

INDIABULLS HOUSING FINANCE LIMITED - EMPLOYEE STOCK BENEFIT SCHEME 2023



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 2023**' ("Scheme" or "ESOP Plan 2023").

2. Preamble

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of Indiabulls Housing Finance Limited ("the Company") at its meeting held on July 28, 2023; and (b) a special resolution of the **shareholders' of the Company passed at the Eighteenth Annual General Meeting** of the Shareholders of the Company held on September 25, 2023. The Scheme is established with effect from 25th September, 2023 on which the shareholders of the Company have approved the Scheme and it shall continue to be in force until (i) its termination by the Company as per provisions of Applicable Laws, or (ii) the date on which all the Options available for issuance under the Plan have been issued and exercised, whichever is earlier.

3. Purpose of the Scheme

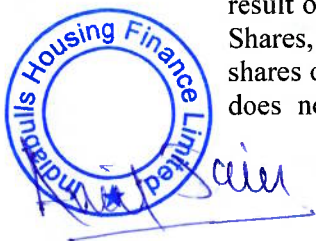
The Company believes in rewarding its employees for their continuous hard work, dedication and support, which has led the Company on the growth path. The purpose of this Scheme is to attract, reward and motivate the employees for their high level of individual performance and for their unusual efforts 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.

II. DEFINITIONS AND INTERPRETATION

1. Definitions:

In this instrument the following expressions including their grammatical variations and cognate expressions shall, where the context so requires, have the following meaning:

- 1.1 '**Act or 'Companies Act'** means the Companies Act, 2013 or any statutory amendment, re-enactment, modification or substitution thereof and for time being in force.
- 1.2 '**Applicable Laws**' means laws of India to the extent applicable and as amended and modified from time to time. Accordingly, any actions taken hereunder shall be governed by and construed in accordance with, the laws of India, without regard to the application of the conflicts of laws' provisions thereof;
- 1.3 '**Board**' or '**Board of Directors**' means the Board of Directors of the Company or, where the context requires, any committee thereof.
- 1.4 '**Cause**' shall mean, as determined by the Nomination and Remuneration Committee including, (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 Nomination and Remuneration 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;
- 1.5 '**Change in Capital Structure**' means a change in capital structure of the Company as a result of re-classification of Shares, splitting up of the face value of Shares, sub-division of Shares, issue of bonus Shares, a rights issue of Shares, conversion of Shares into other shares or securities and any other change in the rights or obligations in respect of Shares but does not include preferential issue of Shares on private placement basis (excluding to



promoter and/or promoter group) by whatever name called.

1.6 **'Company'** means Indiabulls Housing Finance Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 5th Floor, Building No. 27, KG Marg, Connaught Place, New Delhi 110001, India and any reference to the term 'Company' includes and means its successors and assigns.

1.7 **'Corporate Action'** means one of the following events:

- 1.7.1 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 different class of securities of the Company; or
 - any securities of any other issuer/company; or
 - cash; or
 - other property;
- 1.7.2 the sale, lease or exchange of all or substantially all of the assets or undertaking of the Company;
- 1.7.3 the adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up;
- 1.7.4 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. For this purpose 'Controlling Stake' shall mean more than 50% (Fifty Per Cent) of the voting share capital of the Company; and
- 1.7.5 any other event, which in the opinion of the Board has a material impact on the business of the Company;

1.8 **'Employee'** means –

- an employee as designated by the company, who is exclusively working in India or outside India; or
- a director of the company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
- an employee as defined in sub-clauses (a) or (b), of a wholly owned subsidiary, in India or outside India.

However, following class / classes of employees shall not be eligible:

- an employee who is a Promoter or a person belonging to Promoter Group;
- a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- an Independent Director.

1.9 **'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;

1.10 **'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;

1.11 **'Exercise Price'**

The grant of ESOPs, under the Scheme, shall be at a price not less than the closing market price of the fully paid up equity shares of the Company available on the recognized stock exchange of India (where the trading volume of Shares is higher) on the working day immediately preceding the date of grant



of ESOPs under the Scheme.

- 1.12 '**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 Nomination and Remuneration Committee pursuant to this Scheme;
- 1.13 '**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;
- 1.14 '**Grant Letter**' or 'Award Agreement' shall mean the letter by which Grant of an Option is communicated to the Grantee and setting out matters incidental and ancillary thereto;
- 1.15 '**Nomination and Remuneration Committee**' means the committee of the Board, constituted by the Company under the provisions of the Act and designated as the Remuneration and Remuneration Committee for the purposes of this Scheme;
- 1.16 '**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;
- 1.17 '**Option**' shall mean a right, but not an obligation, granted to an Employee by the Company to subscribe for / acquire one Share at a future date, offered by the Company directly to the Employee, at a pre-determined price, 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 Nomination and Remuneration Committee as part of the Plan Series and administered directly granted by the Company pursuant to this Scheme;
- 1.18 '**Participant**' shall mean an Employee who accepts an offer from the Company to participate in the ESOP Plan 2023;
- 1.19 '**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 Nomination and Remuneration Committee, based on a certificate of a medical expert identified by the Nomination and Remuneration Committee;
- 1.20 '**Promoter**' shall have the same meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;
- 1.21 '**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;
- 1.22 '**Relative**' shall have the same meaning as defined under Section 2(77) of the Companies Act, 2013, as amended;
- 1.23 '**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;
- 1.24 '**Scheme**' means this Scheme and comprises the Indiabulls Housing Finance Limited - Employee Stock Benefit Scheme 2023.
- 1.25 '**SEBI**' means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992;

1.26 '**SEBI Regulations**' means the SEBI (Share Based Employee Benefits and Sweat Equity)



Regulations, 2021, 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 wholly owned subsidiary company(ies) of the Company as defined in the Section 2(87) of the Act;

1.31 '**Unvested Option**' shall mean an Option, which is not a Vested Option;

1.32 '**Vested Option**' or '**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;

1.33 '**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;

1.34 '**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;

1.35 '**Vesting Period**' first tranche of the ESOPs granted under the proposed 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 50% of the total ESOPs granted under the proposed scheme. Thus, total ESOPs granted under the Scheme will get vested over a period of minimum 2, or more years.

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.

5. Grant of Options

- 5.1. The Company shall offer the Options to a Grantee in accordance with the terms and conditions of the Scheme for the time being in force and based upon the performance of the Participant or such other criteria as decided by the Nomination and Remuneration Committee from time to time.
- 5.2. Each Vested Option will entitle the Participant, upon its Exercise, to one Share of the Company.
- 5.3. The maximum number of ESOPs, that may be granted under the 'Indiabulls Housing Finance Limited - Employee Stock Benefit Scheme 2023' shall not exceed 2,00,00,000 (two crore) Employee Stock Options ("Options") which shall be convertible into an equal number of fully paid-up equity shares of face value of INR 2/- each.
- 5.4. If any Option granted under the Scheme lapses or forfeited or surrendered under any provision of the Scheme, such Option shall be available for further Grant under the Scheme as per the discretion of the Committee.
- 5.5. Further, the maximum number of Options that can be granted and the Shares arising upon exercise of these Options shall stand adjusted in case of Corporate Actions.
- 5.6. The Grant of the Options by the Company 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:
 - 5.6.1. the number of Options offered;
 - 5.6.2. the Exercise Price;
 - 5.6.3. the Vesting schedule;
 - 5.6.4. the date by which the offer can be accepted ("**Closing Date**");
 - 5.6.5. the conditions subject to which Vesting would take place;
 - 5.6.6. the terms and conditions of the Grant, and
 - 5.6.7. such other disclosure as may be prescribed under the SEBI Regulations.

The Closing Date shall not be more than 120 (one hundred twenty) days from the Grant Date.



- 5.8. An offer made to the Grantee is personal to him and cannot be transferred in any manner whatsoever.

6. Method of acceptance

- 6.1. Any Grantee who wishes to accept an offer made pursuant to clause 5 must deliver an acceptance form, prescribed by the Nomination and Remuneration Committee from time to time, duly completed as required therein to the Company, on or before the Closing Date stated in the Grant Letter.
- 6.2. Any Grantee who fails to return the acceptance form on or before the Closing Date shall, unless the Company 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 Company to any other Employee(s) as it may deem fit and in consultation with the Nomination and Remuneration Committee in accordance with the ESOP Plan 2023.
- 6.3. Upon receipt of a duly completed acceptance form from the Grantee in respect of the Grant, the Grantee will become a Participant.

7. Vesting of Options

There will be no lock-in period in respect of the Shares, which may be issued/allotted on Exercise of the Options granted pursuant to this Scheme. The ESOPs granted under the Scheme shall vest in tranches with the first tranche vesting after a minimum period of 1 (one) year from the date of grant, as required under the SBEB Regulations. All subsequent tranches for the vesting of ESOPs shall take place after an interval of 1 (one) year from the previous tranche of ESOPs. Further, no tranche for vesting of ESOPs granted under the Scheme shall exceed 50% (fifty percent) of the total ESOPs granted under the Scheme. As a result, vesting schedule shall spread for a minimum period of 2 years and vesting of all ESOPs, granted under the Scheme, shall not be over before a minimum period of 2 years from the date of the respective grant. Further, the maximum period of vesting shall be 5 years from the date of grant.

Further, the ESOPs granted shall vest in accordance with the terms of the each grant under the Scheme, so long as an Employee continues to be director or employee of the Company or the wholly owned subsidiary company, if any, as the case may be. The Nomination and Remuneration Committee may, at its discretion, lay down certain performance metrics on the achievement of which such ESOPs would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which such grant would vest subject to the minimum vesting period of 1 year.

Each Option would entitle the Eligible Employee, on Exercise, to acquire 1 (One) Share (or such other number adjusted for any bonus, stock splits, consolidation or other reorganisation of capital structure of the Company from time to time), as may be determined by the Nomination and Remuneration Committee pursuant to the provisions of this ESOP Plan 2023.

- 7.1. Subject to the terms contained herein, the acceptance in accordance with clause 6, of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option.
- 7.2. Options Granted under this Scheme would Vest not earlier than 1 (one) year from the date of Grant of such Options. Vesting of Options would be a function of achievement of performance criteria or any other criteria as specified by the Nomination and Remuneration Committee and communicated in the Grant Letter.
- 7.3. Subject to Participant's continued employment with the Company, the Options granted under the



Scheme shall vest in accordance with the terms of each Grant under the Scheme.

- 7.4. The Company shall not grant any option to employees on long leave. Further if an employee who has been granted options proceeds on long leave, during the vesting period, then the option granted shall lapse. Also, an employee is not eligible for exercise of the vested options when he/she is on long leave. Such employee can exercise vested options only two months after he/she has joined back on duty after availing of the long leave, provided exercise period has not lapsed on the day of exercise of options. For this purpose the long leave shall mean leave in excess of 3 months excluding maternity leave.
- 7.5. The Nomination and Remuneration Committee may at its discretion alter or change or vary the Vesting Schedule/vesting criteria and/or vesting conditions. The Nomination and Remuneration Committee may also provide for accelerated vesting conditions.
- 7.6. 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.
- 7.7. In case the Participant complies with all the pre-Vesting conditions, the Company would issue a letter to such Participant intimating the number of Vested Options.
- 7.8. In the event of any Optionee:
- 7.8.1. dying whilst in the employment or engagement of the Company; or
- 7.8.2. becoming totally and permanently disabled while in the employment of the Company; or
- In case of event occurring in 7.8.1, all the options (both Vested and Unvested), granted under this Scheme to him/her till his/her death shall vest, with effect from the date of his/her death, in the legal heirs or nominees of the Optionee, as the case may be
- In case of event occurring in 7.8.2, all the options (both Vested and Unvested), granted to him/her under this Scheme as on the date of permanent incapacitation, shall vest in him/her on that day.
- 7.8.3. attaining the age of superannuation while in service,
- In case of event occurring in 7.8.3, all the options (both Vested and Unvested) granted to the Optionee would continue to vest in accordance with the respective vesting schedules even after retirement or superannuation in accordance with the Company's policies and the applicable law
- 7.9. Notwithstanding anything to the contrary in this ESOP Plan 2023, the Nomination and Remuneration 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 Nomination and Remuneration Committee or determine a Vesting schedule other than that specified hereinabove for any Employee or class of Employees.



8. Exercise price and mode of payment

8.1. Exercise price shall be decided by the Nomination and Remuneration Committee in accordance with the terms of each grant under the Scheme. No amount shall be payable at the time of grant of Option.

8.2. 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:

8.2.1. Cheque, banker's cheque or demand draft payable at the registered / corporate office of the Company.

8.2.2. Remittance directly from the Grantee's bank to the bank account of the Company,

8.2.3. The proceeds of a loan program, if permitted by the Company at its discretion,

8.2.4. 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 Company.

9. Exercise of Options

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

9.2. Subject to clause V, the Participant alone can exercise the Vested Options.

9.3. Subject to clause V, 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.

9.4. 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.

9.5. An Option shall be deemed to be exercised only when the Company 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.

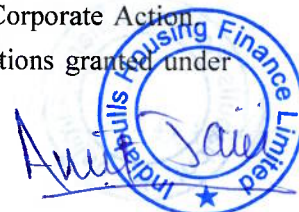
9.6. On Exercise, the Participant can acquire the Shares on full payment of the Exercise Price and applicable taxes, if any, required to be deducted/collected by the Company in respect of exercise of the Options, and the Company shall allot the Shares to the Participant.

9.7. Notwithstanding anything else contained in this Scheme, if the Participant does not Exercise his Vested Options within the time specified in sub-clause 9 hereinabove, of the Scheme, the Options shall stand lapsed.

10. Change in Capital Structure or Corporate Action

10.1. Except as hereinafter provided, a Grant made shall be subject to adjustment, by the Nomination and Remuneration 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.

10.2. If there is a Change in the Capital Structure of the Company before the Options granted under



this ESOP Plan 2023 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.

- 10.3. 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:

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

10.3.2. 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.

- 10.4. In the event of a Corporate Action, the Nomination and Remuneration 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/Committee, 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:

10.4.1. 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;

10.4.2. 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;

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

10.4.4. 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;

10.4.5. 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.

III. MODIFICATION OF SCHEME

Subject to Applicable Laws and the shareholders' authorization, the Nomination and Remuneration Committee may 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 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 can be made if it is detrimental to the interest of the Participant.

IV. LOAN FACILITY

The Board and/or the Nomination and Remuneration Committee may, at its discretion, decide to grant loans to the Employees for exercising Options under this Scheme in accordance with the provisions of Applicable Laws.

V. 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 V of the Scheme hereinabove, 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 wholly owned subsidiary company, 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 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 wholly owned subsidiary company/ from a wholly owned subsidiary company to the Company/ from one wholly owned subsidiary company to another wholly owned subsidiary company, 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.

VI. 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 already granted and such Options shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Participants and the Nomination and Remuneration Committee/the Company.



VII. 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 Nomination and Remuneration Committee unless so required to do under any statutes or regulations applicable to such Participant.

VIII. MISCELLANEOUS

1. No Right to Benefit

Neither the adoption of the Scheme nor any action of the Board or the Nomination and Remuneration Committee shall be deemed to give an Employee any right to be awarded Option 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
- 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/ have been provided to an Employee, the Company, 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 Company, 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. The appraisal process for determining the eligibility of the Employees for the scheme



The appraisal process for determining the eligibility of the Employees will be decided by the Nomination & Remuneration Committee, from time to time. The Employees would be granted ESOPs, under the Scheme, based on various parameters such as, and not limited to, performance rating, period of service, rank or designation, merit, future potential contribution, conduct of the employee, and such other parameters as may be decided by the Nomination & Remuneration Committee from time to time. For senior management employees additional criteria whilst not limited to may include one or more of the following criteria: retail disbursal growth, run down of developer loans/wholesale loans, and such other parameters as may be decided by the Committee from time to time.

6. Disclosure and Accounting Policies

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

7. The method to be used to value the options

To calculate the employee compensation cost, the Company shall use the intrinsic value method for valuation of the ESOPs. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the ESOPs and the impact of this difference on profits and on earning per share ("EPS") of the Company shall also be disclosed in the Directors' Report.

8. The Company shall conform to the accounting policies specified in regulation 15 of the SBEB Regulations

The Company shall confirm to the accounting policies prescribed from time to time under the SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Scheme.

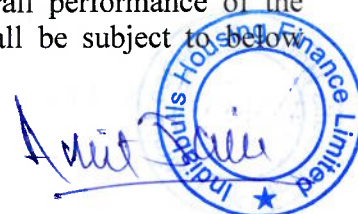
9. Performance criteria for vesting of Options

The vesting of the Options will be based on the following performance parameters which will also be set in the Award Agreement communicated to grantees with each grant of the Options:

- a) Earnings per Share (EPS);
- b) Minimum performance rating of employee;
- c) Such other parameter as may be decided by the NR Committee

The details of the performance parameters will be decided by the NR Committee and will be communicated to Grantee through Award Agreement. The NR Committee may add or replace performance parameters at the beginning of each financial year which will be intimated to the Grantee. In case of business requirement, the NR Committee may revise the performance targets in any particular year which will be intimated to the Grantee.

Further, Stock Options shall vest based on the Company's overall performance of the above parameters calculated for each metrics separately and shall be subject to below



performance-vesting relationship:

Performance Variable/ Criteria	Indicative Performance Metrics	Performance (% of Target)	Vesting (% of Target)
Financial Performance Linked	Earnings Per Share (EPS) (100% weightage)	<80.0%	0.0%
		80.0% - 89.9%	70.0%
		90.0% - 99.9%	80.0%
		100.0% - 109.9%	90.0%
		110.0% +	100.0%
Individual Threshold (Gate condition for vesting)	Minimum performance rating of 'Medium' or above *	Nil Vesting if rating is below threshold	

* The Company has a 5 point rating scale on their annual performance appraisal, with rating of 1 being the best. Options will not be awarded if the average rating of the employee for the last two performance cycles is between 3 and 5.

10. Applicability of Malus and Clawback

The Scheme is subject to malus/ clawback arrangements in the event of subdued or negative financial performance of the Company and/or the relevant line of business or employee misconduct in any year. The criteria for clawback will be based on parameters similar to those in the 'Performance criteria for vesting of Options' laid out in clause 9 above.

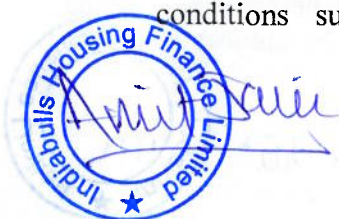
The malus arrangement permits the Company to prevent Vesting of all or part of the Options granted under the Scheme.

Both the malus and clawback criteria will be laid out in the 'Award Agreement' approved by the NR Committee and communicated to the grantee with each grant of Options.

Subsequent vestings and unexercised vestings of granted Options can be cancelled, and exercised but unsold Options can be clawed back within a maximum of a year of exercise in the following situations:

- Employee misconduct including behavioural and financial misconduct based on the conclusions of an appropriate investigating committee.
- Gross shortfall against agreed performance goals.
- Substantial reduction in responsibility from the time when the deferred variable pay was granted.
- Exposing the Company to substantial risk without the ratification of appropriate personnel/committees.
- Reputational harm.
- Other conditions or events, of similar nature as above, as determined by NR Committee for triggering review by NR Committee for the purpose of application of the Malus or the Claw-back arrangement.

In determining some of the above, the NR Committee may take into consideration macro conditions such as global market headwinds, industry performance, changes in



legal/regulatory regime, force majeure events like occurrence of natural disasters, pandemic, other socio- economic conditions etc.

While undertaking the review for the concerned person for the application of the Malus or the Clawback arrangement based on any trigger events, when determining accountability of the concerned person, the NR Committee shall be guided by the principles of proportionality, culpability or proximity or nexus to the event or misconduct. Prior to taking action the Management and the NR Committee shall ensure due regard to the Principles of Natural Justice.

11. Insider Trading

The Optionee Grantee/Employee entitled to exercise the options under ESP Plan 2023 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 Nomination and Remuneration 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 exercise the Options 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 exercise the Options 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.

12. New Schemes

Nothing contained in the Scheme shall be construed to prevent the Company, from implementing any other new scheme for awarding stock options, whether or not such other 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 as a result of such action.

13. Issues

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

14. 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, 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.

15. Terms & conditions for buyback

The Nomination and Remuneration Committee will determine the procedure for buy-back of Options / Restricted Stock Units (RSUs) granted under the Plan, if to be undertaken at any time by the Company, and the applicable terms and conditions in accordance with the Applicable Laws.



16. 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.

17. 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.

18. 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.

19. Variation

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.

