



IIFL Wealth Employee Stock Option Scheme - 2015

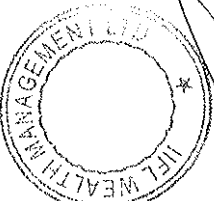

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1. **Name, Objective and Term of the Plan**

- 1.1 This Plan shall be called the "IIFLW ESOP - 2015".
- 1.2 The objective of the IIFLW ESOP - 2015 is to attract, retain and reward Employees performing Services for the Company by sharing the value created by them. Thus, motivating such Employees to contribute to the growth and profitability of the Company.
- 1.3 The IIFLW ESOP - 2015 is established as per the approval granted by the shareholders by a special resolution on June 9, 2015 and shall continue to be in force until (i) its termination by the Nomination & Remuneration Committee (as originally constituted or re-constituted in future) or (ii) the date on which all of the options available for issuance under the IIFLW ESOP - 2015 have been issued and exercised.
- 1.4 The Nomination & Remuneration Committee may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the IIFLW ESOP - 2015.

2. **Definitions and Interpretation**

2.1 **Definitions**

The terms defined in this IIFLW ESOP - 2015 shall for the purposes of this IIFLW ESOP - 2015, have the meanings herein specified and terms not defined in this IIFLW ESOP - 2015 shall have the meanings as defined in, the Companies Act, 2013, or in any statutory modifications or re-enactments thereof, as the case may be.

- i. **"Agreement"** means the Employee Stock Option Agreement between the Company and the Option Grantee evidencing the terms and conditions of an individual Employee Stock Option. The Agreement is subject to the conditions of IIFLW ESOP - 2015.
- ii. **"Applicable Law"** means the legal requirements relating to Employee Stock Options, including, without limitation, the Companies Act, 2013 with amendments or any enactments thereof, applicable provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 with amendments or any





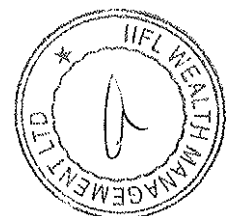
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enactments thereof, and all relevant tax, securities, exchange control or corporate laws of India, or of any other relevant jurisdiction.

- iii. **"Board"** means the Board of Directors of the Company.
- iv. **"Companies Act"** means The Companies Act, 2013 and includes any statutory modifications or reenactments thereof.
- v. **"Company"** means IIFL Wealth Management Limited.
- vi. **"Director"** means a member of the Board of the Company.
- vii. **"Eligibility Criteria"** means the criteria as may be determined from time to time by the Nomination & Remuneration Committee for granting the Employee Stock Options to the employees.
- viii. **"Employee"** means (i) a permanent employee of the Company working in India or out of India; or (ii) a director of the Company, whether a whole time director or not; or (iii) an employee, as defined in sub-clauses (i) or (ii) in this Para, of a subsidiary, in India or out of India, or of a Holding Company of the Company,

But does not include

- a. An employee who is a promoter or a person belonging to the promoter group; or
 - b. A director who either himself or through his relative or through any body corporate, directly or indirectly holds more than 10 percent of the outstanding equity shares of the company.
- ix. **"Employee Stock Option" or "Option"** means the option granted to an Employee, which gives such Employee the right to purchase or subscribe at a future date the shares underlying the option at a pre-determined price.
 - x. **"Exercise"** of an Option means expression of an intention by an Employee to the Company to purchase the Shares underlying the Options vested in him, in



pursuance of the IIFLW ESOP - 2015, in accordance with the procedure laid down by the company for exercise of options.

- x. **“Exercise Period”** means such time period after vesting within which the Employee should exercise the options vested in him in pursuance of the IIFLW ESOP- 2015.
- xii. **“Exercise Price”** means the price payable by an Employee in order to exercise the Option granted to him in pursuance of the IIFLW ESOP - 2015.
- xiii. **“Grant”** means issue of Options to the Employees under the IIFLW ESOP - 2015 under one or more grant.
- xiv. **“Option Grantee”** means an Employee having a right but not an obligation to exercise an Employee Stock Option in pursuance of the IIFLW ESOP - 2015.
- xv. **“Permanent Incapacity”** means any disability of whatsoever nature be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Nomination & Remuneration Committee based on a certificate of a medical expert identified by such Committee.
- xvi. **“Nomination & Remuneration Committee”** means a Committee constituted by the Board of Directors, in accordance with applicable laws, to administer the IIFLW ESOP - 2015.
- xvii. **“Retirement”** means retirement as per the rules of the Company.
- xviii. **“Scheme/ Plan/ IIFLW ESOP - 2015”** means this Employee Stock Option Plan 2015 under which the Company is authorized to grant Employee Stock Options to the Employees.
- xix. **“Shares”** means equity shares of the Company arising out of the exercise of Employee Stock Options granted under the IIFLW ESOP- 2015.

- xx. "Subsidiary company" means the present or future subsidiaries of the company.
- xxi. "Vesting" means earning by the Option Grantee, of the right to apply for Shares of the Company against the Employee Stock Options granted to him in pursuance of the IIFLW ESOP - 2015.
- xxii. "Vesting Period" means the period during which the vesting of the Employee Stock Option granted to the Employee, in pursuance of the IIFLW ESOP - 2015 takes place.
- xxiii. "Vested Option" means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.
- xxiv. "Unvested Option" means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to exercise the Option.

2.2 Interpretation

In this Plan, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender;
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

3. Authority and Ceiling

3.1 The shareholders of the Company at the Extra-ordinary General Meeting of the Company held on June 9, 2015 have, inter alia, approved:

- i. To create, issue, offer and allot options exercisable into Equity Shares not exceeding 90,00,000 (Ninety Lakh) Options, with each such option conferring a right upon the Employee to apply for one equity share of the Company, in accordance with the

terms and conditions of such issue, to eligible employees of the Company, Subsidiary Company and Holding Company;

- ii. To grant, offer and issue Options exceeding 1% of the issued capital of the Company, to each of the identified employee(s) namely Karan Bhagat, Yatin Shah and Amit Shah;

4. Administration

- 4.1 The IIFLW ESOP - 2015 shall be administered by the Nomination & Remuneration Committee. All questions of interpretation of the IIFLW ESOP - 2015 or any Employee Stock Option shall be determined by the Nomination & Remuneration Committee and such determination shall be final and binding upon all persons having an interest in the IIFLW ESOP - 2015 or such Employee Stock Option.
- 4.2 The Nomination & Remuneration Committee shall in accordance with this Plan and Applicable Laws approve the following:
 - (a) Grant of options from time to time to employees under various series, and approving terms of grant of options under each series, including vesting schedule for each series of grants;
 - (b) any amendment in terms of grant of options including vesting schedule;
 - (c) The procedure for making a fair and reasonable adjustment in case of a corporate action such as stock split/ consolidation, rights issues, bonus issues, merger, de-merger, sale of division and others, to ensure that the option holders are compensated appropriately in case of any diminution in the value of their stock options as a result of such corporate action.
 - (d) The procedure and terms for the Grant, Vesting and Exercise of Employee Stock Option in case of Employees who are on long leave;
 - (e) The procedure for cashless exercise of Employee Stock Options, if required;



- (f) Frame suitable policies and systems to ensure that there is no violation of the Applicable Law and the Code of Conduct adopted by the Company as per Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992, if any, with any amendments or enactments thereof, by any Employee.
- (g) Approve forms, writings and/or agreements for use in pursuance of the IIFLW ESOP - 2015.

5. Eligibility and Applicability

- 5.1 The employees are eligible for being granted Employee Stock Options under IIFLW ESOP - 2015. The terms of grant of option(s) and the specific employees to whom the options would be granted Nomination & Remuneration Committee.

6. Vesting Schedule

Options granted under IIFLW ESOP - 2015 would vest as per the vesting schedule as determined under each series of grant approved by Nomination & Remuneration Committee subject to a minimum period of one year from the date of grant of such options. Vesting of options would be subject to continued employment with the Company. Any acceleration in vesting schedule of the option will be subject to approval of Nomination & Remuneration Committee. The Nomination & Remuneration Committee may specify that the options would vest subject to elapse of time, or meeting certain performance parameters, or a combination of both. The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the Notice of Grant given to the option grantee at the time of grant of options (subject to the minimum and maximum vesting period as specified above). The Option Grantee's Service with the Company shall not be deemed to terminate if the Option Grantee takes any sick leave or any other bona fide leave of absence approved by the Company and will be treated as continuous service by an Option Grantee for the purpose of the IIFLW ESOP - 2015.



7. Exercise

- a) The exercise shall be at an exercise price which shall be the Fair Market Value of the Company's equity shares, as determined by a qualified Chartered Accountant or SEBI Registered Merchant Banker. Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company or in such other manner as the Nomination & Remuneration Committee may decide.
- b) The Employee Stock Options granted shall be capable of being exercised within a period of seven years from the date of Grant of the respective Employee Stock Options, beyond which the options would lapse. The options cancelled or lapsed without being exercised will be available for allocation to other eligible employees.
- c) In the event of the death of an Employee while in employment with the Company, all the Options granted to him till such date shall vest in the legal heirs or nominees of the deceased employee. These options may be exercised immediately after, but in no event later than one year from the date of death.
- d) In the event of separation of an Employee from the Company due to reasons of Permanent Incapacity while in employment, all the options granted to him as on the date of permanent incapacitation, shall vest in him on that day, the Option Grantee may Exercise his or her Vested as well as Unvested Options immediately after Permanent Incapacity but in no event later than one year from the date of resignation.
- e) In the event of resignation or termination of employment, all options not vested in the employee as on that day shall expire. However, the employee can exercise the options granted to him which are vested within a period of one year, subject to the terms and conditions under the series granting such options.
- f) In the event of separation from employment for reasons of normal retirement or a retirement specifically approved by the Company, all Options (both vested





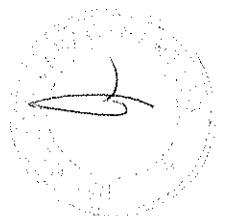
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and unvested) should be exercised by the Option Grantee immediately after, but in no event later than three months from the last working day with the Company or five years from the date of grant, whichever is earlier,

- g) In the event of abandonment of employment by an Option Grantee without the Company's consent, all Employee Stock Options granted to such employee, including the Vested Options, which were not exercised at the time of abandonment of employment, shall stand cancelled. The Nomination & Remuneration Committee, at its sole discretion shall decide the date of cancellation of options and such decision shall be binding on all concerned.
- h) In the event of termination of the employment of an Option Grantee for misconduct or due to breach of policies or the terms of employment of the Company, all Employee Stock Options granted to such employee, including the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.
- i) In the event of separation of an option grantee from the employment due reasons other than those mentioned above), the Nomination & Remuneration Committee, at its sole discretion may decide the treatment of all Vested (unexercised) and Unvested options.

8. Other Terms and Conditions

- 8.1 The Employee shall not have a right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of Employee Stock Options granted, till Shares underlying such Employee Stock Options are allotted on Exercise of such Employee Stock Option.
- 8.2 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.





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8.3 If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee. Only if the employee stock options are vested and exercised and the Option Grantee is a valid holder of the shares of the Company, the Option Grantee would be entitled for bonus or rights shares as other shareholders of the Company.

Employee Stock Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case clause 7(c) would apply.

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

8.6 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise encumbered or alienated in any other manner.

9. Deduction of Tax

The Company shall have the right to deduct from the employee's salary or recover from the employee otherwise, any of the employee's tax obligations including Fringe Benefit Tax and such other tax as may be levied, on the company or on behalf of the employee arising in connection with the Employee Stock Option or the Shares acquired upon the Exercise thereof. The Company shall have no obligation to deliver Shares or to release Shares from an escrow established in pursuance of the Agreement until the Company's tax deduction obligations, if any have been satisfied by the Option Grantee.

10. Consequence of Failure to Exercise Employee Stock Option.

The amount paid by the Employee, if any, at the time of Grant:

10.1 may be forfeited by the Company if the Employee Stock Option is not Exercised by the Employee within the Exercise Period; or

10.2 may be refunded to the Employee if the Employee Stock Option is not vested due to non- fulfillment of conditions relating to Vesting of Option as per the IIFLW ESOP- 2015.



11. Authority to vary terms

The Nomination & Remuneration Committee may, if it deems necessary, vary the terms of IIFLW ESOP - 2015, subject to the Applicable Laws.

12. Miscellaneous

12.1. Government Regulations

This IIFLW ESOP- 2015 shall be subject to all Applicable Laws, and approvals from governmental authorities, if any. The Grant and the allotment of shares under this IIFLW ESOP - 2015 shall also be subject to the Company requiring Employees to comply with all Applicable Laws.

12.2. Inability to obtain authority

The inability of the Company to obtain authority from any regulatory body having jurisdiction, or under any Applicable Laws for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such Shares.

12.3. The grant of an Employee Stock Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to his/ her contract of employment nor does the existence of a contract of employment between any person of the Company, give such person any right entitlement or expectation to have an Employee Stock Option granted to him/ her in respect of any number of shares or any expectation that an Employee Stock Option might be granted to him/ her whether subject to any condition or at all.

12.4. Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Employee Stock Option shall give such individual any right entitlement or expectation that he has or will in future have any such right entitlement or expectation to participate in this Plan by being granted an Employee Stock Option on any other occasion.

12.5. The rights granted to an Option Grantee upon the grant of an Employee Stock Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the company of the group for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

12.6. The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Employee Stock Option in whole or in part in consequence of the loss or termination of his office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

13. Notices

All notices of communication required to be given by the Company to an Option Grantee by virtue of this IIFLW ESOP - 2015 shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company and any communication to be given by an Option Grantee to the Company in respect of IIFLW ESOP- 2015 shall be sent to the address mentioned below:

Head – Human Resources
IIFL WEALTH MANAGEMENT LIMITED
-7th Floor, IIFL Centre, Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai - 400013

14. Governing Law and Jurisdiction

14.1 The terms and conditions of the IIFLW ESOP - 2015 shall be governed by and construed in accordance with the laws of India.

14.2 The Courts of Mumbai, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this IIFLW ESOP- 2015.

14.3 Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this IIFLW ESOP - 2015:



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

15. Income Tax Rules

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