it may deem fit.

This represents the complete Scheme for EMKAY ESOP 2010.
