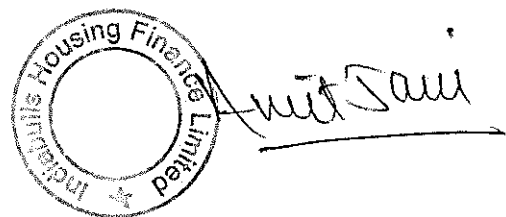


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## **INDIABULLS HOUSING FINANCE LIMITED- EMPLOYEE STOCK BENEFIT SCHEME 2019**



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## **I. TITLE, PREAMBLE AND PURPOSE OF THE SCHEME**

### **1. Title**

This Scheme shall be termed as the **INDIABULLS HOUSING FINANCE LIMITED - Employee Stock Benefit Scheme 2019** ("Scheme"). This Scheme comprises:

- a. INDIABULLS HOUSING FINANCE LIMITED Employees Stock Option Plan 2019 ("ESOP Plan 2019")
- b. INDIABULLS HOUSING FINANCE LIMITED Employees Stock Purchase Plan 2019 ("ESP Plan 2019")
- c. INDIABULLS HOUSING FINANCE LIMITED Stock Appreciation Rights Plan 2019 ("SARs Plan 2019")

### **2. Preamble**

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of INDIABULLS HOUSING FINANCE LIMITED at its meeting held on November 6, 2019; and (b) a special resolution of the shareholders' of the Company passed through postal ballot on December 23, 2019, result of which were declared on December 24, 2019.

### **3. Purpose of the Scheme**

The Company believes in rewarding its employees for their continuous hard work, dedication and support, which has led the Company on the growth path. The purpose of this Scheme is to attract, reward and motivate the employees for their high level of individual performance and for their unusual efforts to improve the financial performance of the Company and to attract and retain the best talent by providing them an additional incentive in the form of employee stock options and/or fully paid-up equity shares of the Company of face value of Rs. 2 each and/or stock appreciation rights.

## **II. DEFINITIONS AND INTERPRETATION**

### **1. General Definitions**

In this Scheme, except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against. The terms not defined in this Scheme shall have the meanings as defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, or in any statutory modifications or re-enactments thereof, as the case may be.

- 1.1. 'Act' means the Companies Act, 2013, including its rules, notifications, clarifications, circulars, and press releases issued by the Ministry of Corporate Affairs, Government of India, from time to time and any statutory modification or re-enactment of the foregoing from time to time;
- 1.2. 'Applicable Laws' shall mean all applicable laws, bye-laws, statutes, rules, regulations, orders, ordinances, notifications, protocols, treaties, codes, guidelines, policies, notices, directions, writs, injunctions, judgments, decrees or official directive of any court of competent authority or of any competent governmental authority or person acting under the authority of any court of competent authority or of any competent governmental authority of the Republic of India, as amended and modified from time to time, and includes regulations, rules, guidelines issued by

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the Securities and Exchange Board of India;

- 1.3. **'Benefit'** shall mean Options granted under the ESOP Plan 2019 and/or the Shares transferred under the ESP Plan 2019 and /or the SARs awarded under the SAR Scheme 2019;
- 1.4. **'Beneficiary'** shall mean the person, persons, trust or trusts designated by the Participant or Employee or in the absence of any designation by the Participant or Employee, a person or persons who is/ are entitled by the will of the Participant or Employee to receive the benefits specified in the Scheme, the legal heirs of the Participant or Employee, if the Participant or Employee dies intestate and includes the Participant's or Employee's executors or administrator, if no other beneficiary is designated and able to act under the circumstances and such other persons as may be added from time to time to the class of beneficiaries by notice in writing and by the nomination form in the exercise of any powers conferred under the Scheme or any other agreements forming part thereof;
- 1.5. **'Board'** means the Board of Directors of the Company for the time being and where the context so requires shall include the Compensation Committee constituted by the Board of Directors to exercise its powers and/or such other persons who may be authorised by the Board of Directors or the Compensation Committee in this regard;
- 1.6. **'Cause'** shall mean, as determined by the Compensation Committee, (i) the continued failure of the Employee to substantially perform his duties to the Company (other than any such failure resulting from retirement, death or disability), (ii) the engaging by the Employee in willful, reckless or grossly negligent misconduct which is determined by the Compensation Committee to be detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise, (iii) fraud, misfeasance, breach of trust or wrongful disclosure by the Employee of any secret or confidential information about the Company; (iv) the Employee's pleading guilty to or conviction of a felony;
- 1.7. **'Change in Capital Structure'** means a change in the capital structure of the Company, including as a result of re-classification of Shares; splitting up of the face value of Shares; sub-division of Shares; issue of bonus Shares; issue of Shares on rights basis, by preferential allotment, or issued as part of a public offer; conversion of convertible securities into Shares of the Company; and/or similar events;
- 1.8. **'Company'** means Indiabulls Housing Finance Limited, a company incorporated under the Companies Act, 1956 and having its registered office at M-62 & 63, First Floor Connaught Place New Delhi-110001, India and any reference to the term 'Company' includes and means its successors and assigns;
- 1.9. **'Compensation Committee'** means the committee of the Board, constituted by the Company under the provisions of the Act and designated as the Compensation Committee for the purposes of this Scheme;
- 1.10. **'Corporate Action'** means one of the following events:
  - 1.10.1. merger, de-merger, spin-off, consolidation, amalgamation, sale of business, dissolution or other reorganization of the Company in which the Shares are converted into or exchanged for:
    - a) a different class of securities of the Company; or
    - b) any securities of any other issuer/company; or

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- c) cash; or
  - d) other property;
- 1.10.2. the sale, lease or exchange of all or substantially all of the assets or undertaking of the Company;
- 1.10.3. the adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up;
- 1.10.4. acquisition (other than acquisition pursuant to any other sub-Article of this Article) by any issuer company, person, entity or group of a controlling stake in the Company, other than by the current Promoters of the Company. For this purpose 'Controlling Stake' shall mean more than 50% (Fifty Per Cent) of the voting share capital of the Company; and
- 1.10.5. any other event, which in the opinion of the Board has a material impact on the business of the Company;
- 1.11. **'Employee'** means -
- 1.11.1. a permanent employee of the Company who has been working in India or outside India; or
  - 1.11.2. a director of the Company, whether a whole time director or not but excluding an independent director; or
  - 1.11.3. an employee, as defined in sub-clause 1.11.1 and 1.11.2, of a Subsidiary Company, in India or outside India, but does not include-
    - a) an employee who is a Promoter (as defined below) or a person belonging to the Promoter Group (as defined below); or
    - b) a director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than 10% (ten per cent) of the outstanding equity shares of the Company;
- 1.12. **'ESOP Plan 2019'** shall mean INDIABULLS HOUSING FINANCE LIMITED Employees Stock Option Plan 2019;
- 1.13. **'ESP Plan 2019'** shall mean INDIABULLS HOUSING FINANCE LIMITED Employees Stock Purchase Plan 2019
- 1.14. **'ICAI'** shall mean Institute of Chartered Accountants of India;
- 1.15. **'Participant'** shall mean an Employee who accepts an offer from the Company to participate in the ESOP Plan, the ESP Plan and/or the SARs Plan;
- 1.16. **'Permanent Incapacity'** shall mean any disability of whatsoever nature be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Compensation

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Committee, based on a certificate of a medical expert identified by the Compensation Committee;

1.17. '**Plan Series**' means a documented plan framed by the Board or the Compensation Committee for grant of Options at a specific Exercise Price/Shares/SARs to be paid as Appreciation, in one or more tranches, to the Employees, which shall be determined by the Board or the Compensation Committee for the purpose of that particular Plan Series and as per the other terms and conditions as mentioned in that Plan Series;

1.18. '**Promoter**' shall have the same meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;

1.19. '**Promoter Group**' shall have the same meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended:

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 or promoter group of such company as the case be;

1.20. '**Relative**' shall have the same meaning as defined under Section 2(77) of the Companies Act, 2013, as amended;

1.21. '**Resultant Shares**' means the shares or other securities issued in lieu of the Shares, pursuant to any Change in Capital Structure or any Corporate Action;

1.22. '**SARs Plan 2019**' shall mean INDIABULLS HOUSING FINANCE LIMITED Stock Appreciation Rights Scheme 2019;

1.23. '**Scheme**' means this Scheme and comprises the ESOP Plan 2019, the ESP Plan 2019 and the SARs Plan 2019;

1.24. '**SEBI**' means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992;

1.25. '**Secondary Market Acquisition**' means acquisition of existing Shares of the Company by the Trust, for cash consideration on the platform of a recognised stock exchange where the Shares of the Company are listed;

1.26. '**SEBI Regulations**' means the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended;

1.27. '**Securities**' means securities as defined in Section 2(h) of the Securities Contracts (Regulation) Act, 1956 and includes hybrids, derivatives and units or any such instrument;

1.28. '**Shares**' or '**Equity Shares**' means the fully paid-up equity shares of the Company of face value of INR 2 each;

1.29. '**Shareholder**' shall mean the registered or beneficial holder of a Share in the share capital of the Company;

1.30. '**Subsidiary Company**' means an existing or future subsidiary company of the Company as defined in the Section 2(87) of the Act;

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1.31. 'Trust' shall mean Employee Welfare Trust or any other Trust constituted to be set up by the Company for the purposes of subscription of Shares from the Company/ Secondary Market Acquisition for the purpose of holding and transferring of Shares to Participants in the manner specified in the Trust Deed and the Scheme or for any other acts as specified in the Trust Deed;

1.32. 'Trust Deed' shall mean the deed of private Trust between the Company and the trustee(s) (as modified from time to time) for the creation of Employee Welfare Trust for the welfare of the Employees with the objective of subscription of Shares from the Company/ Secondary Market Acquisition for holding and transferring of Shares to Participants in the manner specified in the Trust Deed and the Scheme or for any other act as specified in the Trust Deed.

**2. Interpretation:**

In this Scheme, unless the contrary intention appears:

- 2.1. the singular includes the plural and *vice versa*;
- 2.2. the word "person" includes an individual, a firm, a body corporate, an unincorporated entity and any authority;
- 2.3. any word or expression importing the masculine, feminine or neuter genders shall be taken to include all three genders;
- 2.4. the words "including" and "*inter alia*" shall be deemed to be followed by "without limitation" or "but not limited to" whether or not those words are followed by such phrases or words of like import;
- 2.5. the words "herein", "hereunder", and "hereto" and words of similar import refer to this Scheme as a whole and not to any article of this Scheme unless so specified; and
- 2.6. any capitalized term defined in clause 1 of this Scheme shall also include such term with any of its grammatical variations and/or cognate expressions and any such grammatical variation and/or cognate expression when used in the capitalized form in the Scheme shall have the meaning assigned to the term defined in clause 1 of this Scheme of which they are grammatical variations and/or cognate expressions.

**3. Article Headings**

Headings or title of articles herein are for information only and shall not affect the construction or interpretation of this Scheme.

**4. References**

- 4.1. A reference to this Scheme includes reference to any article, schedule and appendix to it, and references to articles, schedules and appendices are to articles, schedules and appendices to this Scheme.
- 4.2. A reference to a statute or a statutory provision includes a reference to any order, regulation, or other subordinate legislation made thereunder from time to time, and references to any statute, provision, order, or regulation include references to that statute, provision, order, or regulation as amended, modified, re-enacted or replaced, from time to time.

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### **III. EFFECTIVENESS AND IMPLEMENTATION OF THE SCHEME**

1. The Scheme shall be deemed to have come into force on the date of its approval by the Shareholders ("Effective Date").
2. For the purpose of giving effect to this Scheme, the Company shall settle the Trust to hold and administer the Shares of the Company that shall be subscribed/acquired by the Trust in accordance with the Scheme. The Trust shall be governed by the SEBI Regulations and the trust deed that shall be executed for the purpose of settlement of the Trust.
3. The Scheme shall be implemented by the Trust under the broad policy and framework laid down by the Company and/or to the extent permissible under the SEBI Regulations by the Board and/or Compensation Committee, in accordance with the authority delegated to the Trust in this regard from time to time, and subject to the SEBI Regulations, including amendments, modifications and alterations to the Scheme made by the Company and/or the Board in this regard in the Plan Series framed by the Board and/or Compensation Committee, from time to time, under the Scheme.

### **IV. SHARES POOL**

1. For the purpose of the Scheme the Company shall issue Shares to the Trust and/or the Trust shall purchase the Shares of the Company by way of Secondary Market Acquisition in such a manner that the total number of Shares issued and/or transferred to the Trust shall not exceed 1,70,00,000 (one crore seventy lakhs) Shares.
2. The maximum number of Shares that may be transferred to the Participants by the Trust pursuant to exercise of all benefits provided to the Participants under this Scheme shall not exceed 1,70,00,000 (one crore seventy lakhs) Shares.

### **V. PLAN SERIES**

At such times after the Scheme comes into effect, as deemed fit by the Compensation Committee, it shall, formulate various Plan Series based on the recommendations of the management of the Company. The Compensation Committee based on the recommendations of the management may thereafter decide on the Employees who could be provided Benefit, at its discretion, and the terms and conditions of the Benefit. The Board may in its absolute discretion vary or modify the terms and conditions of the Benefit for any Employee or class of Employees, provided they are not detrimental to the interests of the Employees.

### **VI. INDIABULLS HOUSING FINANCE LIMITED- EMPLOYEE STOCK OPTION SCHEME 2019**

#### **1. Definitions**

In clause VI of the Scheme, the following expressions only when mentioned in capitalized including their grammatical variations and cognate expressions shall have the following meaning, irrespective of whether such terms are used before or after this clause:

- 1.1. 'Exercise' shall mean making of an application by the Participant to the Trust for transfer of Shares against the Vested Options held by such Participant in pursuance of this Scheme and payment of the Exercise Price plus applicable taxes, if any, as per the terms of issue;

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- 1.2. '**Exercise Date**' shall mean the date on which the Participant exercises his Vested Options and in case of partial exercise, means each date on which the Participant exercises part of his Vested Options;
- 1.3. '**Exercise Period**' in relation to a Vested Option shall mean the time period within which the Participant should apply for Exercise of such Vested Options, which shall be a maximum period of 5 years from the Vesting Date;
- 1.4. '**Exercise Price**' means the price payable by the Participant for exercising each Option granted to him in pursuance of the Scheme, in accordance with sub-clause 2 of clause VI, and which price shall be communicated to the Participant in the Grant Letter;
- 1.5. '**Fair Value**' means, the fair value of an Option calculated in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by ICAI or such other guidance note as may be prescribed by ICAI from time to time;
- 1.6. '**Grant**' shall mean the process by which a Grantee is given an Option on basis of his performance and fulfilment of the criteria decided by the Compensation Committee pursuant to this Scheme;
- 1.7. '**Grant Date**' means the date on which the Options are granted to an Employee by the Company in accordance with the terms of the Scheme including in several tranches, such that each tranche is covered by a unique / different Plan Series and all Options granted under a specific Plan Series shall have the same terms and conditions applicable to all Options issued pursuant to a Plan Series;
- 1.8. '**Grant Letter**' shall mean the letter by which Grant of an Option is communicated to the Grantee and setting out matters incidental and ancillary thereto;
- 1.9. '**Optionee / Option Grantee / Grantee**' means an Employee who has been granted any Options under the Scheme and where the context requires shall include the nominee or legal heir of an Employee as prescribed in the Scheme and the SEBI Regulations;
- 1.10. '**Option**' shall mean a right, but not an obligation, granted to the Participant pursuant to this Scheme to acquire and be transferred Shares of the Company at the Exercise Price determined in accordance with sub-clause 5 of clause IV during the Exercise Period, subject to terms and conditions of Vesting and upon such terms and conditions as may be specified in the Scheme and as determined by the Compensation Committee as part of the Plan Series and administered by the Trust or otherwise directly granted by the Company pursuant to this Scheme;
- 1.11. '**Surrender Value**' means the amount determined in accordance with the provisions of the applicable sub-clause such that it is not prejudicial to the interest of the Optionees, and is as hereinafter stated:
  - 1.11.1. the price per Share, whether in cash or otherwise, offered to shareholders of the Company pursuant or related to a Corporate Action taking place; and
  - 1.11.2. if a Corporate Action occurs other than as described in sub-clause 1.11.1 of clause VI, the Fair Value of an Option, determined by the Compensation Committee, on the date of cancellation and surrender of any Option,



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if the consideration offered to shareholders of the Company, in the event of a Corporate Action, consists of anything other than cash, the Compensation Committee shall determine the fair cash equivalent of such part of the consideration which is offered other than in cash;

- 1.12. **'Unvested Option'** shall mean an Option, which is not a Vested Option;
- 1.13. **'Vested Option'** shall mean an Option, which has been vested in the Participant as per sub-clause 4 of clause VI and has thereby become exercisable;
- 1.14. **'Vest'** or **'Vesting'** shall mean the process or an act by which the Participant is given the right to apply for Shares against the Option granted to him in pursuance of the Scheme;
- 1.15. **'Vesting Date'** shall mean in relation to an Option, the date on and from which that Option vests in the Participant and thereby becomes exercisable;
- 1.16. **'Vesting Period'** While the first tranche of the shares granted under a scheme will get vested at the end of the first year from the date of grant, subsequent tranches will get vested thereafter at one year intervals with no tranche including the first tranche exceeding 35% of the total shares granted under a scheme. Thus, shares granted under a scheme will get vested over a period of minimum 3, or more years and shall be as decided by the Compensation Committee.

**2. Grant of Options**

- 2.1. The Trust shall offer the Options to a Grantee in accordance with the terms and conditions of the Plan Series and the Scheme for the time being in force and based upon the performance of the Participant or such other criteria as decided by the Compensation Committee from time to time.
- 2.2. Each Option will entitle the Participant, upon its Exercise, to one Share of the Company.
- 2.3. Subject to clause IV of the Scheme, the maximum number of the Shares that may be transferred by the Trust pursuant to the Exercise of the Options to each Participant under this Scheme shall not exceed 1,70,00,000 (one crore seventy lakhs) in aggregate, and the number of ESOPs / Shares / SARs that may be granted to any specific Employee of the Company or of its subsidiary company under the Scheme, in any financial year and in aggregate under the Scheme shall be decided by the Compensation Committee.
- 2.4. The Grant of the Options by the Trust to the Grantee shall be made in writing and communicated to the Grantee by way of a Grant Letter. Such a Grant Letter shall state:
  - 3.4.1. the number of Options offered;
  - 3.4.2. the Exercise Price;
  - 3.4.3. the Vesting schedule;
  - 3.4.4. the date by which the offer can be accepted ("**Closing Date**");
  - 3.4.5. the conditions subject to which Vesting would take place;
  - 3.4.6. the terms and conditions of the Grant, including the lock-in conditions, if any; and
  - 3.4.7. such other disclosure as may be prescribed under the SEBI Regulations.
- 2.5. The Closing Date shall not be more than 120 (one hundred twenty) days from the Grant Date.

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- 2.6. An offer made under sub-clause 2.1 of clause VI is personal to the Grantee and cannot be transferred in any manner whatsoever.

**3. Method of acceptance**

- 3.1. Any Grantee who wishes to accept an offer made pursuant to sub-clause 2 of clause VI must deliver an acceptance form, prescribed by the Compensation Committee from time to time, duly completed as required therein to the Trust on or before the Closing Date stated in the Grant Letter.
- 3.2. Any Grantee who fails to return the acceptance form on or before the Closing Date shall, unless the Trust determines otherwise, be deemed to have rejected the offer. Options that are not accepted by the Grantee in accordance with this provision will be available for Grant by the Trust to any other Employee(s) as it may deem fit and in consultation with the Compensation Committee in accordance with the ESOP Plan 2019 and the Scheme.
- 3.3. Upon receipt of a duly completed acceptance form from the Grantee in respect of the Grant, the Grantee will become a Participant.

**4. Vesting of Options**

- 4.1. Subject to the terms contained herein, the acceptance in accordance with sub-clause 3 of clause VI, of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Trust, pursuant to which each Option shall, on such acceptance, be an Unvested Option.
- 4.2. Options Granted under this Scheme would Vest not earlier than 1 (one) year from the date of Grant of such Options. Subject to sub-clause 4.7 of clause VI, Vesting of Options would be a function of achievement of performance criteria or any other criteria as specified by the Compensation Committee and communicated in the Grant Letter.
- 4.3. Subject to Participant's continued employment with the Company and clause XI, the Options granted under the Scheme shall vest in accordance with the terms of the each grant under the Scheme.
- 4.4. The Compensation Committee may at its discretion alter or change or vary the Vesting Schedule/vesting criteria and/or vesting conditions. The Compensation Committee may also provide for lock-in provisions and accelerated vesting conditions.
- 4.5. The Options specifically granted but not Vested in case of an Employee who has been suspended or in case of an Employee against whom an enquiry is being conducted for any reason, shall stand suspended and shall not Vest until the enquiry is completed. In case the Employee is found guilty of misconduct, whether or not he/she is dismissed or discharged, such Options shall lapse.
- 4.6. In case the Participant complies with all the pre-Vesting conditions, the Trust would issue a letter to such Participant intimating the number of Vested Options.
- 4.7. In the event of any Optionee:
- 4.7.1. dying whilst in the employment or engagement of the Company; or
- 4.7.2. becoming totally and permanently disabled while in the employment of the Company; or

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4.7.3. attaining the age of superannuation while inservice,

the rights and obligations under the Vested Options in such Optionee shall accrue to his Beneficiary in case of event occurring in (4.7.1) above or continue in his hands in case of event occurring in (4.7.2) & (4.7.3) above, and the Exercise of the Vested Options shall be accelerated to the date of the event occurring in (4.7.1), (4.7.2) and (4.7.3) herein. All such Vested Options on the date of death or permanent incapacitation or superannuation (as the case may be) shall be Exercised by him or the Beneficiary (as the case may be), before the expiry of 12 (twelve) months from the date of the death or permanent incapacitation or superannuation of such Employee or the prescribed Exercise Period for such Options, whichever is earlier, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished. The Exercise Price of such Options will be the Exercise Price applicable at the time of Exercise.

4.8. Notwithstanding anything to the contrary in this ESOP Plan 2019, the Compensation Committee shall be entitled to make the Vesting of any or all of the Options awarded to an Employee conditional upon the fulfilment of such performance criteria whether of the Employee and/or any team or group of which he is a part and/or of the Company, as may be determined by the Compensation Committee or determine a Vesting schedule other than that specified hereinabove for any Employee or class of Employees.

## **5. Exercise price and mode of payment**

5.1. Exercise price shall be decided by the Compensation Committee in accordance with the terms of the each grant under the Scheme.

5.2. The aggregate Exercise Price shall be paid in full upon the exercise of the Vested Options. Payment must be made by one of the following methods:

5.2.1. Cheque, banker's cheque or demand draft payable at the registered office of the Trust.

5.2.2. Remittance directly from the Grantee's bank to the bank account of the Trust (wire transfer).

5.2.3. The proceeds of a loan program, if permitted by the Company at its discretion, on such terms and conditions as may be provided.

5.2.4. By any combination of such methods of payment or any other method acceptable to the Compensation Committee at its discretion.

The payment of Exercise Price and applicable taxes, if any, in respect of exercise of the Options shall be made by the Participant to the Trust.

## **6. Exercise of Options**

6.1. The Vested Options shall be exercisable according to the terms and conditions as determined and set forth under the Scheme and the Grant Letter.

6.2. Subject to clause XI, the Participant alone can exercise the Vested Options.

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- 6.3. Subject to clause XI, the Participant can exercise the Vested Options within the Exercise Period. Such exercise may be of all or some of the Vested Options. However, no fraction of a Vested Option shall be exercisable.
- 6.4. Exercise of the Options shall take place at the time and in the manner prescribed in the Grant Letter and by executing such documents as may be required under the Applicable Laws to pass a valid title to the relevant Shares to the Participant free and clear of any liens, encumbrances and transfer restrictions save for those set out therein.
- 6.5. An Option shall be deemed to be exercised only when the Trust receives written or electronic notice of Exercise along with requisite details (in prescribed form) and the Exercise Price along with applicable taxes, if any, from the Participant/persons entitled to exercise the Option.
- 6.6. On Exercise, the Participant can acquire the Shares on full payment of the Exercise Price and applicable taxes, if any, required to be deducted/collected by the Trust in respect of exercise of the Options, and Trust shall transfer the Shares to the Participant.
- 6.7. Notwithstanding anything else contained in this Scheme, if the Participant does not Exercise his Vested Options within the time specified in sub-clause 6 of clause VI of the Scheme, the Options shall stand lapsed.

**7. Transfer of Shares**

- 7.1. Upon completion of a valid Exercise of Options as set out in sub-clause 6 of clause VI, the Trust and/or the Company shall transfer Shares to the Participant.
- 7.2. For purpose of transfer of Shares to Participant, the Company shall issue Shares directly to the Participants and/or the Trust shall acquire, purchase or subscribe to the Shares and thereby, *inter-alia*, utilize such Shares for the purpose of providing them to the Participants upon Exercise of the Options under the Scheme. For the purpose of acquisition of Shares by the said Trust, the Trust shall be funded by the Company, as the case may be, either through a loan or any other form of financial assistance permissible under Applicable Laws.
- 7.3. The Trust shall transfer the Shares to Participants in the manner specified in the Trust Deed. The trustee(s) of the Trust shall administer the transfer of Shares to the Participant as per the directions of the Compensation Committee/ Company and as stipulated in the Scheme.
- 7.4. At the time of transfer of Shares pursuant to a valid Exercise, the Participant will be required to sign such document(s) as may be considered necessary by the Trust/ Compensation Committee/ Company to lawfully execute/ enforce various provisions of the Scheme.
- 7.5. Upon transfer of Shares, the Participants shall become members of the Company. The Shares to be transferred shall rank *pari passu* in all respects with the then existing Equity Shares of the Company.
- 7.6. Neither an Optionee, nor his successor in interest, shall have any of the rights of a shareholder of the Company including right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder with respect to the Shares for which the Option is exercised until such Shares are transferred by the Trust on Exercise of the Option(s)

**8. Change in Capital Structure or Corporate Action**

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8.1. Except as hereinafter provided, a Grant made shall be subject to adjustment, by the Compensation Committee, at its discretion, as to the number and/or Exercise Price of Options, as the case may be, in the event of Change in Capital Structure or a Corporate Action,

8.2. If there is a Change in the Capital Structure of the Company before the Options granted under this ESOP Plan 2019 are Exercised, the Employee shall be entitled on Exercise of the Options, to such number of Resultant Shares to which he would have been entitled as if all then outstanding Options Exercised by him, had been Exercised before such Change in the Capital Structure had taken place and the rights under the Options shall stand correspondingly adjusted in terms of the number and/or Exercise Price of Options.

8.3. The Shares in respect of which the Options are granted are Shares as on the date of the Grant. But if and when, prior to the expiry of the Exercise Period there is a Change in the Capital Structure of the Company, the number of Resultant Shares with respect to which the Options may thereafter be Exercised shall, in the event of:

8.3.1. an increase in the number of Resultant Shares, be proportionately increased, and the Exercise Price, be proportionately reduced;

8.3.2. a reduction in the number of Resultant Shares, be proportionately reduced, and the Exercise Price, be proportionately increased,

provided, further, that in case the provisions of Applicable Law restrict/prohibit the issue of Shares at a discount to its par or other value, the Exercise Price shall not be less than such amount as prescribed under such Applicable Law.

8.4. In the event of a Corporate Action, the Compensation Committee, at least 7 (seven) days prior to any Corporate Action or 60 (Sixty) days thereafter or within such other time as may be determined by the Board, acting in its absolute discretion with or without the consent or approval of the Employee, as it may deem fit, shall in respect of the outstanding Options act on any of the following alternative:

8.4.1. provide that on any Exercise of Options hereafter, the Optionee shall be entitled to the Shares and / or Resultant Shares as if the Optionee had been a holder of the Shares on the date of the Corporate Action;

8.4.2. make such adjustments to the Options outstanding to reflect the Corporate Action, as may be necessary, such that the adjustments are not prejudicial to the interest of the Employees;

8.4.3. substitute the Options granted, by fresh Options in another issuer company which have substantially the same terms as the Options granted under this Scheme;

8.4.4. subject to SEBI Regulations, accelerate the Vesting and / or the Exercise of the Options so that the Options are to be compulsorily exercised before the date specified in the Grant Letter, failing which they shall lapse, subject to the condition that such acceleration shall not be detrimental to the interests of the employees;

8.4.5. require the mandatory surrender to the Trust, by all or some of the Optionee, of all or some of the outstanding Options, irrespective of whether, the Options, have vested or not, as on that date. In such an event the Trust shall pay to such Employee an amount, in cash or otherwise, per Option, as the case may be, of the Surrender Value after deducting the balance Exercise Price payable, if any; and

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8.4.6. deal with the outstanding Options in any other manner as it may deem fit in the interest of the Company and / or Optionee(s);

provided, however, subject to the SEBI Regulations and unless specifically approved otherwise by the Board, all Options which have not vested on the date of any Corporate Action as envisaged above, shall lapse and the Optionee shall not be entitled to any compensation of any nature whatsoever.

## **VII. INDIABULLS HOUSING FINANCE LIMITED STOCK APPRECIATION RIGHTS SCHEME 2019**

### **1. Definitions**

In clause VII of the Scheme, the following expressions only when mentioned in capitalized including their grammatical variations and cognate expressions shall have the following meaning, irrespective of whether such terms are used before or after this clause:

- 1.1. **'Appreciation'** means the difference between the Market Price of the share of the Company on the date of exercise of SARs and the SAR price;
- 1.2. **'Award'** means, individually or collectively, any SARs awarded pursuant to the Scheme.
- 1.3. **'Award Date'** means the date on which the SARs are Awarded to an Employee by the Company in accordance with the terms of the Scheme including in several tranches, such that each tranche is covered by a unique/different Plan Series, and all SARs Awarded under a specific Plan Series shall have the same terms and conditions applicable to all SARs issued pursuant to a Plan Series;
- 1.4. **'Market Price'** means latest available closing price on a recognized stock exchange on which the Shares of the Company are listed on the date immediately prior to the Relevant Date or Vesting Date. If such Shares are listed on more than one stock exchange, then the closing price on the stock exchange having the highest trading volume shall be considered as the market price;
- 1.5. **'Relevant Date'** means in the case of an Award, the date of the meeting of the Compensation Committee on which the Award is made;
- 1.6. **'SAR Grantee'** means an Employee who has been Awarded SARs under the SARs Plan 2019 and where the context requires shall include the nominee or legal heir of an Employee in the manner prescribed in the Scheme and the SEBI Regulations;
- 1.7. **'SAR Price'** includes the Base Price, means the base price defined on the grant date of SARs for the purpose of computing appreciation;
- 1.8. **'Stock Appreciation Rights / SARs'** are structured and variable incentives which are issued by the Company through the Trust and are linked to the Company's stock price payable over a period of time such that a right is given to the SAR Grantee entitling him to receive Appreciation for a specified number of Shares which shall vest on the Vesting Date(s) in accordance with the terms of this Scheme, for which no shares are required to be issued and allotted to the SAR Grantee on the Vesting Date and the Appreciation shall be settled at the sole discretion of the Compensation Committee after deducting applicable taxes and other deductions, either by way of transfer of equity shares of the Company or in cash;

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1.9. **'Vesting'** means the process by which an Employee becomes entitled to receive benefits on the Vesting Date of an Award made to him under the SARs Plan 2019;

1.10. **'Vesting Date'** means the date on which the benefits under the SARs vest into an Employee;

1.11. **'Vesting Period'** means the period during which the Vesting of SARs granted under the SARs Plan 2019 takes place and is the period between the Award Date and the Vesting Date; subject to the condition that the said period shall not be less than 1 (one) year.

**2. Awarding of SARs**

2.1. The Trust shall Award SARs to one or more Employees, which shall include recurring Awards to the same Employee, in accordance with the terms and conditions of the Plan Series and the Scheme for the time being in force and based upon the performance of the Participant or such other criteria as may be decided by the Compensation Committee from time to time.

2.2. All SARs Awarded shall be deemed to have been made effective from the date specified in the Award Letter.

2.3. The Award letter shall specify the date of Award, number of SARs awarded, the Base Price to be deducted, Vesting Date on which the Employee is eligible to get the Appreciation, fulfilment of the performance and other conditions, if any, subject to which Vesting of SARs shall take place, and the other terms and conditions thereof.

**3. Vesting of SARs & pay out of Appreciation**

3.1. All SARs Awarded shall Vest in and be paid as Appreciation as set out in the applicable Plan Series framed under the Scheme.

3.2. The SARs shall Vest any time after the expiry of 1 (one) year from the date of the Award of the SARs to the Employee as may be determined by the Compensation Committee from time to time. The SARs could Vest in tranches. Vesting of SARs would be a function of achievement of performance criteria or any other criteria as specified by the Compensation Committee and communicated in the Award letter.

provided further that in case where the SARs are Awarded by the Company in lieu of SARs held by the same person in another issuer company which has merged or amalgamated with the Company, the period during which the SARs awarded/granted by the other issuer company were held by him shall be adjusted against the minimum Vesting Period of 1 (one) year as aforesaid.

3.3. Subject to Participant's continued employment with the Company and clause XI, the SARs granted under the Scheme shall vest in accordance with the terms of the each grant under the Scheme.

3.4. Notwithstanding anything to the contrary in this SARs Plan 2019, the Compensation Committee shall be entitled to make the Vesting of any or all of the SARs awarded to an Employee conditional upon the fulfilment of such performance criteria whether of the Employee and/or any team or group of which the Employee is a part and/or of the Company, as may be determined by the Compensation Committee or determine a Vesting schedule other than that specified hereinabove for any Employee or class of Employees.

3.5. The Compensation Committee may at its discretion alter or change or vary the Vesting schedule/vesting criteria and/or vesting conditions provided such change is not detrimental to the interests of the Employees.

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- 3.6. The Appreciation shall be settled at the sole discretion of the Compensation Committee after deducting applicable taxes and other deductions, either by way of transfer of equity shares of the Company or in cash.
- 3.7. In the event of SAR Grantee:
- 3.7.1. dying whilst in the employment or engagement of the Company; or
  - 3.7.2. becoming totally and permanently disabled while in the employment of the Company; or
  - 3.7.3. attaining the age of superannuation while in service,
  - 3.7.4. the rights and obligations under the SARs granted in such SAR Grantee shall accrue to his legal heirs or his nominees in case of event occurring in (3.7.1.) above or continue in his hands, in case of event occurring in (3.7.2.) & (3.7.3.) above, and the Vesting Date shall be accelerated to the date of the event occurring in (3.7.1.), (3.7.2.) and (3.7.3.) herein and the Appreciation shall be included as a part of the full and final settlement.
- 3.8. In the event of resignation or termination of the Employee, all SARs which are awarded and not yet vested as on that day shall expire. The date of resignation/cessation of employment shall mean the date of service, by the Employee or the Company, as the case may be, of the notice of termination of employment, or the effective date of termination of employment, whichever is earlier.
- Provided that Employees shall, subject to the terms and conditions laid down by the Compensation Committee, be entitled to retain all SARs already vested as on the date of resignation or termination of the Employee.
- 3.9. The SARs specifically awarded but not vested in case of an Employee who has been suspended or in case of an Employee against whom an enquiry is being conducted for any reason, shall stand suspended and shall not Vest until the enquiry is completed or the suspension revoked as the case may be. In case the Employee is found guilty of misconduct, whether or not he/she is dismissed or discharged, such SARs shall lapse.
- 3.10. In the event that an Employee who has been granted benefits under this SARs Plan 2019 is transferred or deputed to a Subsidiary Company, prior to Vesting of SARs Granted, the Vesting as per the terms of Grant shall continue in case of such transferred or deputed Employee even after the transfer or deputation.
- 3.11. The amount of the SARs awarded to the Employee may be withdrawn and cancelled by the Trust, in any of the following events:
- 3.11.1. The Company and/or its Subsidiary, as applicable, takes any disciplinary action against the Employee;
  - 3.11.2. There is a significant drop in the Employee's performance or continuous failure on his/her part to substantially perform its duties;
  - 3.11.3. There is significant drop in the performance of the relevant business vertical with which the Employee is or was associated or of the Company as a whole;
  - 3.11.4. The Employee is engaging in wilful, reckless or grossly negligent conduct;



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3.11.5. Fraud, misfeasance, breach of trust or wrongful disclosure on the part of the Employee of any secret or confidential information about the Indiabulls group; and/or

3.11.6. The Employee pleading guilty to or conviction of a felony.

3.11.7. The Company, in addition to the above, shall also be entitled to recover from the Employee, the amount already paid out in respect of the SARs awarded, whether the Employee is in employment or not at the time of recovery, in the event of any disciplinary action taken against the Employee by the Company and/or its Subsidiary Company, as applicable.

**4. Rights of the SARs holders**

The Employee shall neither have any right to receive the shares of the Company nor any of the rights of a shareholder of the Company including right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder with respect to the SARs awarded to him/her.

**5. Change in Capital Structure or Corporate Action**

5.1. Except as hereinafter provided, an Award made shall be subject to adjustment, by the Compensation Committee, at its discretion, as to the number of Shares for which SARs have been issued in the event of Change in Capital Structure or a Corporate Action.

5.2. If there is a Change in the Capital Structure of the Company before the SARs Awarded under this SARs Plan 2019 are vested, the Employee shall be entitled to Appreciation for such number of Shares to which he would have been entitled as if all then outstanding SARs had been vested before such Change in the Capital Structure had taken place and the rights under the SARs shall stand correspondingly adjusted in terms of the number of Shares for which SARs have been Awarded.

5.3. The Shares in respect of which SARs are Awarded are Shares as on the date of the Award. But if and when, prior to the expiry of the Vesting Period, there is a Change in the Capital Structure of the Company, the number of Resultant Shares with respect to which SARs may thereafter be Vested shall, in the event of:

5.3.1. an increase in the number of Resultant Shares, be proportionately increased; or

5.3.2. a reduction in the number of Resultant Shares, be proportionately reduced

5.4. In the event of a Corporate Action, the Compensation Committee, at least 7 (seven) days prior to any Corporate Action or 60 (sixty) days thereafter or within such other time as determined by the Board, acting in its absolute discretion with or without the consent or approval of the Employee, as it may deem fit, shall in respect of the outstanding SARs act on any of the following alternatives:

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- 5.4.1. provide that on any Vesting of SARs hereafter, the SAR Grantee shall be entitled to Appreciation for the Shares and / or Resultant Shares as if the SAR Grantee had been a holder of SARs for the Shares on the date of the Corporate Action;
- 5.4.2. make such adjustments to the number of Shares for which SARs are outstanding to reflect the Corporate Action as may be necessary such that the adjustments are not prejudicial to the interest of the SAR Grantees;
- 5.4.3. substitute the SARs awarded by fresh SARs in another issuer company which have substantially the same terms as the SARs awarded under this Scheme;
- 5.4.4. subject to SEBI Regulations, accelerate the Vesting of the SARs so that the SARs are to be compulsorily exercised before the date specified in the Award Letter, failing which they shall lapse, subject to the condition that such acceleration shall not be detrimental to the interests of the employees; and
- 5.4.5. deal with the outstanding SARs in any other manner as it may deem fit in the interest of the Company and/or the SAR Grantee.

**VIII. INDIABULLS HOUSING FINANCE LIMITED EMPLOYEE STOCK PURCHASE SCHEME 2019**

**1. Definitions**

In clause VIII of the Scheme, the following expressions only when mentioned in capitalized including their grammatical variations and cognate expressions shall have the following meaning, irrespective of whether such terms are used before or after this clause:

- 1.1. '**Acceptance Form**' means the form through which the Employee shall communicate his acceptance to purchase Offer Shares in accordance with the terms and conditions provided in the Letter for Offer Shares;
- 1.2. '**Closing Date**' means the date by which the offer made to an Employee through the Letter for Offer Shares can be accepted;
- 1.3. '**Letter for Offer Shares**' means a letter in in writing from the Trust and/or Company communicating, among other things, the number of Shares to which an Employee is entitled to purchase from the Trust;
- 1.4. '**Offer Shares**' means the number of Shares to which an Employee is entitled to purchase from the Trust at Share Price; and
- 1.5. '**Share Price**' means the price per Offer Share to be paid by the Employee for purchase of the Offer Shares offered pursuant to Letter for Offer Shares.

**2. Offering of Shares and method of acceptance**

- 2.1. The Trust shall make Offer of Shares to one or more Employees in accordance with the terms and conditions of the Plan Series and the Scheme for the time being in force and based upon the performance of the Participant or such other criteria as decided by the Compensation Committee from time to time.

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- 2.2. The Offer of Shares shall specify the number of Shares offered under the ESP Plan 2019, the Share Price at which the Shares will be transferred from the Trust to the Employee, fulfilment of the performance and other conditions, if any, subject to which Shares transfer shall take place, and the other terms and conditions thereof.
- 2.3. Any Employee who receives Letter for Offer Shares and who wishes to accept the offer made pursuant to sub-clause 2.1 of clause VIII must deliver the duly completed Acceptance Form to the Trust on or before the closing date stated in the Letter for Offer Shares.
- 2.4. Any Employee who fails to return the Acceptance Form on or before the Closing Date shall, unless the Trust determines otherwise, be deemed to have rejected the offer. Offer Shares that are not accepted by the Employees(s) in accordance with this provision will be available to the Trust for making an offer to any other Employee(s) as it may deem fit and in consultation with the Compensation Committee in accordance with this Scheme.
- 2.5. The Employee shall simultaneously with submission of the Acceptance Form make full payment of the Share Price by one of the following methods:
  - 2.5.1. Cheque, banker's cheque or demand draft payable at the registered office of the Trust.
  - 2.5.2. Remittance directly from the Employee's bank to the bank account of the Trust (wire transfer).
  - 2.5.3. The proceeds of a loan program, if permitted by the Company at its discretion on such terms and conditions as may be provided.
  - 2.5.4. By any combination of such methods of payment or any other method acceptable to the Compensation Committee at its discretion.
  - 2.5.5. By any combination of such methods of payment or any other method acceptable to the Compensation Committee at its discretion.

The payment of Share Price and applicable taxes, if any, in respect of Offer Shares shall be made by the Employee to the Trust.

**3. Pricing of Shares**

The Share Price at which the Shares shall be offered to each Employee under the ESP Plan 2019 shall be determined by the Compensation Committee in its Plan Series.

**4. Transfer of Shares**

- 4.1. Upon receipt of duly filed in Application Form along with Share Price as set out in clause VIII, the Trust shall transfer Shares to the Employee.
- 4.2. The Trust shall transfer the Shares to an Employee in the manner specified in the Trust Deed. The trustee(s) of the Trust shall administer the transfer of Shares to an Employee as per the directions of the Compensation Committee/ Company and as stipulated in the Scheme.
- 4.3. At the time of transfer of Shares the Employee will be required to sign such document(s) as may be considered necessary by the Trust/ Compensation Committee/ Company to lawfully execute/ enforce various provisions of the Scheme.

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4.4. Upon transfer of Shares, the Employee shall become member of the Company. The Shares to be transferred under ESP Plan 2019 shall rank *pari passu* in all respects with the then existing Equity Shares of the Company.

4.5. Neither the Employee, nor his successor in interest, shall have any of the rights of a shareholder of the Company including right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder with respect to the Offer Shares until such Offer Shares are transferred by the Trust.

**5. Lock-in of Shares**

The Offer Shares transferred from the Trust to an Employee in terms of ESP Plan 2019 shall not be subject to any lock-in.

**IX. MODIFICATION OF SCHEME**

1. Subject to Applicable Laws, the Compensation Committee may pursuant to a special resolution passed at a general meeting or through postal ballot at any time and from time to time:

1.1. Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Scheme;

1.2. Alter the exercise price, if the issued Options/SARs become unattractive due to fall in market price of the Shares.

Provided that no variation, alteration, addition or amendment to the Scheme or the exercise price of the Options/SARs can be made if it is detrimental to the interest of the Participant.

**X. LOAN FACILITY**

1. The Board and/or the Compensation Committee may, at its discretion, decide to grant loans to the Employees for purchasing Shares under this Scheme in accordance with the provisions of Applicable Laws.

2. The Board shall also grant loan or other financial assistance to the Trust for the purposes of subscription/acquisition of Shares from the Company/ Secondary Market Acquisition.

**XI. CESSATION OF EMPLOYMENT**

1. In the event of an Employee ceasing to be in the service of the Company due a Cause, except due to death, or permanent disability or superannuation, all Benefits granted and outstanding on the date of cessation of employment shall lapse forthwith and the Employee shall not be permitted to Exercise any right in respect thereof. For the purposes of this clause, date of the cessation of employment shall mean the date of service, by the Employee or the Company, as the case may be, of the notice of termination of employment, or the effective date of termination of employment, whichever is earlier.

Provided that nothing contained in sub-cause 1 of clause XI shall be applicable, in the event of secondment, substitution, deputation or transfer of the Employee's services so long as the Employee continues to be employed by the Company or its Subsidiary, as applicable.

2. In the event of resignation or termination of the Employee for a reason other than the Cause or an Employee ceasing to be an Employee, all Benefits not vested at the date of such

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resignation or termination shall expire and for all vested Benefits, the Employee shall be bound to exercise his/her vested Benefit, upto his/her last working day, failing which all the unexercised Benefits shall lapse irrevocably and the rights there under shall be extinguished. The date of resignation/termination of employment shall mean the date of service, by the Employee or the Company, as the case may be, of the notice of termination of employment, or the effective date of termination of employment, whichever is earlier.

3. In the event that an Employee who has been granted benefits under this Scheme is transferred or deputed from the Company to a Subsidiary/ from a Subsidiary to the Company/ from one Subsidiary to another Subsidiary, as applicable, prior to exercise of his/her Benefit, then the terms of the grant of Benefit shall continue in case of such transferred or deputed employee even after the transfer or deputation.

**XII. SET-OFF**

It shall be the Company's or the Compensation Committee's obligation to convey to the Trust and the Participant that the Shares to be transferred under the ESOP Plan 2019 and/or ESP Plan 2019 and/or the appreciation benefit to be provided under SARs Plan 2019 shall be subject to set-off or counter claim of amounts owed by the Participant to the Company or the Trust to the extent permissible under the Applicable Laws.

**XIII. TERM OF THE SCHEME**

1. The Scheme shall continue in effect unless terminated by the Company.
2. Any such termination of the Scheme shall not affect Options/SARs already granted and such Options/SARs shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Participants and the Trust/ the Compensation Committee/the Company.

**XIV. CONFIDENTIALITY**

The Participant shall not divulge the details of the Scheme and/ or his holdings to any person except with the prior written permission of the Compensation Committee unless so required to do under any statutes or regulations applicable to such Participant.

**XV. MISCELLANEOUS**

**1. No Right to Benefit**

Neither the adoption of the Scheme nor any action of the Board or the Compensation Committee or the Trust shall be deemed to give an Employee any right to be awarded any SARs/Option/ right to acquire Shares or to any other rights except as may be evidenced by a Grant Letter/letter of Award/Letter for Offer Shares.

**2. No Employment Rights Conferred**

Nothing contained in the Scheme or in any Grant Letter/letter of Award/Letter for Offer Shares made hereunder shall:

- 2.1. confer upon any Employee any right with respect to continuation of employment or engagement with the Company; or

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- 2.2. interfere in any way with the right of the Company to terminate employment or services of any Employee at any time.

**3. Tax deduction at source / other taxes and obligations**

Notwithstanding anything contained in this Scheme or any other agreement under which Options/SARs/Shares have been provided to an Employee, the Trust, shall have the right to deduct and/or recover, relating to or in connection with all Benefits, any and all taxes, if any, required by law to be deducted at source or otherwise and shall also recover any taxes, whether direct or indirect tax or any other cess, levy, assessments and other governmental charges, duties, impositions and liabilities, by whatever name called including, without limitation, tax leviable or whether directly or indirectly payable by the Trust, at the time of the grant or Vesting or Exercise or allotment of Options or the Shares or payout of Appreciation or at any different point of time.

**4. No restriction of Corporate Action**

The existence of the Scheme and the Benefits provided hereunder shall not in any way affect the right or the power of the Board or the Shareholders or the Company to make or authorise any Change in Capital Structure, including any issue of Shares, debt or other securities having any priority or preference with respect to the Shares or the rights thereof.

Nothing contained in the Scheme shall be construed to prevent the Company from taking any Corporate Action which is deemed by the Company to be appropriate or in its best interest. No Employee or other person shall have any claim against the Company as a result of such action.

**5. Insider Trading**

The Optionee/SAR Grantee/Employee entitled to purchase Shares from the Trust under ESP Plan 2019 shall ensure that there is no violation of applicable regulations for the prevention of insider trading in Shares and securities and for prevention of fraudulent and/or unfair trade practices relating to the securities market and shall not take any action or cause any omission which results in violation of the foregoing laws.

The Compensation Committee shall be entitled to frame such rules and regulations as may be necessary to ensure that there is no violation of the above referred regulations and/or practices, and all Employees will be bound by such rules.

The Participants entitled to purchase Shares from the Trust under the Scheme shall refrain from engaging in hedging strategies in respect of shares of the Company during the Vesting Period of the shares.

The Participants entitled to purchase Shares from the Trust under the Scheme shall indemnify and keep indemnified the Company in respect of any liability arising as a result or consequence of the violation of the above provisions by the Employee.

**6. New Schemes**

Nothing contained in the Scheme shall be construed to prevent the Company directly or through any Trust settled by any Company, from implementing any other new scheme for awarding stock options and/or share purchase rights and/or stock appreciation rights, which is deemed by the Company to be appropriate or in its best interest, whether or not such other

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action would have any adverse impact on the Scheme or any Benefit provided under the Scheme. No Employee or other person shall have any claim against the Company and/or Trust as a result of such action.

**7. Issues**

In respect of any issues arising in respect of the Scheme, the decision of the Board or the Compensation Committee shall be final and binding on all concerned.

**8. Restriction of Transfer**

An Option/SARs/right to purchase Offer Shares shall not be transferable and shall be exercisable/vested during the lifetime of the Employee only by such Employee; provided however, in case of death or permanent incapacity of an Employee, by its Beneficiary as provided in clause XI. An Option/SARs shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

**9. Compliance with Tax Guidelines, SEBI Regulations, Exchange Control Regulations and other laws**

The Scheme shall, at all times, comply with the provisions of Applicable Laws. The Grant of Options and their conversion into shares, grant of SARs and/or grant of the right to purchase Offer Shares under this Scheme shall entitle the Company to require the Employee to fully comply with such requirements of all such applicable laws as may be necessary. In the event of any variation between the provisions of the Scheme and Applicable Laws, the provisions of Applicable Laws shall prevail over the Scheme and the provisions of the Scheme shall be deemed to have been amended so as to be read in consonance with the Applicable Laws.

**10. Scheme severable**

This Scheme constitutes the entire document in relation to its subject matter and supersedes all prior schemes, agreements and understandings, whether oral or written, with respect to the subject matter covered in the Scheme.

In the event that any term, condition or provision of this Scheme being held to be a violation of or contrary to, any Applicable Law, statute or regulation the same shall be severable from the rest of this Scheme and shall be of no force and effect and this Scheme shall remain in full force and effect as if such term, condition or provision had not been contained in this Scheme from the date of it being rendered unenforceable.

**11. Arbitration**

All disputes arising out of or in connection with the Scheme shall be referred to for arbitration to a single arbitrator to be appointed by the Company. The arbitration proceedings shall be in accordance with the provisions of the Arbitration and Conciliation Act, 1996, as amended. The place of arbitration shall be New Delhi, India and the arbitration shall be in English language.

**12. Governing Laws**

The Scheme shall be construed in accordance with the laws of India and subject to the jurisdiction of Court in New Delhi, India only.

**13. Variation**

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In the event of any variation between the provisions of the Scheme and the SEBI Regulations;  
the provisions of the SEBI Regulations shall prevail over the Scheme and the provisions of the  
Scheme shall be deemed to have been amended so as to be read in consonance with the SEBI  
Regulations.

