



## INDSIL HYDRO POWER AND MANGANESE LIMITED EMPLOYEE STOCK OPTION SCHEME 2018

### **Introduction:**

This Employee Stock Option Scheme has been formulated by the Board of Directors of Indsil Hydro Power and Manganese Limited (“Company”) and approved by it as its meeting held on 8<sup>th</sup> August 2018, subject to the authority vested in it by, and approval of the shareholders at the General Meeting of the Company held on 27<sup>th</sup> September 2018.

This Scheme has been formulated in accordance with the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 shall replace the existing INDSIL ESOS 2015 and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the options available for issuance under this Scheme has been issued and exercised or have lapsed and the Board/ Committee does not intend to re-issue these lapsed Options.

### **1. Short Title, Applicability and Term of the Scheme**

- a. This Scheme shall be called the “Indsil Hydro Power and Manganese Limited Employee Stock Option Scheme 2018” (hereinafter referred to as “Indsil ESOS 2018” or the “Scheme”) which expression shall include any alterations, amendments or modifications hereto from time to time.
- b. This Scheme shall be effective from the date when the approval of the shareholders is obtained and adopted (“Effective Date”)
- c. It applies only to Eligible Employees as defined herein.
- d. The Company may by Special Resolution vary the terms of Indsil ESOS 2018 in compliance with the applicable laws.

### **2. Objective of the Scheme**

The Scheme is intended to reward the Employees performing par excellence as an incentive to attract and retain the best available talent, to ensure long term commitment to the Company, to encourage individual ownership of the Company by such Employees recognized, to motivate them to contribute to the growth and development of the Company and thereby to achieve the ultimate objective of enhancing the enterprise value of the Company. In the opinion of the Board of Directors of the Company, the Scheme is a manifestation of the confidence reposed by the Company on such Employees of the Company and it is intended to serve as a testimony of the faith the Company has on the Employees and an opportunity to reward them for their outstanding services.

### **3. Definitions and Interpretations**

#### **3.1 Definitions:**

- a. "Act" means the Companies Act, 2013 and the rules and regulations framed thereunder.
- b. "Applicable laws" means every law, rule, regulation or bye-law relating to Employee Stock Option, including without limitation, the Companies Act, 2013, Securities and Exchange Board of India Act, 1992, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and all relevant tax, securities, exchange control or corporate laws, rules, regulations or bye-laws of India or of any relevant jurisdiction or of any stock exchange on which the shares are listed or quoted and includes, any amendment, modification, alteration or re-enactment made to such laws, rules, regulations or bye-laws.
- c. "Board" or "Board of Directors" means the Board of Directors of the Company for the time being re-constituted and/ or re-structured from time to time during the existence of this Plan and includes any Committee constituted by the Board of Directors.
- d. "Company" means Indsil Hydro Power and Manganese Limited.
- e. "Director" means a member of the Board of the Company.
- f. "Eligibility Criteria" means the criteria as may be determined from time to time by the Nomination and Remuneration Committee for granting the Employee Stock Options to the employees.
- g. "Employee" means
  - i. a permanent employee of the company who has been working in India or outside India; or
  - ii. a director of the company, whether a whole-time director or not but excluding an independent director; or  
but does not include
    - a. an employee who is a promoter or a person belonging to the promoter group; or
    - b. a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company.
- h. "Employee Stock Option" or "Option" means the option given to an employee which gives him a right to purchase or subscribe at a future date, the shares offered by the company, directly or indirectly, at a pre-determined price.
- i. "Exercise" means making of an application by an employee to the Company for issue of shares against vested options in pursuance of the Indsil ESOS 2018, in accordance with the procedure laid down by the Company for exercise of Options.
- j. "Exercise Application" means the application form as may be prescribed by the Nomination and Remuneration Committee in which the Employee has to apply to the Company along with cheque/ demand draft/ any other banking channels in respect of the Exercise price for exercising the options vested in him/her.
- k. "Exercise period" means the time period after vesting within which an employee should exercise his right to apply for shares against the vested option in pursuance of the Indsil ESOS 2018.
- l. "Exercise price" means the price payable by the employee for exercising the option granted to him in pursuance of the Indsil ESOS 2018

- m. "Fair value of an option" means the fair value calculated in accordance with accounting policies specified in the Regulation 15 of SEBI (Share Based Employee Benefits) Regulations, 2014
- n. "grant" means the process by which the Company issues options in pursuance of the Indsil ESOS 2018
- o. "grant date" means the date on which the Options are granted to the employees pursuant to the Indsil ESOS 2018
- p. "Letter of grant" means the letter issued by the Company intimating the employee of the options granted to him/her.
- q. "Lock-in period" means the period during which employees shall not sell, pledge or otherwise transfer, directly or indirectly, any of his/her shares or dispose of any interest in or over or right attaching to any of his/ her shares
- r. "market price" means the latest available closing price on a recognised stock exchange on which the shares of the company are listed on the date immediately prior to the relevant date.
- s. "Nomination and Remuneration Committee" means a Committee constituted by the Board of the Company in accordance with the Applicable laws from time to time to administer the Indsil ESOS 2018 implemented by the Company.
- t. "option grantee" means an employee having a right but not an obligation to exercise an option in pursuance of Indsil ESOS 2018
- u. "Permanent Disability" means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said employee was capable of performing immediately before such disablement, as determined by the Nomination and Remuneration Committee based on a certificate of medical expert identified by such Committee.
- v. "Promoter" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capita and Disclosure Requirements) Regulations, 2009
- w. "Promoter Group" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capita and Disclosure Requirements) Regulations, 2009
- x. "Retirement" means retirement of an employee as per the rules of the Company.
- y. "Scheme" or "Indsil ESOS 2018" means this Employee Stock Option Scheme under which the Company is authorised to grant the employee stock options to the employees.
- z. "SEBI" means the Securities and Exchange Board of India
- aa. "Shares" means the equity shares of the Company arising out of the exercise of employee stock options granted under the Indsil ESOS 2018.
- bb. "unvested option" means an option in respect of which the relevant vesting conditions linked to passage of time and performance criteria have not been satisfied and as such, the option grantee has not become eligible to exercise the option.
- cc. "Vesting" means the process by which the employee becomes entitled to receive the benefit of a grant of options made to him/her under the Indsil ESOS 2018

- dd. "Vesting condition" means any condition subject to which the options granted would vest in an option grantee.
- ee. "Vested Option" means an option in respect of which the relevant vesting conditions linked to passage of time and performance criteria have been satisfied and the option grantee has become eligible to exercise the option.
- ff. "Vesting period" means the period during which the vesting of option granted under the Indsil ESOS 2018 takes place

3.2 All other expressions not defined in this Scheme shall have the same meaning as have been assigned to them under the SEBI (Share Based Employee Benefits) Regulations, 2014, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and all statutory modifications or re-enactments thereof, as the case may be.

### **3.3 Interpretations:**

In this Scheme, 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.

## **4. Authority and Ceiling:**

4.1 The shareholders of the Company at their Annual General Meeting held on 27<sup>th</sup> September 2018 have approved the issuance of employee stock options not exceeding 10,00,000 to the employees under Indsil ESOS 2018 which represents not more than 3.60% of the paid-up equity share capital of the Company, in one or more tranches, 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.

Provided further that the number of options to be issued to the employees by the Company in a financial year shall not exceed 1,00,000 per employee.

4.2 In case of stock consolidation or other reorganisation of capital structure of the company from time to time, the maximum number of shares available for being granted under the Indsil ESOS 2018 shall stand modified accordingly, so as to ensure that the cumulative face value prior to such share consolidation or

reorganisation, as the case may be remains unchanged after such share split, consolidation or reorganisation of capital structure.

- 4.3 Options not vested due to non-fulfilment of the stipulated conditions, vested options which the employees have expressly refused to exercise and any options granted but not vested or exercised within the stipulated time due to any reasons, shall lapse and these options will be available for grant by the Nomination and Remuneration Committee to any Employee(s) as it may deem fit in its discretion, under the Indsil ESOS 2018, subject to the provisions of the Applicable laws. The terms relating to exercise price, exercise period, vesting, etc., in respect of such lapsed options to be granted, as aforesaid, will be determined by the Nomination and Remuneration Committee at the time of grant as it may deem fit in its absolute discretion, subject to compliance with all applicable laws.
- 4.4 Shares to be issued to the employees pursuant to exercise, will be allotted directly by the Company and shall be listed on the stock exchange(s) where the shares are listed.

## **5. Implementation & Administration:**

- 5.1 This Scheme shall be operated and administered by the Nomination and Remuneration Committee under the guidelines prescribed by SEBI or any other authority in this regard. All questions of interpretation, dispute, discrepancy or disagreement, which shall arise under, or as a result of, or pursuant to, or in connection with the Indsil ESOS 2018 or any employee stock option shall be referred to the Nomination and Remuneration Committee and shall be determined by the Nomination and Remuneration Committee and such determination/ decision/ interpretation shall be final and binding upon all persons having an interest in or affected by the Indsil ESOS 2018 or such Employee stock option.
- 5.2 The Nomination and Remuneration Committee shall in accordance with this Scheme and Applicable laws, in its absolute discretion, determine the following:
- a. The quantum of Employee Stock Options to be granted under the Indsil ESOS 2018 per employee, subject to the ceiling as specified in Para 4.1 above.
  - b. The Eligibility Criteria
  - c. To authorise the Managing Director of the Company to grant options to the employees, from time to time, subject to conditions that the Nomination and Remuneration Committee may prescribe.
  - d. The time when the options are to be granted
  - e. The number of tranches in which the Options are to be granted and the number of options to be granted in each such tranche.
  - f. The number of options reserved, if any, for granting to new employees who would join the services of the Company

- g. The vesting period, the vesting schedule and the date of vesting of the options granted.
- h. The terms and conditions subject to which the options granted would vest in the employee
- i. Assess the performance of an employee for determining the vesting of options.
- j. The conditions under which the options vested in employees may lapse in case of termination of employment on account of misconduct or indiscipline or resignation or for other reasons.
- k. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period.
- l. The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee
- m. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.
- n. Deciding the treatment of unvested options upon termination of employment or upon a director ceasing to hold office.
- o. The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as merger, sale of division, stock split / consolidation, rights issues, bonus issues and others;
- p. The procedure and terms for the grant, vesting and exercise of employee stock option in case of employees who are on long leave;
- q. The procedure for cashless exercise of employee stock options, if required.
- r. Obtaining permissions from and making periodic reports to regulatory authorities, as may be required and ensuring compliance with all Applicable laws
- s. Framing appropriate procedures and rules for granting, vesting and exercise of options and amending, altering, modifying or rescinding such procedures and rules from time to time
- t. Arranging to get the shares, issued under Indsil ESOS 2018 listed in the Stock Exchange(s) on which the equity shares of the Company are listed or may be listed in future.
- u. Ensuring submission of information/ reports, etc., in connection with the Indsil ESOS 2018 to the Stock Exchange(s) at stipulated intervals or otherwise;
- v. Approve forms and/ or agreements for use in pursuance of Indsil ESOS 2018.
- w. To amend the exercise period in respect of employees on their retirement or resignation on case to case basis.
- x. To remove difficulties and to settle all issues that may arise in connection with any question relating to Indsil ESOS 2018.

5.3 The number of members of the Nomination and Remuneration Committee and their power and functions can be specified, varied, altered or modified from time to time by the Board, subject to the provisions of the Applicable laws.

5.4 No member of the Nomination and Remuneration Committee shall be personally liable for any decision or action taken in good faith with respect to Indsil ESOS 2018.

## **6. Eligibility, applicability and grant**

6.1 Only employees are eligible for being granted Employee Stock Options under Indsil ESOS 2018. The specific employees to whom the options would be granted and their eligibility criteria would be determined by the Nomination and Remuneration Committee, at its absolute discretion.

6.2 The Scheme shall be applicable to the Company and any successor company thereof and Employee stock options may be granted to the employees of the Company as determined by the Nomination and Remuneration Committee on its own discretion.

6.3 The grant shall be at such price as may be determined by the Nomination and Remuneration Committee and shall be specified in the Letter of grant but it shall not be less than the face value of the shares.

6.4 The employee identified for grant of options shall be furnished with (i) a letter of grant, (ii) the disclosures prescribed under SEBI Regulations including the salient features of the Scheme; and (iii) a form for exercise of options.

### **6.5 Grant Criteria**

The employees shall be granted options by the Nomination and Remuneration Committee on the basis of any or all of the following criteria, as and when they apply:

- a. Level & role of the employee
- b. Performance of the employee
- c. Age of the employee
- d. Such other factors as the Nomination and Remuneration Committee may decide from time to time.

6.6 The number of options that can be granted to an employee will be determined by the Nomination and Remuneration Committee

## **7. Vesting Schedule/ Conditions**

- 7.1 Options granted under Indsil ESOS 2018 would vest not less than one year from the date of grant of such options. Vesting of options would be a function of continued employment with the Company and achievement of performance criteria as specified by the Nomination and Remuneration Committee as communicated on grant of options. The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the letter of grant given to the option grantee at the time of grant of options.
- 7.2 Notwithstanding the above, the Nomination and Remuneration Committee may not vest any of the options already granted or vest such lesser number of options granted, in the event it is found that the eligible employee has not performed upto the expectations or has not been regularly attending the office for a substantial period of time without any valid reason or authority or is found to be guilty of misconduct or has violated the company policies /terms of employment or the ESOS Code of Conduct or on account of such other circumstances as the Nomination and Remuneration Committee may in its absolute discretion decide.
- 7.3 The maximum period of vesting of options under this Scheme shall not exceed 4 years from the date of grant of such options.

## **8. Exercise**

- 8.1 The option grantee may at any time during the exercise period and subject to fulfilment of conditions of vesting, exercise the options by submitting exercise application to the Company accompanied by payment of an amount equivalent to the exercise price in respect of such shares. The exercise application shall be in such form as may be prescribed in this regard and the Nomination and Remuneration Committee may determine the procedure for exercise from time to time.
- 8.2 The exercise price shall be as decided by the Nomination and Remuneration Committee subject to a minimum of the face value per share per option. 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 and Remuneration Committee may decide.
- 8.3 Each option would entitle the employee, on exercise, to acquire 1 (One) share of the face value of Rs.10/- each (or such other number adjusted for any 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 Indsil ESOS 2018). Provided that, in the event of exercise of options resulting in fractional shares, the Nomination and Remuneration



Committee shall be entitled to round off the number of shares to be issued to the nearest whole number and exercise price shall be correspondingly adjusted. All shares of the Company allotted consequent to exercise of options shall rank pari passu with the existing shares of the company.

- 8.4 The Employee stock options granted shall be capable of being exercised within a period of 2 years from the date of vesting of the respective employee stock options. The options cancelled or lapsed without being exercised will be available for further grant under any Employee Stock Option Scheme of the Company.

Provided that the Nomination and Remuneration Committee shall have the power to prescribe an exercise period which is less than the one as stated above at the time of grant of option.

- 8.5 The employee shall have the right to exercise all the options vested in him either at one time or at various points in time subject to the maximum exercise period as specified in Clause 8.4 above.
- 8.6 In the event the employee fails to exercise the options within the exercise period the options granted to him would lapse and he shall not be eligible for allotment on shares in respect of the said options.
- 8.7 In the event of the death of an employee while in employment with the company, all unvested options would vest in the option grantee's nominee/ legal heir(s)/ successor(s) immediately and all unexercised options may be exercised by the Option grantee's nominee immediately after, but in no event later than one year from the date of death of such employee. The mode of nominating any person as a nominee would be prescribed by the Nomination and Remuneration Committee. In case of death of any employee who has not nominated any person(s), the vested options and the unvested options shall be exercisable by the legal heir(s)/ successor(s) of such employee immediately, but in no event later than two years; provided however, that the legal heir(s)/ successor(s) shall be required to produce to the Company all such documents/ indemnities as may be required by the Company to prove the succession is not produced to the company within 3 months from the date of death of the employee or such further time as the Nomination and Remuneration Committee may permit in its absolute discretion, the options shall lapse and shall be available for grant by the Nomination and Remuneration Committee to any other employee(s) as it may deem fit in its absolute discretion.
- 8.8 In the event of separation of an employee from the company due to reasons of permanent disability, all unvested options would vest in option grantee and all vested options as well as unvested options may be exercised by the option grantee immediately after permanent disability but in no event later than one year from the date of separation from employment. In the event of death of the option

grantee after such separation, the nominee / legal heir of such option grantee will be allowed to exercise all unexercised options, both vested and unvested options, of the option grantee before the expiry of one year from the date of death and the provisions of Clause 8.5 above shall be applicable, mutatis mutandis.

- 8.9 In the event of separation from employment for reasons of normal retirement or a retirement specifically approved by the Company, all the unvested options as on the date of retirement would vest in the option grantee and all unexercised options may be exercised by the option grantee immediately after, but in no event later than 3 months from the date of such retirement, unless otherwise determined by the Nomination and Remuneration Committee whose determination will be final and binding.
- 8.10 In the event of resignation, all unvested options, on the date of submission, shall expire and stand terminated with effect from that date. However, all vested options as on that date shall be exercisable by the employee before his last working day with the Company.
- 8.11 In the event of abandonment of employment by an option grantee without the company's consent, all options granted to such employee, including the vested options, which were not exercised prior to the abandonment of employment, shall stand terminated with immediate effect. The Nomination and Remuneration Committee, at its sole discretion shall decide the date of abandonment by an employee and such decision shall be binding on all concerned.
- 8.12 In the event an employee is transferred by the Company to any other entity, the treatment of vested and unvested options may be determined by the Nomination and Remuneration Committee whose determination shall be final and binding. The Nomination and Remuneration Committee may also decide on the acceleration of vesting of those options subject to minimum of one year from the date of grant of those options.
- 8.13 In the event of termination of the employment of an option grantee due to breach of company policies or the Terms of Employment, all options granted to such employee, including the vested options which were not exercised prior to such breach shall stand terminated with effect from the date of such breach; the date of such breach shall be determined by the Nomination and Remuneration Committee and its decision on this issue shall be final and binding.
- 8.14 The options granted but not vested and the options vested but not exercised in case of an employee who has been suspended from the services of the Company or to whom a show cause notice has been issued or against whom an enquiry is being or has been initiated for any reason whatsoever including but not limited to misconduct, violation of company policies, codes of the Company or Terms of

Employment or for having committed or abetted any illegal or unlawful activity may on the recommendation of the management, be suspended or kept in abeyance or cancelled at the sole discretion of the Nomination and Remuneration Committee. In case of options that have been suspended or kept in abeyance, the same may be vested in the concerned employee on such additional terms and conditions, as may be imposed by the Nomination and Remuneration Committee in its absolute discretion. Cancelled options, if any, shall be treated as lapsed options and shall be available for grant.

## **9. Other terms and conditions**

- 9.1 Nothing herein is intended to or shall give the option grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any shares covered by the grant unless the option grantee exercises the employee stock options and becomes a registered holder of the shares of the Company.
- 9.2 The employee stock option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner whatsoever. The Company shall not recognise any pledge, hypothecation, mortgage or other alienation done in violation of this condition.
- 9.3 If the Company issued bonus or rights shares, the option grantee will not be eligible for the bonus or rights shares in the capacity of an option grantee. However, an adjustment to the number of options or the exercise price or both would be made in accordance with the provisions of Indsil ESOS 2018.
- 9.4 In the event of any change in the constitution of the Company, change of control of the company, re-structuring of the Company including but not limited to, merger, de-merger, spin-off, reverse merger, subsidiarisation, etc., or amalgamation of any other entity with the Company, the options granted herewith may vest forthwith subject to the minimum time for vesting prescribed under SEBI Regulations, at the discretion of the Nomination and Remuneration Committee. In such an event, the Nomination and Remuneration Committee would have the authority to alter all or any of the terms relating to the grant of Indsil ESOS 2018 in general and would also have the authority to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure that the benefits under the grant are passed on to the employees. The Nomination and Remuneration Committee shall take appropriate actions to ensure that total value of the options remains the same after the aforesaid corporate actions and in this regard shall if necessary, issue fresh options/ shares of the resultant entities emerging due to such corporate actions. The Nomination and Remuneration Committee shall also take appropriate actions to ensure that the vesting period and the life of the options shall be left unaltered

as far as possible to protect the rights of the employee(s) who has been granted the options under Indsil ESOS 2018.

9.5 Employee Stock Options shall not be transferrable to any person except in the event of death of the option grantee, in accordance with Clause 8.5 and 8.6 of this Scheme.

9.6 The Company will not be obliged to sell, issue or allot any shares upon exercise of the options or otherwise unless the issuance and delivery of such shares complies, in the judgement of the Company, with all the relevant provisions of applicable laws including but not limited to, any applicable securities laws and the requirement of any Stock Exchange(s) in which the shares of the company are listed.

## **10. Transferability of shares**

There will be no restriction on transferability of the shares, which may be issued/ allotted on exercise of options granted pursuant to this Scheme. However, employees are required to always adhere to applicable laws and company policies while dealing with the shares or exercising any rights thereunder. In particular, each employee and the Nomination and Remuneration Committee shall ensure that there is no violation of the provisions of (a) SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, (b) Company's share dealing policies and codes or (c) other applicable restrictions for prevention of fraudulent and/or unfair trade practices relating to the securities market.

## **11. Lock-in period**

The lock-in period in respect of the shares, which may be issued/ allotted on exercise of the options granted pursuant to this Scheme shall be determined by the Nomination and Remuneration Committee. However, the transactions on the shares arising pursuant to exercise of options under an Employee Stock Option Scheme of the company would be subject to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Code of conduct for Insider Trading laid down by the Company.

## **12. Tax liability**

The liability of paying tax, if any, on the options granted pursuant to this Indsil ESOS 2018 and the shares issued pursuant to exercise of options shall be entirely on the employees and shall be in accordance with the provisions of the Income Tax Act, 1961 and the rules framed thereunder or if such employees are resident in a territory outside India, in accordance with tax laws applicable to such territory. In the event of any amendments or modifications to the provisions of the Income Tax Act, 1961 and / or the Rules framed thereunder, as existing on the date of this Indsil ESOS 2018, the Nomination and Remuneration Committee shall have the power to amend or modify this Indsil ESOS 2018, without consent of the employees or the shareholders, as the case maybe, in order to ensure that the company is in the same position as it would have been, had the

amendments or modifications in the Income Tax Act, 1961 and/or the rules framed thereunder have not been made.

### **13. Tax deduction at source**

The Company shall have the right to deduct from the employee's salary, any of the employee's tax obligations arising in connection with the employee stock option or the shares acquired upon the exercise thereof. The Company shall have no obligation to deliver shares until the company's tax deduction obligations, if any, have been satisfied by the option grantee.

### **14. Authority to vary terms**

14.1 Subject to applicable laws, the Nomination and Remuneration Committee will at its absolute discretion have the right to modify/ amend the Indsil ESOS 2018 in such manner and at such time or times as it may deem fit, subject however that any such modification / amendment shall not be detrimental to the interest of the option grantees/ employees.

14.2 The Nomination and Remuneration Committee may re-price the options which are not exercised, whether or not they have been vested, if Indsil ESOS 2018 is rendered unattractive due to fall in the price of the shares in the stock market.

Provided that the Nomination and Remuneration Committee shall ensure that such re-pricing shall not be detrimental to the interest of the option grantees/ employees and approval of the shareholders by way of special resolution has been obtained for such re-pricing.

14.3 The Nomination and Remuneration Committee shall be entitled to vary the terms of Indsil ESOS 2018 to meet any regulatory requirements.

### **15. Miscellaneous**

15.1 This Indsil ESOS 2018 shall be subject to applicable laws and approvals from governmental authorities.

15.2 This inability of the company to obtain authority from any regulatory body having jurisdiction over the company, or under any applicable laws, for the lawful issuance and sale of any shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such shares.

15.3 The grant of an employee stock option does not form part of the option grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person and the Company give such person any right or entitlement to have an employee stock

option granted to him in respect of any number of shares or any expectation that an employee stock option might be granted to him whether subject to any condition or at all.

15.4 Neither the existence of this Scheme nor the fact that an individual has on any occasion has 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 Scheme by being granted an employee stock option on any other occasion.

15.5 The rights granted to an option grantee upon the grant of an employee stock option shall not afford the option grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

15.6 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.

15.7 Nothing contained in the Indsil ESOS 2018 or in any grant made hereunder shall:

- i. Confer upon any employee any right with respect to continuation of employment or engagement with the company or
- ii. Interfere in any way with the right of the company to terminate employment or services of any employee at any time.

15.8 Neither the adoption of the Indsil ESOS 2018 nor any action of the Nomination and Remuneration Committee shall be deemed to give an employee any right to be granted any option to acquire shares or to any other rights except as may be evidenced by a Letter of Grant.

15.9 Participation in this Indsil ESOS 2018 shall not be construed as any guarantee of return on any investment. Any loss due to fluctuations in the market price of the shares and the risks associated with the investments is that of the employee alone.

## **16. Confidentiality**

Employees shall keep the details of the options granted to them strictly confidential and shall not share/ disclose the said details with/ to any other employee. In case of non-adherence to the provisions of this Clause, the Nomination and Remuneration Committee will have the authority to deal with such cases as it may deem fit in its absolute discretion.

## **17. Method used for valuing options**

The Company shall use the Fair Value method for valuation of the Options granted to calculate the employee compensation cost

## **18. Listing of the shares**

Subject to the approval of the Stock Exchange(s), the shares issued and allotted on exercise of options shall be listed on the Stock Exchange(s), on which the shares of the Company are listed.

## **19. Conformance to the accounting policies**

The Company shall comply with the accounting policies specified in the requirement on the guidance note on accounting for employees shares based payments ('Guidance Note') or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including disclosure requirements prescribed therein.

## **20. No restriction on Corporate Action**

The existence of Indsil ESOS 2018 and the grants made hereunder shall not in any way affect the right or the power of the Board of Directors or the shareholders of 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 or from making any corporate action which is deemed to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Indsil ESOS 2018 or any grant under the Indsil ESOS 2018. No employee or other person shall have any claim against the Company as a result of such action.

## **21. New Schemes**

Nothing contained in Indsil ESOS 2018 shall be construed to prevent the Company directly or through any trust settled by any company, from implementing any other new scheme for granting stock options which is deemed by the Company to be appropriate or in its best interest, whether or not such other action would have any adverse impact on the Indsil ESOS 2018 or any grant made under the Indsil ESOS 2018. No employee or other person shall have any claim against the company as a result of such action.

## **22. Notices**

All notices or communication required to be given by the Company to an option grantee by virtue of this Indsil ESOS 2018 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 Indsil ESOS 2018 shall be sent to the address mentioned below:

Indsil Hydro Power and Manganese Limited  
Indsil House, Door No.: 103-107,  
Tiruvengatasamy West, R S Puram, Coimbatore – 641002

### **23. Severability**

In the event that any term, condition or provision of this Indsil ESOS 2018 being held to be a violation of or contrary to any Applicable laws, the same shall be severable from the rest of this Indsil ESOS 2018 and shall be of no force and effect and this Indsil ESOS 2018 shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Indsil ESOS 2018.

### **24. Arbitration**

All disputes arising out of or in connection with the Indsil ESOS 2018 or the grant, vesting or exercise 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 from time to time. The place of arbitration shall be Coimbatore, Tamil Nadu, India.

### **25. Governing Law and Jurisdiction**

25.1 The terms and conditions of the Indsil ESOS 2018 shall be governed by and construed in accordance with the applicable laws of India.

25.2 Nothing in this Clause will however limit the right of the Company to bring proceedings against any employee in connection with this Indsil ESOS 2018

- i. In any court of competent jurisdiction or
- ii. Concurrently in more than one jurisdiction