

No. Sec./SE/17-18/32

June 9, 2017

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai - 400 001
Scrip Code: 500295

National Stock Exchange of India Limited
"Exchange Plaza"
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051
Scrip Code: VEDL

Dear Sir(s),

Sub: Compliance under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

In terms of Regulation 3(3) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, please find the enclosed "Trust Deed of Variation" as approved by the Nomination and Remuneration Committee of Vedanta Limited, in relation with Vedanta Limited Employee Stock Option Scheme- 2016.

We request you to kindly take the above information on record.

Thanking you,

Yours faithfully,
For Vedanta Limited



Bhumika Sood
Company Secretary & Compliance Officer

VEDANTA LIMITED

DLF Atria, Phase 2, Jacaranda Marg, DLF City, Gurugram - 122002, Haryana, India | T +91 124 459 3000 | F +91 124 414 5612
www.vedantalimited.com

REGISTERED OFFICE: Vedanta Limited, 1st Floor, 'C' wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East),
Mumbai - 400093, Maharashtra, India | T +91 22 6643 4500 | F +91 22 6643 4530

Bond



**Indian-Non Judicial Stamp
Haryana Government**



Date : 16/07/2016

Certificate No. GOP2016G235



Stamp Duty Paid : ₹ 10

(Rs. Ten Only)

GRN No. 19709495



Penalty : ₹ 0

(Rs. Zero Only)

Seller Detail

Name: Vedanta Ltd

H.No.: Na

Floor: Na

Street : Dlf 2

City : Gurgaon

District : Gurgaon

State : Haryana

E-mail: arya.suraj100@gmail.com

Phone: 9910197466



Purpose : AFF

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DEED OF VARIATION

THIS DEED OF VARIATION TO THE TRUST DEED OF VEDANTA LIMITED ESOS TRUST (hereinafter referred to as "Deed of Variation") is made this 25 day of May, 2017

BETWEEN

Vedanta Limited, a Company incorporated under the provisions of the Companies Act, 1956, having its registered office at 1st Floor, 'C' wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai-400093, Maharashtra (hereinafter referred to as "the Settlor") which expression shall unless repugnant to or inconsistent with the context mean and include its successors and assigns of the ONE PART

AND

1. Mr. Suresh Bose, Vedanta Limited, DLF Atria, Phase 2, Jacaranda Marg, DLF City, Gurgaon 122002 (Haryana)
2. Ms. Rashmi Mohanty, Vedanta Limited, DLF Atria, Phase 2, Jacaranda Marg, DLF City, Gurgaon 122002 (Haryana)
3. Mr. Deodatta Padgaonkar, Vedanta Limited, Vedanta House, 75 Nehru Road, Vile Parle (East), Mumbai 400099 (Maharashtra)
4. Mr. Dilip Pattanayak, Hindustan Zinc Limited, 'Yashad Bhawan', Udaipur - 313 004 (Rajasthan)

5. Mr. Anup Agarwal, SIPCOT Industrial Complex, Madurai By-pass Road, T.V. Puram PO, Tuticorin- 628002 (Tamil Nadu)

(hereinafter collectively referred to as “the Trustees” and individually as “the Trustee” which expression shall unless repugnant to or inconsistent with the context mean and include all the Trustees from time to time of this Trust, survivors and the legal representatives and executors administrators and successors of the last of the survivor of the Trustees) of the OTHER PART.







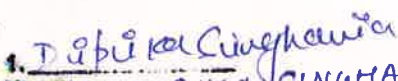

WHEREAS:

- A. The Settlor had vide trust deed dated 17th December, 2016 (“Trust Deed”) set up a Trust known as Vedanta Limited ESOS Trust (“Trust”) with a view to administer the Settlor’s employee stock option plan namely Vedanta Limited Employee Stock Option Scheme 2016 (“ESOS 2016 or Scheme”), on the terms more particularly mentioned therein.
- B. One of the first trustees of the Trust Mr. Niranjana Kumar Gupta had resigned as a trustee from the board of trustees of the Trust and the Nomination and Remuneration Committee (“Committee”) of the Settlor being empowered under the Trust Deed had accepted such resignation.
- C. Provisions of Clause 8 of Trust Deed confer a power on the Committee for appointment of Trustee(s) and that the Committee has resolved replacing the resigned trustee with a new Trustee Ms. Rashmi Mohanty as one of the Trustees of the Trust vide its resolution dated May 15, 2017.
- D. In view of the aforesaid, the Settlor and the Trustees are desirous of modifying the Trust Deed dated 17th December, 2016 as more particularly mentioned hereinafter.

NOW, THEREFORE, THIS DEED OF VARIATION WITNESSETH AS FOLLOWS:

1. That Ms. Rashmi Mohanty is being appointed as one of the Trustee pursuant to provisions of Clause 8 of the Trust Deed and that all the provisions as to Trustee’ powers, obligations, duties and other provisions of the Trust Deed shall apply as if she is an original Trustee of the Trust with effect from this day.
2. That Mr. Niranjana Kumar Gupta one of the first Trustees of the Trust has been removed from trusteeship of the Trust in consideration of his resignation with effect from March 28, 2017.
3. That the variations shall have the effect of amending the Trust Deed only to the extent of replacement of Trustee as stated hereinabove and that this Deed of Variation shall be an integral part of the Trust Deed and that the Trust Deed as deemed to be amended by this Deed of Variation shall have full force and effect in all other respects.
4. That the Settlor represents and warrants that it has the requisite power and authority to execute this Deed of Variation and the execution whereof has been duly authorized by all the necessary actions on its part.

IN WITNESS WHEREOF, THE SETTLOR CAUSED THIS DEED OF VARIATION TO BE DULY EXECUTED AS OF THE 25th DAY OF MAY 2017

Signed, sealed and delivered for and on behalf of Settlor by Mr. GR Arun Kumar, Whole Time Director and CFO	
Signed, sealed and delivered by the within named Trustees:	
1. Mr. Suresh Bose	
2. Ms. Rashmi Mohanty	
3. Mr. Deodatta Padgaonkar	
4. Mr. Dilip Pattanayak	
5. Mr. Anup Agarwal	
Witnesses:	
1.  Name: DIPIKA SINGHANRA Address: VEDANTA LIMITED, DLF ATRIA, GURUGRAM	
2.  Name: DASHMEET RAMA Address: VEDANTA LIMITED, DLF ATRIA, GURUGRAM	

Affidavit



**Indian-Non Judicial Stamp
Haryana Government**



Date : 17/12/2016

Certificate No. G0Q2016L1422



Stamp Duty Paid : ₹ 500

(Rs. Only)

GRN No. 22160408



Penalty : ₹ 0

(Rs. Zero Only)

Deponent

Name : Vedanta Limited

H.No/Floor : Na

Sector/Ward : Phase

Landmark : 2

City/Village : Gurgaon

District : Gurgaon

State : Haryana

Phone : 8750800889



Purpose : ESOS TRUST to be submitted at All

The authenticity of this document can be verified by scanning this QrCode Through smart phone or on the website <https://egrashry.nic.in>

This stamp paper forms an integral part of the Trust Deed dated 17 December 2016, executed between Vedanta Limited (as Company) and (1) Suresh Bose, (2) Niranjan Kumar Gupta, (3) Deodatta Padgaonkar, (4) Dilip Pattanayak, (5) Anup Agarwal (collectively as Original Trustees).

Vedanta Limited **ESOS Trust**

Date: 17th Dec 2016

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THIS TRUST DEED is made at Gurgaon on the 17 day of December, 2016

BETWEEN

Vedanta Limited, a Company incorporated under the Companies Act, 1956 have its registered office at Sesa Ghor, 20 EDC Complex, Patto, Panaji (Goa) - 403 001 (“the **Company**”) as the settlor;

AND

- (1) Suresh Bose, Vedanta Limited, DLF Atria, Phase 2, Jacaranda Marg, DLF City, Gurgaon 122002 (Haryana)
- (2) Niranjan Kumar Gupta, Vedanta Limited, DLF Atria, Phase 2, Jacaranda Marg, DLF City, Gurgaon 122002 (Haryana)
- (3) Deodatta Padgaonkar, Vedanta Limited, Vedanta House, 75 Nehru Road, Vile Parle (East), Mumbai 400099 (Maharashtra)
- (4) Dilip Pattanayak, Hindustan Zinc Limited, ‘Yashad Bhawan’, Udaipur – 313 004 (Rajasthan)
- (5) Anup Agarwal, SIPCOT Industrial Complex, Madurai By-pass Road, T.V. Puram PO, Tuticorin- 628002 (Tamil Nadu)

(collectively referred to as the “**Original Trustees**”)

Background

- (1) The Company has decided to grant Employee Stock Options to certain Employees as per the Vedanta Limited Employee Stock Option Scheme 2016, a copy of which is annexed as Annexure I or any other employee stock option scheme as may be adopted by the Company from time to time (“**Scheme**”).
- (2) The Company desires to establish a trust by the name of Vedanta Limited ESOS Trust (“**Trust**”) with its office at DLF Atria, Phase 2, Jacaranda Marg, DLF City, Gurgaon 122002, Haryana India, for administering the Scheme, based on the terms of this Deed.
- (3) The Board of the Company has granted their approval for the implementation of the Scheme by the Trust and to undertake Acquisition of Shares for the purposes of the Scheme.
- (4) The Original Trustees have agreed to act as the trustees of the Trust based on the terms of this Deed.
- (5) With a view to establishing the Trust, the Company shall pay a sum of INR 5000/- (Indian Rupees Five thousand only) to the Original Trustees as initial contribution to be held upon the trust in their capacity as the Trustee under this Deed (“**Initial Contribution**”).
- (6) The Trust as aforesaid is constituted in accordance with and subject to the provisions contained under this Deed.

1 Interpretation

In this Deed the following expressions (where the context so admits) shall have the following meanings:

“Acquisition”	in relation to Shares, both purchase of existing Shares and subscription to new Shares
“Applicable Laws”	means every law relating to employee stock options and other share based employee benefits, including, without limitation, the Companies Act, 2013, Securities and Exchange Board of India Act, 1992, the SEBI Regulations and all relevant revenue, tax, securities or exchange control regulations or corporate laws of India or any relevant jurisdiction or of any stock exchange on which the Shares are listed or quoted. The Applicable Law includes any provision of the applicable law, rules, regulations, notifications, circular(s), guideline or any other similar form of directives issued by the competent authority under the relevant applicable law
“Beneficiaries”	(a) shall mean a person admitted to the benefits of the Scheme with rights and obligations in accordance with the terms thereof, including specifically an Employee as defined under the Scheme; and (b) where the context so requires, legal heirs, executors or nominees of any deceased person falling within (a) above
“Board”	the board of directors for the time being of the Company or a duly convened meeting of those directors or some of them acting as a board or a duly constituted committee thereof or a duly convened meeting of any such committee
“Companies”	the Company and any of its subsidiaries or holding companies for the time being (as defined under the Companies Act, 2013)
“this Deed”	the present trust deed, subject to any modifications and variations thereto for the time being in force
“Residuary Fund”	all moneys (including the Initial Contribution) paid to the Trustee, securities, investments, property, rights and benefits for the time being held by or vested in the Trustee or placed under its control for the purposes of

the Trust (other than the Scheme Shares) together with all accumulations of income of the Trust and all accretions of capital thereto and all investments or other property from time to time representing any of the same

“SEBI Regulations”	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
“Scheme Shares”	any Shares which are held by the Trustee in trust as part of the Scheme
“Shares”	equity shares of the Company
“Share Fund”	all Scheme Shares for the time being held by the Trustee in trust
“Surplus”	has the meaning ascribed to it in clause 2.2
“Trust”	the Vedanta Limited ESOS Trust established by this Deed
“Trustee”	the Original Trustees or other trustee or trustees nominated/ appointed under these presents from time to time and their survivors
“Trust Fund”	the Share Fund and the Residuary Fund taken together
“Trust Period”	has the meaning ascribed to it in clause 4.1

1. Capitalised terms used in this Deed but not specifically defined herein shall have the meaning ascribed to such terms under the Scheme;
2. The headings and bold type face are for convenience only and shall not affect the interpretation hereof;
3. Unless the context otherwise requires, words importing the singular shall also include the plural and vice versa, any reference to the masculine shall include the feminine as the context shall admit and any reference to a person shall include incorporated and unincorporated bodies;
4. References to the word “include” or “including” shall be construed without limitation;
5. References to statutory provisions or a statute shall be construed as including references to the same as it may have been amended, consolidated, extended, replaced or re-enacted from time to time and shall include any regulations, orders, instruments or other subordinate legislation made thereunder; and
6. Any word or phrase defined in the body of this Deed as opposed to being defined in Clause 1 shall have the meaning assigned to it in such definition throughout this Deed.

2 *Trust*

1. The Company, as the settlor, does hereby declare the Trust and hereby by irrevocable transfer, assign and make over to the Trust the Initial Contribution as the initial corpus (the receipt where the Trustees do hereby admit and acknowledge). During the Trust Period, the Trustee shall stand possessed of the Trust Fund and the income thereof upon the trusts and with and subject to the powers and provisions set out below in clauses 3 and 5.
2. At the expiry of the Trust Period, the Trustee shall stand possessed of any part of the Trust Fund and the income thereof not previously paid or applied to or for the benefit of any of the Beneficiaries in accordance with clause 3 ("**Surplus**") in trust and with and subject to the powers and provisions set out below in clause 4.
3. The powers and provisions set out in clauses 5 to 18 hereof shall apply generally to the administration of the Trust Fund.
4. It shall be the duty of the Trustees to act in the interest of the Beneficiaries and subject to the SEBI Regulations, the Trustee shall not act in any manner that would be detrimental to the interests of the Beneficiaries.
5. The Trust shall have the right to sell shares in the secondary market and utilize its proceeds only in accordance with the Applicable Laws.

3 *Object of the Trust*

1. The Trust shall be created for the following purposes (whether with or without consideration or for such consideration and subject to such restrictions or conditions as may be applicable in each case) to be undertaken in each case, in accordance with the terms of the Scheme and Applicable Law and subject to the instructions of the Nomination & Remuneration Committee of the Company from time to time:
 - a. hold the Trust Fund for the benefit of the Beneficiaries and administer the same;
 - b. acquire the Shares from the secondary market or otherwise from and out of the Residuary Fund for the benefit of the Beneficiaries;
 - c. to transfer all or any of the Scheme Shares to or for the benefit of all or any one or more of the Beneficiaries; and
 - d. to accept from the Company or from any other person(s) further contributions and/or advances whether with or without providing any security or interest in any form, for the benefit of the Beneficiaries and to facilitate the implementation of the Scheme.
2. During the Trust Period, the Trustee shall stand possessed of the capital of the Residuary Fund upon trust to apply the same in accordance with the Scheme and the Applicable Laws.

4 *Dissolution of the Trust & Distribution of Surplus*

1. The Trust created by this Deed shall commence on the date of this Deed and shall terminate upon the first to occur of:
 - (a) the date of termination of the Scheme;
 - (b) the date on which an order shall be made for the winding up of the Company;

- (c) the date on which an effective resolution shall be passed for the winding up of the Company;
- (d) the date on which the Board resolves to terminate the Trust;
- (e) the date of which the objects of the Trust have been fulfilled.

The period from the commencement of the Trust till the termination of the Trust shall be the trust period ("**Trust Period**").

2. On the expiry of the Trust Period, the Trustee shall hold the Surplus, if any, and the income thereof upon trust and shall utilize the same for satisfying all the liabilities of the Trust, any remaining amount shall be utilized by the Trust, subject to the directions of the Company and/or the Nomination & Remuneration Committee:
 - a. for distributing the same amongst the Beneficiaries in such manner as determined by the Nomination and Remuneration Committee;
 - b. for such charitable purposes as the Trustee shall in its absolute discretion (but within the period of 12 months following such expiry) determine; and
 - c. for any other purpose in accordance with the Applicable Laws.

5 *Trustee's Powers, Obligations and Duties*

1. The whole or any part of the Trust Fund may be held by the Trustee either in its own name or in the name or names of any nominee or nominees.
2. Notwithstanding anything contained in this Deed to the contrary, the Trustee shall not be liable to satisfy any monetary obligation under or for the Trust beyond the sums of money (if any) from time to time in its hands or under its control as Trustee of the Trust.
3. The Trustee may, in any particular case or cases, decide not to commence or pursue proceedings for the recovery of any money due to it from any Beneficiary and shall not be responsible for any loss incurred by it so doing.
4. The Trustee shall have power to apply the Trust Fund or any part of it or the whole or any part of the income of the Trust Fund in paying any stamp duty or stamp duty reserve tax payable in respect of any transfer of or agreement to transfer Scheme Shares to a Beneficiary.
5. The Trustee shall have power to pay any duties or taxes or other fiscal impositions (together with any related interest or penalties or surcharges) for which the Trustee may become liable in any part of the world notwithstanding that such liability as aforesaid may not be enforceable through the courts of the place where the trusts declared in this Deed are for the time being administered and to have entire discretion as to the time and manner in which such duties, taxes and fiscal impositions shall be paid and no person interested in the Trust shall be entitled to make any claim whatsoever against the Trustee by reason of it making such payments.
6. The Trustee shall have power to delegate to any other person or persons all or any of the administrative and management functions and powers (including investment powers) vested in it either by virtue of the terms of this Deed or by virtue of its office as trustee and to pay such persons for their services provided that the Trustee shall not pursuant to this clause be entitled to delegate the exercise of discretionary trusts and powers in relation to the Trust Fund which require or empower the determination of beneficial interests in the Trust.

7. The Trustee shall have power to act on the advice or opinion of any lawyer, actuary, accountant, investment adviser, broker or other professional person and, instead of acting personally to appoint or employ agents and advisers to transact any business and to do all acts to be done by the Trustee under the Trust including, without prejudice to the generality of the foregoing, the day-to-day management of any investments and the payment of any benefits. The Trustee shall determine the remuneration for such agents or advisers but shall not be liable for the default of any such agent or adviser appointed or employed in good faith or for any loss arising from the Trustee acting in accordance with the advice of any adviser, provided that the Trustee shall not pursuant to this clause 5.6 be entitled to delegate the exercise of discretionary trusts and powers in relation to the Trust Fund which require or empower the determination of beneficial interests in the Trust.
8. The Trustee shall not be obliged to obtain a receipt or see to the application of any payment made to a Beneficiary who has not attained the age of eighteen years.
9. The Trustee shall administer the Scheme and shall subject to Applicable Laws, always act in accordance with the instructions of the Nomination & Remuneration Committee and the terms of the Scheme.
10. The Trustee may appoint any one or more persons to sign or execute such contracts, deed or documents including cheques, notices, appointments and certificates as the Trustee may authorize to be so signed.
11. The Trustee shall maintain books of accounts of the Trust in compliance with Applicable Laws.
12. In addition to the provisions of this Deed, the rights and obligations of the Beneficiaries shall be as per the Scheme.

6 *Personal Interests of the Trustee*

1. Subject to clause 6.2 and the Companies Act, 2013, no decision of or exercise of a power by the Trustee shall be invalidated or questioned on the grounds that the Trustees or any individual Trustee had a direct or personal interest in the result of any decision or in the exercising of any power and any such person may vote in respect thereof and be taken into account for the purposes of a quorum notwithstanding his interest.
2. If the interest of the Trustee or other person concerned for the purposes of clause 6.1 is such that:
 - a. it arises otherwise than solely because the Trustee or other person concerned is a Beneficiary or shareholder of any one of the Companies; and
 - b. it is material,then the nature of the interest must have been declared at the meeting of the Trustee at which the item of business to which the interest relates was discussed or, if the Trustee or other person concerned was not present at such meeting, at the next meeting of the Trustee at which he was present.
3. Subject to Regulation 3(4) of the SEBI Regulations, a Trustee who is or becomes a Beneficiary may retain all benefits to which he becomes entitled under the Trust and shall not be liable to account for any such benefit. The exercise of any power or discretion by any such person shall not be invalidated or questioned on the grounds that he had a direct or indirect interest in it.

4. Subject to Regulation 3(4) of the SEBI Regulations, any Trustee or any employee, director or officer of a corporate Trustee may be employed and remunerated as a director or other officer or employee or as agent or adviser of any corporation, body or firm in any way connected with the Trust and may keep as his property (and without being liable to account therefor) any remuneration, fees or profits received by him in any such capacity, notwithstanding that his situation or office may have been obtained, held or retained by means or by reason of his position as a Trustee or as an employee, director or officer of a corporate Trustee.

7 *Number of Trustees*

The minimum number of Trustees for the Trust shall be two (2) and the maximum number of trustees shall be eight (8).

8 *Appointment and Removal of Trustees*

1. Subject to clause 8.2, the statutory power of appointing new or additional trustees shall be vested in the Nomination and Remuneration Committee of the Company and the Nomination and Remuneration Committee of the Company shall have the power exercisable by deed to remove any person as a Trustee of this Trust and to appoint a new trustee in the place of such person provided that the power conferred by this clause 8.1 shall only be operative and capable of taking effect from the date on which the first mentioned Trustee receives notice in writing of such removal and the new trustee accepts office as such new trustee. If the office of a Trustee is vacated by death, insanity, insolvency or incapacity or inability to act as a Trustee, the resulting vacancy shall be filled by the persons nominated by the Nomination and Remuneration Committee of the Company.
2. The appointment of new or additional trustees shall be as follows:
 - a. where new or additional trustee or trustees are to be appointed for the whole or any part or parts of the Trust Fund, the Nomination and Remuneration Committee of the Company may appoint any person or persons as trustee or trustees, notwithstanding that such person or persons may be resident or domiciled or carrying on business or (if a body corporate) incorporated outside India. such that (notwithstanding that thereafter there may be only one trustee of the trust fund or the part of parts thereof) the receipt of such person or persons of the whole or such part or parts of the Trust Fund as may be paid or transferred to such person or persons pursuant to such appointment, shall be a good discharge to any other trustee accordingly.
3. An outgoing Trustee shall execute and do or make or execute all such transfers or other documents, acts or things as may be necessary for vesting the Trust Fund in the new or continuing trustees. Upon any appointment or reappointment of a new Trustee, the Trustee so appointed shall act or assist in the execution of the trusts and powers of these presents and shall have the same powers, authorities and discretion as if he had been originally appointed as a Trustee of these presents.
4. A Trustee may resign by giving three months' notice in writing to the Company and the Trustee(s) may appoint a new trustee subject to approval by the Nomination and Remuneration Committee of the Company, if the Nomination and Remuneration Committee of the Company has not appointed a new trustee within three months of the date of the notice of resignation.

9 *Costs and Expenses*

1. The reasonable costs and expenses of the establishment of the Trust and the preparation and execution of this Deed shall, so far as permitted by law, be borne by the Company or at the direction of the Company, by all or one or more of the Companies in such proportions as the Company may determine.
2. All reasonable costs, charges and expenses of, and incidental to, the administration, operation and determination of the Trust (including any remuneration of the Trustee and any tax for which the Trustee may be accountable arising from or in connection with the Trust) shall, so far as permitted by law, be borne by the Company or by all or one or more of the Companies in such proportions as shall be agreed by the Company, if and to the extent that the same cannot properly be paid by the Trustee out of the Trust Fund.

10 *Exclusion of Liability*

1. In the professed execution of the trusts and powers of the Trust no Trustee thereof nor any director or other officer of a body corporate acting as such Trustee shall be liable:
 - a. for the negligence, fraud or wrongful doing of any agent employed by it/him or by any other such Trustee, although the employment of such agent may not have been strictly necessary or expedient; or
 - b. by reason of any mistake or omission made in good faith by any such Trustee, director or other officer; or
 - c. by reason of any other matter or thing,except in the case of wilful misconduct, gross negligence on the part of the Trustee, director or other officer who is sought to be made so liable.
2. Nothing in this Deed exempts or indemnifies the Trustee against any liability for: (i) failure to protect the interests of the Beneficiaries; (ii) breach of Trust under the Indian Trust Act, 1882; or (iii) failure to show the degree of care and diligence required of it as Trustee under the Indian Trust Act, 1882, while carrying out the duties described herein.

11 *Indemnity*

Save to the extent that the Trustee of the Trust or any director or other officer of a body corporate acting as such Trustee is otherwise protected hereunder, the Company hereby covenants that it will at all times keep the Trustee and any such director or other officer fully and effectually indemnified against any costs, expenses and liabilities whatsoever to which it/he shall, as such Trustee or as such director or other officer, be or become liable by virtue of any act, omission, event or thing whatsoever, unless such costs, expenses or liabilities are attributable to the wilful misconduct or gross negligence on the part of the Trustee, director or other officer, whom or which it is sought to be made liable.

12 *Professional Charges of the Trustee*

The Trustee shall be paid such fees (if any) for its services as shall be agreed from time to time with the Company.

13 Information supplied by the Company

1. The Trustee shall be entitled to rely, without further enquiry, on all information supplied to it by the Company with regard to its duties as the Trustee of the Trust and in particular, but without prejudice to the generality of the foregoing, any notice given by the Company to the Trustee in respect of the eligibility of any persons to become or remain a Beneficiary shall be conclusive in favour of the Trustee.
2. In particular, but without prejudice to the generality of clause 13.1, any written statement signed by a person being or purporting to be a director or secretary of the Company to the effect that any person is or has ceased to be an Employee or a Beneficiary, or as to any other circumstance affecting a person believed by the Trustee to be or not to be a Beneficiary (or Employee), may be treated by the Trustee as conclusive evidence of the matters therein stated.

14 Power of Amendment

1. The Trustee and the Company may together, at any time and from time to time, by deed alter, modify or add to all or any of the trusts or provisions of this Deed, provided that no alteration, modification or addition shall be made to this Deed which shall operate to:
 - a. divest any Beneficiary of any vested right; or
 - b. cause the Trust to cease to have as its purpose the benefit of the Beneficiaries or to cease to qualify as Trust for the purpose of the Scheme ; or
 - c. permit the payment or transfer of or otherwise confer a benefit on any one or more of the Companies from any part of the Trust Fund, other than by way of loan (whether or not secured) or in repayment of any loan or in payment of any debt properly incurred, provided that any such loan, repayment of loan or payment of any debt shall be on terms no less favourable to the Trustee than if it had been made in a transaction made at arm's length between persons not connected with each other; or
 - d. be repugnant to or inconsistent with any of the objects of the Deed or Applicable Law.
2. Any amendment to this Deed shall be filed with the stock exchange in India where the Shares of the Company are listed.

15 Irrevocability

During the Trust Period, the trusts declared in this Deed are irrevocable.

16 Excluded Beneficiaries

The Trustee may, on the instructions of the Nomination & Remuneration Committee and subject to Applicable Laws, at any time or times within the Trust Period, by deed, revocable or irrevocable, declare that any Beneficiary thenceforth ceases to be eligible to benefit under the Trust. Upon execution of any such deed, the provisions of this Deed shall thereupon be construed and take effect accordingly (but in the case of a revocable deed as aforesaid only for such time as such deed shall remain unrevoked).

17 *Proper Law*

The formation, existence, construction, performance, validity and all aspects whatsoever of this Deed, and any term of the Trust, shall be governed by Indian law. The Indian courts shall have jurisdiction to settle any disputes which may arise out of or in connection with this Deed or the Trust (notwithstanding that any trustee of this Trust is resident outside of India).

18 *Exclusion of Trusts*

Notwithstanding anything to the contrary herein expressed or implied, nothing herein shall confer on the Trustee any right to any payment or create any trusts in regard to any money intended to be paid or advanced to the Trustee unless and until the same shall have been actually so paid or credited as so paid.

19 *Counterparts*

This Deed may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which when executed and delivered will be an original.

THIS DOCUMENT is executed as a deed and is delivered on the date stated at the beginning of this Deed.

Annexure I

[Copy of the Employee Stock Option Scheme 2016 to be attached]

SIGNED as a deed by
Vedanta Limited

)
)

SIGNED as a deed by

1. Dilip Pattanayak

)



2. Suresh Bose

)

3. Niranjan Kumar Gupta

)

4. Anup Agarwal

)

5. Deodatta Padgaonkar

)

Witnesses:

1)

2)

SIGNED as a deed by
Vedanta Limited



SIGNED as a deed by

1. Dilip Pattanayak)

2. Suresh Bose)



3. Niranjana Kumar Gupta)

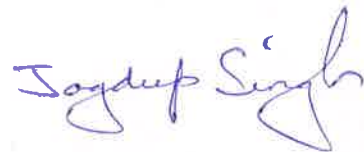


4. Anup Agarwal)

5. Deodatta Padgaonkar)

Witnesses:

1) JAGDEEP SINGH



2) POOJA YADAVA.
SM-LEGAL
DLF ATRIA GULMAYON



SIGNED as a deed by
Vedanta Limited

)
)

SIGNED as a deed by

1. Dilip Pattanayak

)

2. Suresh Bose

)

3. Niranjan Kumar Gupta

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4. Anup Agarwal

)

5. Deodatta Padgaonkar

) *D.S. Padgaonkar*

Witnesses:

1)

2)

Vedanta Limited
Employee Stock Option Scheme 2016

A. Salient features of the Scheme

This Employee Stock Option Scheme 2016 (hereinafter referred to as “**ESOS 2016**” or “**Scheme**”) is pursuant to and in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Companies Act, 2013 and has been approved by the shareholders of Vedanta Limited (the “**Company**”) by way of a special resolution passed by way of Postal Ballot dated [●]. The Scheme has been adopted by the Board of Directors of the Company (“**Board**”) on [●]. Wherever applicable, the Scheme shall be in accordance with the regulations issued by the Securities and Exchange Board of India (“**SEBI**”) and / or any other regulatory authority as applicable to the Company and shall not contravene any other law, for the time being in force that is material for giving effect to such Scheme.

The Scheme applies to all Employees (as defined herein below). The Nomination & Remuneration Committee of Board of Directors would decide the entitlement of each Employee based on his/her level, grade, seniority and other relevant factors.

It shall be deemed to have come into force on [●].

1. Definitions and Interpretations

- 1.1 The terms defined in this section shall, for all purposes of this Scheme, have the meanings herein specified. Under the Scheme, where the context so admits, the masculine shall include the feminine and the singular shall include the plural.
- (a) “**Award**” means a written Award Agreement between an Employee and the Company, confirming the grant of Employee Stock Options and evidencing the terms and conditions upon which they may be exercised and sold;
 - (b) “**Board**” means the board of directors of the Company;
 - (c) “**Company**” means Vedanta Limited and its successor or assigns;
 - (d) “**Employee**” means
 1. a permanent employee of the Company who has been working in India or out of India; or
 2. a director of the Company, whether a whole time director or not but excluding an independent director; or
 3. an employee as defined in clauses (1) or (2) 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
- (e) **“Exercise”**, in relation to Employee Stock Options, means, making of an application by an employee to the company or to the trust for issue of shares against vested Employee Stock Options in pursuance of ESOS 2016;
- (f) **“Exercise Notice”** means the notice by which an Employee requests the Company or the trust to allot shares pursuant to the Employee Stock Options vested in him under the Grant and the ESOS 2016;
- (g) **“Exercise Period”** means a period of 6 Months after Vesting or any other period as determined by the Nomination & Remuneration Committee within which an Employee should Exercise his right to apply for Shares against the vested Employee Stock Options in pursuance of the ESOS 2016
- (h) **“Exercise Price”** means the price payable by the employee for exercising the Employee Stock Options granted to him in pursuance of ESOS 2016 or any other price as may be determined by the Nomination & Remuneration Committee but at least equal to the face value of the Share;
- (i) **“Fixed Compensation”** for the purpose of this plan is defined as Total Cost to Company less target annual incentives
- (j) **“Grant”** means the process whereby the Nomination & Remuneration Committee passes a resolution granting a specified number of Employee Stock Options to the Employees under ESOS 2016;
- (k) **“Grant Date”**, with respect to any Employee Stock Options means the date on which the Nomination & Remuneration Committee approves the Grant of such Employee Stock Options pursuant to the ESOS 2016;
- (l) **“Holding Company”** has the same meaning under the Companies Act, 2013, whether incorporated in India or outside India;
- (m) **“Employee Stock Option”** means the option given to an employee that gives him a right to purchase or subscribe at a future date, the shares offered by the company, directly or indirectly, at a pre-determined price. This is a right but not an obligation granted to an Employee under the Scheme to apply for and be allotted Shares of the Company at the Exercise Price, during or within the Exercise Period, subject to the requirements of Vesting. Each Employee Stock Option granted would represent the right to apply for 1 (one) Share of the Company.

- (n) **“Grantee”** means an Employee who has been granted Employee Stock Options under the Scheme and signed his acceptance thereof by way of an Award Agreement in accordance with the terms and conditions set forth in the Scheme;
- (o) **“Nomination & Remuneration Committee”** or **“Committee”** means the Committee of the Board of Directors constituted as per the SEBI (Share Based Employee Benefits) Regulations, 2014;
- (p) **“Promoter”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (q) **“Promoter Group”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009:
- Provided where the Promoter or Promoter Group of a company is a body corporate, the Promoters of that body corporate shall also be deemed to be Promoters of such company;
- (r) **“SEBI Regulations”** means Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014;
- (s) **“Secondary acquisition”** means acquisition of existing shares of the company by the way the trust on the platform of a recognized stock exchange for cash consideration
- (t) **“Share”** means equity shares of Vedanta Limited of a face value of Rs. 1.00 each;
- (u) **“Subsidiary”** means any present or future subsidiary as defined under the Companies Act, 2013;
- (v) **“Trust”** means a trust established under the provisions of Indian Trusts Act, 1882 including any statutory modification or re-enactment thereof.
- (w) **“Trustee”** means a trustee of the trust
- (x) **“Vesting”** means the process by which an Employee becomes entitled to receive the benefit of a Grant pursuant to the ESOS 2016;
- (y) **“Vesting Period”** means the period, from the date of grant of the Employee Stock Options till the date on which the Grantee becomes eligible to exercise the Employee Stock Options.

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Securities and Exchange Board of India Act, 1992 or the Securities Contract (Regulation) Act, 1956, or the Companies Act, 2013, or Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or SEBI Regulations or any statutory modification or re-enactment thereof, as the case may be.

1.2 Interpretations

In this document, unless otherwise stated or intention appears:

- a. words denoting the singular shall include the plural and vice versa;
- b. The words importing a gender include every gender.
- c. heading and bold type face are only for convenience and shall not affect the interpretation hereof;
- d. references to the word "include" or "including" shall be construed without limitation; and
- e. references to any statute or statutory provision or rule or regulation shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted.

2. Purposes

The purposes of the Scheme are:

- (a) To align employee compensation with performance of the Company;
- (b) To enable the Company to attract and retain the talented human resources by offering them the opportunity to acquire a continuing equity interest in the Company which will reflect their efforts in building the growth and the profitability of the Company;
- (c) To provide existing Employees an opportunity for investment in the Company's Common Stock in recognition of their efforts to grow and build the Company.

3. Quantum of Shares subject to the Scheme

The maximum number of Employee Stock Options available for Grant under the ESOS 2016 shall be 14,82,50,244 Equity Shares of Re. 1 each (which represents 5% of the paid up equity capital as on March 31, 2016) (or such other adjusted figure for any bonus, stock splits or consolidations or merger or other re-organisation of the capital structure of the Company as may be applicable from

time to time), in one or more tranches,. Each Employee Stock Option when exercised will be converted into one Share of the Company.

Where Shares are issued consequent upon exercise of Employee Stock Options under the Scheme, the maximum number of Shares that are subject to Employee Stock Options referred above shall stand reduced to the extent of such Shares issued.

For the purpose of ESOS 2016, the Nomination & Remuneration Committee shall have the discretion of secondary acquisition through trust or issue of new shares subject to necessary approvals in accordance with all applicable laws and regulations.

4. Scheme Administration

- a) The scheme shall be administered by the Nomination & Remuneration Committee constituted by the Board through a trust in accordance with SEBI Regulations.

The Board shall have the power to reconstitute the Nomination & Remuneration Committee from time to time.

- b) The Nomination & Remuneration Committee shall, inter alia, formulate the detailed terms and conditions of the scheme which shall include the provisions as specified under applicable law and shall ensure due implementation of the same.
- c) The Nomination & Remuneration Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including SEBI (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company and its Employees, as applicable.
- d) The Nomination & Remuneration Committee shall have power to administer the Scheme, prescribe or amend any rule and correct any defects in the Scheme.
- e) Each Grantee shall be provided a copy of this Scheme and a copy of the Award Agreement.
- f) The Company Secretary of the Company shall be the administrator of the Scheme (the "**Scheme Administrator**"), who shall maintain such records and data as may be required to administer the Scheme.
- g) The Scheme Administrator shall provide each Grantee financial statements of the Company on annual basis. Grantee shall have access to these statements through intranet and Company website.

5. Effective Date

The plan shall be deemed to have come into force on the [●]. The plan shall be terminated on [●] and no grant shall be made under the plan after the closing date.

6. Grant of Employee Stock Options

The Nomination & Remuneration Committee may grant Employee Stock Options to the eligible Employees based on their qualification, experience, performance, hierarchy level in the organization and other related factors, under any of the following circumstances:

- (a) At the time of joining employment of the Company; or
- (b) At the time of regular performance reviews and depending upon the nature of review that an Employee obtains; or
- (c) At any other time that the Nomination & Remuneration Committee may deem fit.

7. Eligibility

- a. Except as set forth in this Scheme, all Employees are eligible for Employee Stock Options subject to the provisions of the Scheme. The Nomination & Remuneration Committee will determine and designate from time to time Employees of the Company and / or subsidiary(ies) and/or holding(ies) to whom Employee Stock Options are to be granted and the number of Shares by such grants. The Employee Stock Options shall be granted by the Nomination & Remuneration Committee to such Employees under an Award Agreement signed by the Chairman/ Authorized Signatory of the Nomination & Remuneration Committee and the Grantee.
- b. All employees from M7 and above grade are eligible to participate in the scheme. The Nomination & Remuneration Committee in its sole discretion can change the eligibility criteria during the tenure of the program as it may deem fit.
- c. In determining the eligibility of an Employee to receive Employee Stock Options under the Scheme, the Committee shall consider the performance of an Employee as indicated by the annual performance appraisal, minimum period of service, the position and responsibilities of an Employee, the nature and value to the Company of his services and accomplishments, his present and potential contribution to the success of the Company, past service and geographical location and such other factors that the Committee may deem relevant. The Nomination & Remuneration Committee however is authorized to change the eligibility criteria from time to time.

8. Terms and Conditions of Employee Stock Options

Employee Stock Options shall be subject to the following terms and conditions and to such other terms and conditions (not inconsistent with the Scheme) as shall from time to time be approved by the Nomination & Remuneration Committee and incorporated in the Scheme.

- a) No Employee shall have any right to demand from the Company for Grant of Employee Stock Options, nor shall the Company have any such obligation to any Employee.
- b) It is clearly understood that the Grant or Vesting of any Employee Stock Options to an Employee, per se, does not assure accrual of a benefit or profit.
- c) Upon completion of the Vesting Period and satisfaction of Performance Conditions, if any on vesting, the Grantee shall have the right to purchase Shares equivalent to the number of Employee Stock Options vested from the Company. Even after the completion of the Vesting Period and satisfaction of any other vesting conditions, the Grantee will not be entitled to any dividends, rights issue or bonus shares issued until such time as the Employee Stock Options are Exercised and Shares issued thereunder are allotted to the Grantee.

9. Award Agreement

The grant of Employee Stock Options shall be confirmed by an Award Agreement (in the form prescribed by the Nomination & Remuneration Committee) which shall be executed by the person authorized by the Nomination & Remuneration Committee and an Employee at the time of such Grant. The Award Agreement shall expressly state or incorporate by reference, the provisions of the Scheme.

10. Accounting

In respect of Employee Stock Options granted during any accounting period, the accounting value of the Employee Stock Options shall be treated as another form of Employee Compensation in the financial statements of the Company. The Company shall conform to the disclosures and the accounting policies specified in Regulation 15 of the SEBI Regulations.

11. Vesting Period and Conditions

Vesting of the Employee Stock Options granted under the ESOS 2016 shall be at least one year from the date of Grant. The vesting period and any other vesting conditions and schedule shall be provided in the Award Agreement with each Employee. Based on the management level, vesting of 60% to 100% of total grant of Employee Stock Options shall be based on performance. The vesting of

performance-based grants shall be contingent upon Company's relative Total Shareholder Return (TSR) performance against two separate peer groups, measured over three years from the date of grant. The first peer group consists of 15 global companies and the second group consists of 6 Indian peer companies. The comparator list for relative performance is as follows:

Global Group:

Santos	Bolliden	Alcoa	Vale	South32
Antofagasta	Korean Zinc Inc	Rusal	Fortescue	Glencore Xstrata
Anglo American	CNOOC Limited	First Quantum	BHP Billiton	Rio Tinto

India Group:

Hindalco	Tata Steel	JSW
Adani Power	Reliance Industries	ONGC

The number of performance-based grants that actually vest at the end of the 3 year performance period will depend on the relative ranking of Vedanta Ltd. vis-à-vis aforementioned comparator groups. The payout matrix applicable is as follows:

Global Group:		Indian Group:	
Rank	% of Shares That Vest	Rank	% of Shares That Vest
1 to 2	100%	1	100%
3	90%	2	75%
4	75%	3	50%
5	60%	4	30% (Median)
6-7	45%	5 - 7	0%
8	30% (Median)		
9 to 16	0%		

Weighted average payout will be calculated based on the TSR performance against the two groups. Weightage given to Global Group is 60% and Indian Group is 40%.

EXAMPLE:

- Employee is granted 10,000 Employee Stock Options, with 100% vesting based on performance
- Relative ranking of Vedanta Ltd. TSR is at the end of 3 years in Global Group is 3 and the relative ranking against Indian Group is 1
- The number of performance based grants vesting will be:

[Relative weight of Global Group * Vesting corresponding Global Group + Relative weight of Indian Group * Vesting corresponding Indian Group] * Number of Employee Stock Options Granted i.e.

$[60\%*90\% + 40\%*100\%] * 10,000 = 9,400$ shares vesting

In the event of de-listing of a particular comparator company during the performance measurement period, the Nomination & Remuneration Committee holds the right to either introduce a new company to the comparator group or modify the payout matrix based on ranking.

Since the grants under this scheme are envisaged to be made over multiple years, the Nomination & Remuneration Committee may decide to change the percentage of grant linked to performance and/or performance conditions as it deems fit.

In the event of the death of an Employee while in employment, all the Employee Stock Options granted to him till such date shall, whether or not such Employee Stock Options were exercisable on the date of the Grantee's death, forthwith vest in the legal heirs or nominees of the deceased employee on that date and can be exercisable by them within the time period stated in clause 16. Similarly in the event of total and permanent disability while in employment, all the Employee Stock Options granted to an Employee as on the date of such total permanent disability shall vest, whether or not such Employee Stock Options were exercisable on the date of the Grantee's total and permanent disability, forthwith in him or his legal heirs, or designated nominees on that date, as prescribed under SEBI Regulations and can be exercisable by him or by his legal heirs or designated nominees, as the case maybe, within the time period specified in clause 16.

12. Exercise of Employee Stock Options

An Employee has the right to convert any number of his vested Employee Stock Options into Shares in full or in tranches at any time during the Exercise Period subject to the following conditions:

- a) The Employee Stock Options may be Exercised during the continuance of an Employees' employment with the Company and / or Subsidiary(ies) and/or holding company subject to the provisions of clause 11 and 16.

- b) The Employee Stock Options may be Exercised by an Employee only by a written notice (in the form prescribed by the Nomination & Remuneration Committee) to the Scheme Administrator specifying the number of Employee Stock Options to be Exercised. The Employee Stock Options shall be deemed to be Exercised when an Employee pays to the Company a consideration equal to the respective Exercise Price of the Employee Stock Options and upon the satisfaction of the tax liability set out in clause 24.
- c) As soon as practicable on receipt of the notice of Exercise of Employee Stock Options and receipt of consideration thereof, the Scheme Administrator shall make the necessary arrangement for allotment of Shares in lieu thereof.
- d) Cashless Exercise: Under the cashless exercise, a grantee who exercises the Employee Stock Options, the corresponding shares relating to such Employee Stock Options exercised will be sold on a stock exchange in which the shares are listed and publicly traded at the time of such cashless exercise, and the grantee will be entitled to receive the difference between the selling price and the exercise price for the Employee Stock Options exercised by him after deducting taxes payable on exercise/sale, if any, and other amounts, expenses and charges due from him (including that in connection with the sale of shares).

For the purpose of implementing the Cashless Exercise, the Nomination & Remuneration Committee shall be entitled to specify such procedures and/or mechanisms for exercise of the Employee Stock Options as may be necessary and the same shall be binding on the Grantee

For the purpose of this clause, unless otherwise stated Selling Price means, the actual price realized on the sale of shares through the Recognized Stock Exchanges

Notwithstanding anything contained herein or elsewhere in this plan, it is hereby clarified that the Company is under no obligation to either buy the shares or pay any compensation to any employee under this clause as a result of the inability or unwillingness of the employee to acquire any shares, whether due to lack of funds, any restriction under law or otherwise.

- e) In case, the Employee does not Exercise the Employee Stock Options during the Exercise Period or such earlier date, they will lapse and no rights will accrue after that date.

13. Non Resident Employees

Grant of Employee Stock Options, if any, under the Scheme to Employees who are non-residents shall be in compliance with the provisions of the prevailing laws of the jurisdiction of such Employees subject to the same being in accordance with the provisions of the Foreign Exchange Management Act, 1999, SEBI Regulations and any other statutory provisions applicable under relevant Indian laws.

14. Lock-in period sale of shares exercised under the Scheme

The Shares allotted upon exercise of Employee Stock Options granted under the Scheme are not subject to any lock in.

15. Variation of the terms of ESOS 2016

The Company shall not vary the terms of the ESOS 2016 in any manner, which may be detrimental to the interests of the employees. Provided that the Company shall be entitled to vary the terms of ESOS 2016 to meet any regulatory requirements.

The Company may by special resolution in a general meeting/ postal ballot vary the terms of ESOS 2016 offered pursuant to an earlier resolution of a general body but not yet exercised by an Employee provided such variation is not prejudicial to the interests of the Employee Stock Options holders.

The provisions of regulation 6 of the SEBI Regulations shall apply to such variation of terms as they do to the original Grant of Employee Stock Options.

The notice for passing special resolution for variation of terms of ESOS 2016 shall disclose full details of the variation, the rationale thereof, and the details of the Employees who are beneficiary of such variation.

16. Resignation or Termination of Employment

- 16.1 If a Grantee's employment with the Company terminates for Cause, then the Employee Stock Options, to the extent not previously exercised, will lapse on the date of such termination of employment.

“Cause” shall mean, as determined by the Nomination & Remuneration Committee, (i) engaging by an Employee in wilful, reckless or grossly negligent misconduct which is determined by the Nomination & Remuneration Committee to be detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise, or (ii) an Employee pleading guilty to or conviction of a felony, or (iii) fraud, misfeasance, breach of trust or wrongful disclosure of any secret or confidential information about the Company to any third party, or (iv) employment of an Employee in any other organisation or provision of services by an Employee for any other organisation, or (v) any other reason which is determined by the Nomination & Remuneration Committee to be detrimental to the interest of the Company.

- 16.2 If a Grantee's employment with the Company terminates due to voluntary resignation on the part of the Grantee, then all Employee Stock Options not vested in the Employee as on the date of termination shall lapse forthwith. The vested Employee Stock Options can be exercised by an Employee prior to the expiry of Exercise Period or within 60 days of date of termination, whichever is

earlier. If a Grantee's employment with the Company terminates due to completion of his contract, then all Employee Stock Options which are not vested at the time of such termination shall lapse forthwith. The vested Employee Stock Options can be exercised by an Employee prior to the expiry of Exercise Period. For the purposes of this clause 16.2, employment shall deemed to have terminated on the last day of such Employee's employment with the Company. To the extent the Employee Stock Options are not exercised within the aforesaid period, all such Employee Stock Options shall lapse upon expiry of such period.

However, resignation on account of leaving the Company for joining any of the group company of the Company will be regarded as employment transfers within the Company and will not be regarded as resignation or termination under this clause.

16.3 If a Grantee should die while in the employment of the Company, the Granted Employee Stock Options shall forthwith vest in his legal heirs or nominees; and if a Grantee should or suffer total and permanently disability while in the employment of the Company, the Granted Employee Stock Options shall forthwith Vest in him or his legal heirs or designated nominees; and the Employee Stock Options must be exercised as below:

- a. In case of death, within 6 Months from the date of death or such extended time provided by the Nomination & Remuneration Committee.
- b. In case of total and permanent disability, within 6 Months from the date of total and permanent disability or such extended time provided by the Nomination & Remuneration Committee.

16.4 In the event of a termination of employment for reasons other than those referred in Section 16.1, 16.2 or 16.3, all Employee Stock Options which have not vested will lapse forthwith. The vested Employee Stock Options can be exercised by the Employee prior to the expiry of Exercise Period or such extended period as determined by the Nomination & Remuneration Committee.

17. Vesting and Exercise of Employee Stock Options in case of Employees on long leave

The period of leave shall not be included in determining the Vesting Period in the event an Employee is on a sabbatical. In all other conditions, including earned leave, maternity leave and sick leave, the period of leave shall be included to calculate the Vesting Period.

A Grantee on leave other than a sabbatical can Exercise his/her Employee Stock Options as per the terms of the Award Agreement.

18. Non-Transferability

Each Employee Stock Option granted under the Scheme shall by its terms be non-transferable by the Grantee (except by will or the laws of descent and distribution), and each Employee Stock Option shall be exercisable during the Grantee's lifetime only by the Grantee.

The Employee Stock Options granted to the Employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

19. Changes in Capital

(a) The existence of the Scheme and any Award Agreement hereunder shall not affect, in any way, the right or power of the Board or the shareholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or any merger or consolidation of the Company or its Subsidiary, any issue of debt, preferred or prior preference stock ahead of or affecting stock, the authorization or issuance of additional Shares, the dissolution or liquidation of the Company or its Subsidiaries, any sale or transfer of all or part of its assets or business or any other corporate act or proceeding.

(b) (i) Upon changes in the outstanding Shares by reason of a stock dividend, stock split, reverse stock split, sub-division, recapitalization, reclassification, merger, consolidation (whether or not the Company is a surviving corporation), combination or exchange of Shares, separation, or reorganization, or in the event of an extraordinary dividend, "spin-off", liquidation, other substantial distribution of assets of the Company or acquisition of property or stock or other change in the capital of the Company, or the issuance by the Company of Shares without receipt of full consideration thereof, or rights or securities exercisable, convertible or exchangeable for Shares of such capital stock, or any similar change affecting the Company's capital structure, the aggregate number, class and kind of Shares available under the Scheme as to which Employee Stock Options may be granted and the number, class and kind of Shares under each outstanding Employee Stock Options and the Exercise Price per Share applicable to any such Employee Stock Option shall be appropriately adjusted by the Board along with such approvals as may be necessary to preserve the benefits or potential benefits intended to be made available under the Scheme or with respect to any outstanding Employee Stock Options or otherwise necessary to reflect any such change, in a manner that the Board and / or the Nomination & Remuneration Committee deems fit.

(ii) Fractional Shares resulting from any adjustment in Employee Stock Options pursuant to section 19(b)(i) shall be aggregated until, and eliminated at, the time of Exercise of the affected Employee Stock Options. Notice of any

adjustment shall be given by the Nomination & Remuneration Committee to each participant whose Employee Stock Options have been adjusted and such adjustment (whether or not such notice is given) shall be effective and binding for all the purposes of the Scheme.

20. Change in Control

In the event of

- (i) a stock sale, merger, consolidation, combination, reorganization or other transaction resulting in less than 50% of the combined voting power of the surviving or resulting entity being owned by the shareholders of the Company immediately prior to such transaction and resulting in cessation of control of the existing shareholders of the Company; and
- (ii) the liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets or business of the Company (other than, in the case of either clause (i) or (ii) above, in connection with any Employee benefit Scheme of the Company or a Subsidiary or a holding),

the Board may take such steps, as it deems fit in its discretion, and on such terms and conditions as it deems appropriate. No Grantee shall have any right to prevent the consummation of any of the foregoing acts affecting the number of Shares available to such Grantee.

21. Corporate Action

Notwithstanding anything contained under this Scheme, the Nomination & Remuneration Committee shall, inter alia, formulate the detailed terms and conditions of the ESOS 2016 including the procedure for making a fair and reasonable adjustment to the number of Employee Stock 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 Nomination & Remuneration Committee:

- (i) the number and the price of the Employee Stock Options shall be adjusted in a manner such that total value of the Employee Stock Options remains the same after the corporate action;
- (ii) for this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered;
- (iii) the Vesting period, conditions and the life of the Employee Stock Options shall be left unaltered as far as possible to protect the rights of the Grantee.

22. Rights as a Shareholder

The Grantee shall have no rights as a shareholder of the Company with respect to the Shares subject to an Award Agreement until such time as the Exercise Price

relating to such Employee Stock Options has been paid and the Shares have been issued and delivered to him or her.

23. No Right of Employment

The Grant of Employee Stock Options under this Scheme does not create a right to continued employment with the Company or its Subsidiaries. Nothing in this Scheme or Award Agreement shall interfere with or limit in any way the right of the Company or Subsidiary or holding to terminate the employment of the Grantee at any time.

24. Tax Liability

- (a) In the event of any tax liability, including any tax liability arising on account of change in the tax laws relating to the ESOS 2016, arising on account of the Grant of Employee Stock Options and /or allotment of the Shares to an Employee, the liability shall be that of the Employee alone and the Company shall be indemnified to the extent of applicable taxes, if any, levied at any point of time upon the Company in this regards.
- (b) No Shares shall be issued to the Grantee or beneficiary, on Exercise of the Employee Stock Options under this Scheme unless appropriate taxes as required under the applicable tax laws, are discharged. Such taxes may either be deducted from the Grantee's salary and / or can be separately discharged by the Grantee by giving a cheque / demand draft to the Company for the said amount.
- (c) The Company shall have the right to deduct from the salary, for any obligation towards tax deduction arising in connection with the Employee Stock Options or the Shares acquired upon the Exercise thereof.
- (d) The Company shall have no obligation to deliver Shares or to release Shares until the Company's tax deducting obligations, if any, have been satisfied by the Grantee.
- (e) All tax liabilities arising on disposal of the Shares after Exercise would be handled by the Employee.

25. Interpretation and Amendments

The Nomination & Remuneration Committee may make such rules and regulations and establish such procedures for the administration of the Scheme, as it deems appropriate. In the event of a disagreement as to the interpretation of this Scheme or of any rule, regulation or procedure or as to any question, right or obligation arising from or related to the Scheme, the decision of the Nomination & Remuneration Committee shall be final.

The Nomination & Remuneration Committee may amend or terminate the Scheme from time to time in such respects as the Nomination & Remuneration Committee may deem advisable except that without approval of the holders of a majority of the

outstanding equity shareholders no such revision or amendment shall change the number of Shares subject to the Scheme except in case of corporate actions which inter alia includes bonus issue, right issue, consolidation of Shares into Shares of larger denomination, split of Shares into Shares of smaller denomination etc., change the designation of the class of Employees eligible to receive Employee Stock Options, or add any material benefit to Grantees under the Scheme. Any amendment shall not affect the benefits already secured for the existing beneficiaries under this Scheme. Any amendment proposed under this provision shall be in compliance with all applicable laws.

26. Notices

All notices under the Scheme shall be in writing, and if to the Company, shall be delivered to the Scheme Administrator of the Company or mailed to its principal office addressed to the attention of the Company Secretary and if to the Employee shall be delivered personally or mailed to the Employee at the address appearing in the payroll records of the Company. Such address may be changed at any time by a written notice to the other party.

27. Termination of the Scheme

The Scheme shall terminate upon the earliest to occur of the following:

- a) The effective date of a resolution adopted by the Nomination & Remuneration Committee terminating the Scheme;
- b) The date all Shares subject to the Scheme are delivered pursuant to the Scheme's provisions; or
- c) 10 years from the, date the Scheme is approved by the Company's shareholders.

No Employee Stock Options may be granted under the Scheme after the earliest to occur of the events or dates described in the foregoing paragraphs (a) through (c) of this Section but Employee Stock Options granted heretofore shall continue in force beyond that date pursuant to these terms.

No such termination of the Scheme shall affect the previously accrued rights of any Grantee hereunder and all Employee Stock Options previously granted hereunder shall continue in force and in operation after the termination of the Scheme, except as they may be otherwise terminated in accordance with the terms of the Scheme or the Award Agreement.

28. Other Terms

Employee Stock Options granted pursuant to the Scheme shall contain such other terms, provisions and conditions (which need not be identical) not inconsistent herewith as shall be determined by the Nomination & Remuneration Committee.

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

If any provision of the Scheme is held to be illegal, invalid or unenforceable under any applicable law, then such provision will be deemed to be modified to the minimum extent necessary to render it legal, valid and enforceable, and if no such modification will render it legal, valid and enforceable, then the Scheme will be construed as if not containing the provisions held to be invalid, and the rights and obligations of the parties will be construed and enforced accordingly.

The Scheme shall be governed by the laws of India.

Neither the Company, its directors, officers or employees or the Committee or any of its member will be liable to any Grantee or other person if it is determined for any reason, under the Income Tax Act, 1961 or tax laws of the country to which such Grantee is subject, that such Grantee will not be entitled to any tax benefits as envisaged and for any tax obligations imposed on the Grantee by such tax laws.

If a Grantee is required to take any permission of any statutory authority now or at any other point of time, domestic or foreign, under any present or future laws, the Scheme will be subject to the Grantee getting all such approvals and the conditions imposed in granting such approvals. The Company will provide reasonable assistance to the Grantee in getting such approvals, but will not be obligated to obtain such approvals or take any actions that may be adverse to the interests of the Company.

Notwithstanding anything to the contrary contained herein or in any Award Agreement, the Company shall not be required to issue Shares if the issuance violates any provision of any law or regulation of any government authority or SEBI or a stock exchange.

Participation in this Scheme shall not be construed as a guarantee of return on the Shares purchased from the exercise of Employee Stock Options. The risks associated with investment in Shares are that of the Grantee alone.