

THE PHOENIX MILLS LIMITED

THE PHOENIX MILLS LIMITED - EMPLOYEES' STOCK OPTION PLAN 2018

ARTICLE 1

TITLE

This Plan may be called **THE PHOENIX MILLS LIMITED - EMPLOYEES' STOCK OPTION PLAN 2018**.

ARTICLE 2

AUTHORITY

This Plan has been adopted by the Board of Directors by a Resolution passed at its meeting held on April 5, 2018. Consent of the members have been obtained by way of Special Resolution through Postal Ballot, results of which were declared on May 11, 2018.

ARTICLE 3

OBJECTS

The objects of **THE PHOENIX MILLS LIMITED - EMPLOYEES' STOCK OPTION PLAN 2018** are:

1. To provide means to enable the Company and/or its subsidiaries to attract, retain and motivate talented and senior level Employees for the business of the Company and/or its subsidiaries;
2. To provide such Employees with additional incentives and reward opportunities;
3. To enhance the profitable growth of the Company and creation of shareholder value by aligning the interests of the Employees with the long-term interests of the Company and shareholders;
4. To create a sense of ownership and participation amongst the Employees; and
5. To provide wealth creation opportunities in the hands of the employees on a long-term basis.

ARTICLE 4

IMPLEMENTATION

The Plan shall be implemented by the Company under the directions and at the discretion of the Compensation Committee of the Board of Directors of the Company under authority

delegated to it in this regard from time to time including the amendments, modifications and alterations to the Plan made by the Company and/or the Board of Directors in this regard.

ARTICLE 5

DEFINITIONS & INTERPRETATIONS

I) Definitions:

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

- 5.1 **Board or Board of Directors** means the Board of Directors for the time being of the Company.
- 5.2 **Change in Capital Structure** means a change in capital structure of the Company as a result of reclassification 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.
- 5.3 **Change in Control Value** means the amount determined in Clause (i), (ii) or (iii), whichever is applicable, as follows:
- (i) the per share price offered whether in cash or otherwise to shareholders of the Company in any merger, de-merger, consolidation, amalgamation, sale of assets or dissolution transaction, or
 - (ii) the price per share offered, whether in cash or otherwise to shareholders of the Company in any open offer or exchange offer whereby a Corporate Action takes place, or
 - (iii) if a Corporate Action occurs other than as described in Clause (i) or Clause (ii), the fair market value per share as on a particular date as determined by the Board of Directors viz, the date of cancellation and / or surrender of Options. If the consideration offered to shareholders of the Company in the event of a Corporate Action, consists of anything other than cash, the Board of Directors shall determine the fair cash equivalent of the portion of the consideration offered which is other than cash.
- 5.4 **Companies Act** means the Companies Act, 2013 including rules made thereunder, or any statutory amendment, modification or substitution thereof.
- 5.5 **Company** means **THE PHOENIX MILLS LIMITED** and its successors and assigns and where the context so requires includes its Holding Company, if any, and/or its Subsidiaries.
- 5.6 **Compensation Committee** means the Committee set up by the Company under Article - 7.

5.7 **Corporate Action** means one of the following events:

- (i) the merger, de-merger, consolidation, amalgamation, sale of division, sale of assets or other re-organisation of the Company in which the Shares are converted into or exchanged for:
 - a. a different class of securities of the Company; or
 - b. class of securities of any other issuer (except a Subsidiary Company); or
 - c. Cash; or
 - d. Other property,
- (ii) the sale, lease or exchange of all or substantially all of the assets of the Company to any other Company or entity (except to a Subsidiary Company).
- (iii) rights issue, bonus issues etc.
- (iv) the adoption by the Shareholders of the Company of a Plan of liquidation, dissolution or winding up.
- (v) acquisition (other than acquisition pursuant to any other clause of this definition) by any person or entity or group of more than 50(Fifty)% of the voting power in the Company.

5.8 **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
- iii) an employee as defined in clause (i) or (ii) of a subsidiary, in India or outside India, or of a holding company of the company but does not include—
 - (a) an employee who is a promoter or a person belonging to the promoter group; or
 - (b) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company;]

5.9 **Employer Company** means the Company and/or its Holding Company and/or its Subsidiary Company.

5.10 **ESOP Tax Guidelines** means the Guidelines notified under the I. T. Act, 1961 from time to time.

5.11 **Exercise** in relation to Options means, making of an application by an Employee to whom a Grant has been made under the Plan, to the Company for issue and allotment of Shares, whether in full or in part, against the vested options offered to him under the Grant accompanied by the Exercise Price payable for such Shares.

5.12 **Exercise Date** means the date on which an Employee elects to Exercise the Options.

5.13 **Exercise Period** in relation to Options means the time period after Vesting within which an Employee should exercise his right to apply for shares

against the vested option i.e the period commencing from the date of Vesting of Options and ending on the date after which Options cannot be Exercised.

- 5.14 **Exercise Price means** the price payable for acquiring the Shares, pursuant to the Exercise of the Options vested in an Employee, in relation to the options granted /shares acquired under this plan.
- 5.15 **Grant** means the process by which the Company issues options pursuant to the Plan.
- 5.16 **Grant Date** means the date on which the Compensation Committee approves the Grant.
- 5.17 **Grantee** means an Employee having a right but not an obligation to Exercise an option pursuant to the Plan and where the context so requires includes the legal heirs.
- 5.18 **Holding Company** means a Holding Company as referred to under Section 2 (46) of the Companies Act, 2013 or any statutory amendment, modification or substitution thereof.
- 5.19 **I.T. Act** means the Income Tax Act, 1961 or any statutory amendment, modification or substitution thereof.
- 5.20 **Independent Director** shall have the same meaning assigned to it under Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 5.21 **Initial Grant** means one or more Grants made within a period of 6 (six) months from the date of adoption of the Plan by the Board.
- 5.22 **Intrinsic Value** means excess of the market price of the share under the Plan over the Exercise Price of the option
- 5.23 **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.
- Explanation** - If such shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the Market Price;
- 5.24 **Option** means the right but not an obligation granted to an Employee under Article 9 of the Plan to subscribe for / acquire Shares of the Company and/or such number of Resultant Shares as may be determined under the Plan.
- 5.25 **Plan** means **THE PHOENIX MILLS LIMITED - EMPLOYEE STOCK OPTION PLAN 2018.**

- 5.26 **Promoter and Promoter Group** shall mean and include all persons as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- 5.27 **Promoter Director, Promoter Employee** means any director or Employee of the Company being a Promoter or belonging to the Promoter Group.
- 5.28 **Recognised Stock Exchange** means a stock exchange which is for the time being recognised by the Central Government / SEBI under Section 4 of the Securities Contracts (Regulation) Act, 1956.
- 5.29 **Resultant Shares** means the Shares or other Securities issued on any change in Capital Structure or on any Corporate Action.
- 5.30 **Relevant Date** means the date of the meeting of the Board/Compensation Committee on which the Grant is made.
- 5.31 **SEBI** means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.
- 5.32 **SEBI ESOP Regulations** means the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time.
- 5.33 **Securities** means securities as defined in clause (h) of Article 2 of the Securities Contracts (Regulation) Act, 1956.
- 5.34 **Shares** means the equity shares of the Company and securities convertible into equity shares and shall include American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs) or other depository receipts representing underlying equity shares or securities convertible into equity shares and where the context so requires include the Resultant Shares also.
- 5.35 **Subsidiary** means a Subsidiary Company as defined under the Companies Act, 2013.
- 5.36 **Vesting** in relation to Options means the eligibility of an Employee to Exercise the Options and the process by which the Employee becomes entitled to receive the benefit of a Grant made to him under the Scheme;
- 5.37 **Vesting Date** in relation to Options means the earliest date on which the Options can be Exercised by an Employee.
- 5.38 **Vesting Period** means the period during which the Vesting of the Option granted to the Employees in pursuance of Article 11 of this Plan takes place

II) Interpretation:

In this instrument unless the contrary intention appears:

- a) the singular includes the plural and vice versa;
- b) the word "person" includes a firm, a body corporate, or unincorporated body or an authority; and

- c) any word or expression importing the masculine, feminine or neutral genders only shall be taken to include all three genders.

III) Clause Headings:

Article / Clause headings are for information only and shall not affect the construction of this instrument.

IV) References:

- a. A reference to an Article / Clause or Schedule is respectively a reference to an Article / Clause or Schedule of this instrument. The Schedules to this instrument shall for all purposes form part of this instrument.
- b. Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.

ARTICLE 6

EFFECTIVE DATE & PLAN DURATION

- 6.1 The Plan shall be deemed to have come into force immediately upon passing of the Special Resolution by Postal Ballot by the members of the Company. In the present case, the result of Postal Ballot have been announced on May 11, 2018.
- 6.2 The Plan shall remain in effect for a period of 10 (Ten) years i.e till May 10, 2028 (hereinafter referred to as "Closing Date") and thereafter no Grants shall be made under the Plan.

If any Options granted under the Plan are terminated / forfeited / lapsed under the provisions of the Plan, such Options shall be available for further Grant under the Plan. After the Closing Date, the Plan shall remain in effect until all Options granted under the Plan have been Exercised or have expired by reason of lapse of time, whichever is earlier.

ARTICLE 7

ESTABLISHMENT OF THE COMPENSATION COMMITTEE

- 7.1 The Company shall constitute a Compensation Committee for administration and superintendence of the Plan.
- 7.2 The Compensation Committee shall be a committee of such members of the board of directors of the Company as provided under section 178 of the Companies Act, 2013, as amended or modified from time to time.
- 7.3 The Board of Directors of the Company have already constituted a Compensation Committee under PML ESOP Plan 2007, the constitution of which is in compliance with section 178 of the Companies Act, 2013, as amended or modified from time to time.
- 7.4 The powers of the Compensation Committee, inter alia, include the power to:

- a. determine the Exercise Price at which the options shall be granted.
- b. determine the number of Options to be Granted, to each Employee and in the aggregate, and the times at which such Grants shall be made.
- c. determine the Vesting period of the Grant made to any Employee and/or any conditions subject to which such Vesting may take place.
- c. determine the Employees eligible for participation in the Plan.
- d. determine the performance parameters for Grant of Options to an Employee, under the Plan.
- e. lay down the conditions under which Options granted to or Vested in Employees may lapse in case of termination of employment for misconduct, etc.
- f. determine 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.
- g. specify time period within which the Employee shall Exercise the Vested Options in the event of termination or resignation of an Employee.
- h. lay down the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Change in Capital Structure, and Corporate Action etc.
- i. provide for 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.
- j. lay down the method for satisfaction of any tax obligation arising on the Exercise of the Option or otherwise including but not limited to procedure and mode of recovering Perquisite Tax.
- k. lay down the procedure for cashless Exercise of Options, if any.
- l. provide for the Grant, Vesting and Exercise of Options in case of Employees who are on long leave or whose services have been seconded/deputed to its subsidiary and/or holding company at the instance of the Employer Company.
- m. frame suitable rules, policies and systems to ensure that there is no violation of:
 - i. SEBI (Prohibition of Insider Trading) Regulations, 2015.
 - ii. Securities and Exchange Board Of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003
- n. exercise such powers as may be necessary or expedient in connection with the effective and efficient implementation or administration of the Plan.

- 7.5 The respective members of the Compensation Committee shall abstain from participating in and deciding matters, which directly affect their individual ownership under the Plan.
- 7.6 No member of the Compensation Committee shall be liable for any decision or action made in good faith with respect to the Plan.
- 7.7 The number of members of the Compensation Committee and their powers and functions may be specified, varied, altered or modified from time to time by the Board of Directors subject to such rules and regulations as may be in force. The Board may further provide that the Compensation Committee shall exercise certain powers only after consultation with the Board and in such case the said powers shall be exercised accordingly.

ARTICLE 8

APPRAISAL OF AN EMPLOYEE

- 8.1 As soon as may be possible after the Plan comes into effect and such times thereafter, as deemed fit by the Compensation Committee, the Committee shall, based on the various criteria for selection of the Employees such as criticality of the role, designation, length of service, past performance record, future potential of the employee and / or such other criteria that may be decided from time to time by the Board or the Compensation Committee for assessing the contribution of the Employees, decide on the Employees who are eligible for a Grant under the Plan and the terms and conditions thereof.

Provided that the Board of Directors may in its absolute discretion be entitled to vary or modify such criteria and/or selection and/or the terms and conditions of the Grant for any Employee or class of Employees.

ARTICLE 9

GRANT

- 9.1 The Compensation Committee may from time to time make Grants to one or more Employees determined by the Compensation Committee to be eligible for participation in the Plan.

Provided that an Employee who is a Promoter or belongs to the Promoter Group or 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 shall not be eligible to participate in the Plan.

Provided further that no Grant shall be made unless the disclosures as required under Regulation 16(2) of the SEBI ESOP Regulations is made by the Company.

- 9.2 The aggregate number of Options / underlying Shares that may be granted under the Plan shall not exceed 31,00,000 (Thirty One Lakhs only). Further, options under each Grant to an Employee shall not be less than 50 (Fifty) and shall not exceed 0.5% of the total issued and paid up equity share capital of the Company in any

year provided that the aggregate number of options granted per Employee under the total tenure of the plan in any case shall not exceed 0.5% of the total issued and paid up equity capital at the time of Grant of options.

- 9.3 A Grant agreed to be made to a prospective Employee upon the condition that such person becomes an Employee, shall be deemed to have been granted, effective on the date such person commences service with the Company.
- 9.4 The Grant shall be in writing and shall specify the number of Options granted, the price payable for exercising the Options, the earliest date on which some or all the Options under the Grant shall be Vested, fulfillment of the performance and other conditions, etc., if any, subject to which Vesting shall take place, and the other terms and conditions thereto and shall be in the format enclosed in Schedule A or as near thereto as the circumstances require. Provided however no Vesting of any Option shall take place unless one year has elapsed from the date of its Grant.
- 9.5 The Options shall not be transferable and can be Exercised only by the Employee, except as otherwise stated in the Plan.
- 9.6 The Options granted to the Employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

ARTICLE 10

EXERCISE PRICE

- 10.1 The Exercise Price for all or any Options shall be determined by the Compensation Committee or the Board as the case may be, in accordance with the authority granted under the resolution of the shareholders, but not less than the face value of the shares.
- 10.2 The Exercise Price shall be determined by the Compensation Committee at the time of Grant of an Option which shall be at a discount of 10% to the Market Price as defined in para 5.23 above.
- 10.3 The Compensation Committee or the Board, as the case may be, shall have powers to modify or vary the Exercise Price for options which have not been exercised, whether or not they have been vested, in respect of one or more Employees or a class of Employees at their absolute discretion or in the event if the schemes were rendered unattractive due to fall in the price of the shares in the stock market.

Provided that any re-pricing shall not be detrimental to the interest of the Employees **and the approval of the shareholders has been obtained for re-pricing.**

- 10.4 The Exercise price shall be specified in the Grant Letter and shall, unless varied or modified pursuant to the Plan hereof, be fixed for the entire term of the Option. Further, an Annexure shall be appended to the Plan as and when any Grants are made under the Plan stating the Exercise Price at which the Grants have been made;

The Annexure shall be duly authenticated on behalf of the Company / Compensation Committee and shall form an integral part of the Plan.

- 10.5 The Company shall be entitled to recover from the Employee any tax that may be levied upon or in relation to the Options (including but not limited to the Perquisite Tax).

ARTICLE 11

VESTING OF OPTIONS

- 11.1 Options granted under the Plan would vest based upon the performance criteria or any other criteria as may be decided by the Compensation Committee.
- 11.2 All Grants shall vest on the date as specified in the Grant letter.
- 11.3 Notwithstanding anything to the contrary in this Plan the Compensation Committee may, be entitled to in its absolute discretion, to vary the Vesting Date from Employee to Employee or class thereof, as it may deem fit, subject to the maximum Vesting Period not exceeding a period of 5 years from the date of Grant.
- 11.4 The Compensation Committee in its absolute discretion may permit the Options granted, including Options, which have not Vested, to be Exercised within such time and as per such terms and conditions as it may determine provided there shall be a minimum period of one year between the Grant of options and Vesting of options.
- 11.5 On Vesting, the Grantee shall be eligible to Exercise some or all the Vested Options within the Exercise Period.

ARTICLE 12

EXERCISE OF OPTIONS

- 12.1 The Employee may, at any time during the Exercise Period, and subject to fulfillment of conditions of the Grant, Exercise some or all of the Vested Options by submitting an application to the Company/Compensation Committee, to allot to him Shares pursuant to the Vested Options, accompanied by payment of an amount calculated at the Exercise Price in respect of such Shares and such other writing, if any, as the Board / Compensation Committee, may specify to confirm extinguishment of the rights comprising in the Options then Exercised.
- 12.2 The Exercise Period shall be a period of 3 (three) years from the Vesting Date, however the compensation committee may vary Exercise Period not to exceed Five years from the Vesting Date.
- 12.3 On receipt of a valid application for Exercise of Vested Options together with the payment of the Exercise Price thereof and compliance of such other requirements

in this regard, the Compensation Committee and / or Board of Directors will allot the shares.

12.4 Except as otherwise provided, payment of the Exercise Price for the Shares to be acquired pursuant to any Vested Options shall be made in any manner as may be permitted by the Compensation Committee from time to time to the extent permitted by applicable law including through a cashless exercise.

12.5 The Compensation Committee shall have power to:

- a. specify the days on which or the period during which the Vested Options can be Exercised;
- b. frame suitable administrative procedures including for a cashless Exercise of Options, in this regard.

12.6 Notwithstanding anything contained elsewhere in the Plan, the Compensation Committee:

1. shall in the event of Exercise of Option(s) resulting in issue of fractional Share/s, have absolute power to round up or down to the nearest whole number, and the Exercise Price shall be adjusted for the same.
2. may, if the Exercise of Option within Exercise Period is prevented pursuant to any law or regulation defer or refuse to permit the Exercise of Option till such time as it is so prevented and in such an event, the Company shall not be liable to pay any compensation or similar payment to the Employees for any loss suffered due to such refusal.

Provided further, the Board/ Compensation Committee shall have the power to cancel all or any of the Options granted under the Plan if so required under any law for the time being in force including any order of jurisdictional court. In the event of any such cancellation, no compensation shall be payable for such cancelled Options.

12.7 No Option can be Exercised after the expiry of the Exercise Period unless otherwise specifically permitted in this regard. Options not Exercised before the expiry of the Exercise Period shall lapse without any recourse to the Company.

ARTICLE 13

LOANS TO EMPLOYEES

13.1 Subject to the provisions of applicable law, including the Companies Act, 2013, the Company may directly at its sole discretion provide financial assistance to the Employees of such amounts and on such terms as may be deemed fit, to enable them to Exercise the Options.

13.2 For this purpose, the Company may require the Employees to sign such documents, for pledging / encumbering the Shares issued to the Employees on Exercise of the Options and do such other things as may be required in this regard.

- 13.3 The Employee shall pledge the Shares with the Company and Company shall have lien thereon, till such time as the loan/financial assistance given to the Employee together with any interest and other charges payable thereon, if any, are fully repaid/discharged by the Employees.
- 13.4 In the event of any loan or any installment remaining unpaid for a period of 3 (three) months of the date on which such loan / installment falls due for payment or the Employee failing to repay / discharge the loan, then the Company will have power to deal with the Shares or otherwise dispose them off as it may deem fit. The excess amount after adjusting the amount payable by the Employees shall be paid to the Employee, as soon as, may be practicable.

ARTICLE 14

CESSATION OF EMPLOYMENT

- 14.1 **Cause or Resignation:** If a Grantee's employment (or other service) with the Employer Company terminates either:

- (i) for Misconduct/Cause or
- (ii) voluntarily on the part of the Grantee

the Vested Options, to the extent not previously Exercised, will expire on the date of such termination of employment (or service).

- (i) Further, in event of termination due to Cause/Misconduct, the Employees shall pay back to the Company, the entire benefit derived by the Employee from Option(s) Exercised. In the event of Employee not being able to pay back the aforesaid amount, the Employee shall re-transfer to the Company or any person nominated by it, all the shares arising on Exercise of option at the Exercise Price in accordance with all the applicable laws and guidelines, if any.

'Misconduct shall mean and include, as determined by the Compensation Committee, the continued and gross failure of the Employee to substantially perform his duties to the Employer Company, (other than any such failure resulting from retirement, death or permanent disability, voluntary retirement), the engaging by the Employee in willful, reckless or grossly negligent misconduct which is determined by the Compensation Committee to be detrimental to the interest of the Company or any of its Subsidiaries or its Holding Company, monetarily or otherwise,

- (ii) the Employee's pleading guilty to or conviction of a felony.
- (iii) fraud, misfeasance, breach of trust committed by an Employee or disclosure by the Employee to any outside party, of any confidential information relating to the Plan and /or the Employer Company, or
- (iv) employment of the Employee in any other organisation or provision of services by the Employee for any other organisation whilst in the

employment of the Company without the previous written consent of the Company.

- (v) the Employee is declared bankrupt.
- (vi) Moral turpitude

14.2 If a Grantee's employment or other service with the Employer Company terminates for reasons other than

- (a) termination i.e. either (i) for Misconduct or (ii) voluntarily on the part of the Grantee,
- (b) termination by reason of permanent disability
- (c) on death,
- (d) Superannuation

the Options Granted to such employee under the Plan may be Exercised not later than 3 (Three) months after such termination, but may be Exercised only to the extent of the Options that are Vested on the date of termination.

14.3 If a Grantee should become totally and permanently disabled or die while an Employee; or if a Grantee should, superannuation or retire; or if a Grantee accepts, retirement under any scheme of Voluntary Retirement of the Employer Company all the outstanding Options on the date of such event, shall Vest in the Grantee or the designated Beneficiary or the legal heir, as the case may be.

These Options shall be exercised within a period of 12 (Twelve) months following such event or such extended time as may be provided by the Compensation Committee. The Options may be Exercised by the Employee or in his absence by the beneficiary designated by the Employee, or, if no beneficiary is designated, by the executor or administrator or legal heirs of the Employee's estate.

14.4 Nothing contained in this Article shall be applicable, in the event of secondment or deputation of the Employee.

Provided further that the Board / Compensation Committee shall have full power and authority to relax any of the conditions and provisions of Article 14.2 in case of an Employee who resigns from the service of the Employer Company to join its Holding Company or a Subsidiary Company.

14.5 If an Employee, who has agreed to or has signed any Non-Compete Covenant / Agreement with the Company, violates or makes a breach of such Non-Compete Covenant / Agreement, all Options yet to be Exercised under the Plan, whether Vested or not shall terminate and lapse forthwith without any recourse on the Company. Further, all shares acquired on Exercise of the Options under the Plan shall be compulsorily transferred to the Company or any person nominated by it at the Exercise Price paid in respect of such Options in accordance with all applicable laws and guidelines.

In addition the Employee shall also be liable to surrender to the Company all benefits accrued to by him in respect of shares allotted to him pursuant to this Plan whether before or after the cessation of employment.

Provided further that the Company shall have a lien on such shares till such time they are transferred in accordance with the above provisions.

In addition to the above, the Company may pursue any other remedies that it may deem fit or necessary, whether or not specified in this Plan.

- 14.6 Notwithstanding anything contained elsewhere in the Plan, the Company or any person nominated by it (which shall include but not be limited to any Trust) will have the right to buyback the Shares, from the terminating Employee, acquired on Exercise of Option under this Plan, at the price to determined by the Compensation Committee in accordance with all applicable laws and guidelines.

ARTICLE 15

RIGHTS OF A MEMBER IN SHARES

- 15.1 Neither Employee, nor his legal heirs, shall have any of the rights of a shareholder of the Company with respect to the shares for which the Option is Exercised until the Company issues such shares.

ARTICLE 16

TERMS AND CONDITIONS OF SHARES

- 16.1 All Shares acquired under the Plan will rank pari passu with all other Shares of the Company for the time being in issue, save as regards any right attached to any such Shares by reference to a record date prior to the date of allotment. The shares acquired under the Plan shall not be subject to any lock-in period.

ARTICLE 17

CHANGE IN CAPITAL STRUCTURE OR CORPORATE ACTION

- 17.1 Except as hereinafter provided, a Grant made shall be subject to adjustment, by the Compensation Committee, at its discretion as to number of Options and the Exercise Price, as the case may be, in the event of 'Change in Capital Structure' or a 'Corporate Action' as defined herein.
- 17.2 The existence of the Plan and the Grants made hereunder shall not in any way affect the right or the power of the Board of Directors or the shareholders or the Company to make or authorise any 'Change in Capital Structure; or any 'Corporate Action' including any issue of shares, debt or other securities having any priority or preference with respect to the Shares or the rights thereof.
- 17.3 If there is a 'Change in the Capital Structure of the Company' before the Options granted under this Plan are Exercised, the Employee shall be entitled on Exercise of the Options, to such number of shares and/or the Resultant Shares to which he would have been entitled as if all the Options not Exercised by him had been

Exercised by him before such 'Change in the Capital Structure of the Company' had taken place and the rights (including the number and the Exercise Price) under the Grant shall stand correspondingly adjusted subject to the Exercise Price not being less than the face value of the Shares.

17.4 In the event of 'Corporate Action', the Compensation Committee, at least seven days prior to any 'Corporate Action' or thirty days thereafter, 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 Options granted but not Vested or Vested but not Exercised, may act on any of the following alternatives:-

- i) Provide that on any Exercise of Options hereafter, the Employee shall be entitled to the share and/or Resultant Shares as if the Employee had been a holder of the Shares on Exercise of the Options.
- ii) Make such adjustments to the number of Options outstanding to reflect the 'Corporate Action'.
- iii) Require the mandatory surrender to the Company, by all or some of the Employees, of all or some of the outstanding Options, irrespective of whether, the Options, have and /or Vested, as on that date, and in such an event the Compensation Committee shall pay to such Employee an amount, in cash or otherwise, per Option, as the case may be, of the "Change in Control Value" after deducting the balance Exercise Price payable, if any.
- iv) Accelerate the and/or Vesting and/or the Exercise Period so that the Options can be Exercised before the date specified by the Compensation Committee provided that such acceleration is in consonance with the SEBI ESOP Regulations.
- v) Cancel the Options granted without any objection, hindrance or claim by the Employee if the Fair Market Value, as determined by the Board, of the Shares underlying the Options is below the Exercise Price.
- vi) Substitute the Options with Options issued or to be issued by the new / resulting Company pursuant to the Corporate Action on terms which are not materially prejudicial to the terms on which the Options were hitherto granted.

Provided however that unless specifically agreed upon, all unvested Options on the date of any 'Corporate Action' as envisaged under Clause 5.7.(ii) and 5.7.(iv), shall lapse and the Grantee shall not be entitled to any compensation of any nature whatsoever.

ARTICLE 18

AMENDMENT OR TERMINATION OF THE PLAN

18.1 The Board of Directors in its absolute discretion may from time to time amend, alter or terminate the Plan or any Grant or the terms and conditions thereof provided, that no amendment, alteration or termination in any Grant previously made may be carried out, to the extent possible, which would impair or prejudice the rights of the Employee without the consent of the concerned Employee.

Provided further, that the Board will not, without the approval of the shareholders by way of a special resolution, amend the Plan:

1. To increase the aggregate number of shares which may be issued pursuant to the provisions of the Plan on Exercise or surrender of Options or upon Grants;
 2. To change the minimum Option Exercise Price;
 3. To change the class of Employees eligible to receive Grants or increase materially the benefits accruing to Employees under the Plan;
 4. To extend the maximum period during which Grants may be made under the Plan;
 5. To modify materially the requirements as to eligibility for participation in the Plan.
- 18.2 Without prejudice to the above, the Board of Directors, without any reference to or consent of the Employee concerned, amend the Plan or Grant or any Agreement to comply with any laws, regulations or guidelines, which is or may hereinafter, become applicable to this Plan.

ARTICLE 19

OTHERS

19.1 No Right to a Grant:

Neither the adoption of the Plan nor any action of the Board of Directors or Compensation Committee shall be deemed to give an Employee any right to be granted any Option to acquire Shares or to any other rights hereunder except as may be evidenced by a Grant Letter or The Phoenix Mills Option Agreement duly executed on behalf of the Company and the Employee and then only to the extent of and on the terms and conditions expressly set forth therein.

19.2 Plan to be Unfunded etc. :

The Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of funds or assets to assure the payment of any Grant.

19.3 No Employment Rights Conferred:

Nothing contained in the Plan or in any Grant made hereunder shall:

- (i) confer upon any Employee any right with respect to continuation of employment or engagement with the Employer Company, or
- (ii) interfere in any way with the right of the Employer Company to terminate employment or services of any Employee at any time.

19.4 Tax deduction at source:

The Company shall have the right to deduct/recover, in connection with all Grants/Vesting/Exercise, any taxes including but not limited to Perquisite Tax levied under I.T. Act, if any, required/permitted under law to be deducted at source and/or recovered and to require any payments necessary to enable it to satisfy such obligations.

The Grantee and / or any person claiming through him shall authorise the Company to take such steps as the Company may consider necessary including but not limited to sell such number of Shares, out of the shares to which he is entitled upon conversion, such number of Options, and appropriate the proceeds thereof towards the same as would be necessary to discharge the obligation in the respect of tax deduction at source and/or Perquisite Tax or such other tax as may be applicable from time to time.

19.5 No Restriction of Corporate Action:

Nothing contained in the Plan shall be construed to prevent the Employer Company from taking any Corporate Action which is deemed by the Employer Company to be appropriate or in its best interest, whether or not such Corporate Action would have an adverse effect on the Plan or any Grant made under the Plan. No Employee or other persons shall have any claim against the Employer Company as a result of such Corporate Action.

19.6 Confidentiality:

The Employee shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the Plan, Grant, The Phoenix Mills Option Agreement or any connected matter. Any violation may result in cancellation of Grant, lapse of all Options whether Granted / Vested or not or compulsory retransfer of Shares acquired on Exercise of the Options to a nominee as the Compensation Committee may deem fit without prejudice to the other action which may be taken in this regard.

19.7 Insider Trading etc:

The Employee shall ensure that there is no violation of:

- a. SEBI (Prohibition of Insider Trading) Regulations, 2015; and
- b. Any other regulations to prevent fraudulent or harmful practices relating to the Securities Market.

The Employee shall keep the Company, the Board, the Compensation Committee fully indemnified in respect of any liability arising for violation of the above provisions.

19.8 New Plans:

Nothing contained in the Plan shall be construed to prevent the Company directly or through any trust settled by Company or the Company from implementing any other new employee ownership plan which is deemed by the Company in the trust to be appropriate or in its best interest, whether or not such other action would have any adverse impact on the Plan or any Grant made under the Plan. No Employee or other person shall have any claim against the Company and/or trust as a result of such action.

19.9 Issues:

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

19.10 Restriction on Transfer of Option:

An Option shall not to be transferable and shall be exercisable during the lifetime of the Employee only by such Employee or in case of death or permanent incapacity of an Employee, by the Employee's legal heirs or authorized legal representatives, as the case may be.

19.11 Governing Laws:

The Plan shall be construed in accordance with the laws of India. The securities issued hereunder shall be governed by and in accordance with the Companies Act, 2013, SEBI (Share Based Employee Benefits) Regulations, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, SEBI (Prohibition of Insider Trading) Regulations, 2015 and relevant rules, regulations and guidelines issued by SEBI or any other statutory authority.

19.12 Jurisdictional Court:

The plan shall subject to the jurisdiction of courts in Mumbai.

19.13 General

- 1 This Plan and the grant letter / option agreement are incorporated herein by reference. This Plan and the grant letter / option agreement constitute the entire agreement of the parties in relation to its subject matter and supersedes in its entirety all prior agreements and understandings of the Company and Employee whether oral or written with respect to such subject matter.
- 2 In the event that any term, condition or provision of this Plan being held to be a violation of any applicable law, statute or regulation the same or due to any subsequent amendment/modification of applicable law, guideline, regulation etc. shall be severable from the rest of this Plan and shall be of no force and effect and this Plan shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Plan.

ARTICLE 20

GENERAL RISKS

The Company does not guarantee any return on the equity investment made by an Employee as part of the Plan. All investments in shares or options are subject to risk as the value of shares may go down or go up.

The Options are subject to the following additional risks:

1. Concentration: The risk arising out of any fall in value of shares is aggravated if the Employee's holding is concentrated in the shares of a single company.
2. Leverage: Any change in the value of the share can lead to a significantly larger change in the value of the options.
3. Illiquidity: The options cannot be transferred to anybody, and therefore the Employees cannot mitigate their risks by selling the whole or part of their benefits before they are exercised.
4. Vesting: The options will lapse if the employment is terminated prior to vesting. Even after the options are vested, the unexercised options may be forfeited if the Employee is terminated for gross misconduct.

IN WITNESS WHEREOF THE following Directors of the Company have hereunto set their respective hand and seal on the 11th day of May, 2018.

SIGNED by Mr. Ashok Kumar Ruia, Chairman and Managing Director – The Phoenix Mills Limited pursuant to a Resolution of its Board of Directors dated 5 th April 2018:	Sd/-
In the presence of 1. Mr. Pradumna Kanodia, Director – Finance	Sd/-

SCHEDULE A

(to The Phoenix Mills Limited - Employees Stock Option Plan 2018)

GRANT

1. Date of Grant : _____, 2018 (Date of offering)
2. Name of Employee : _____
3. Employee Code : _____
4. Number of Options granted : _____
(in words _____)
5. Each Option entitles the Employee to acquire 1 Equity Share at a face value of Rs. 2/- (Rupees Two Only) per share or such number of Resultant Shares at such price/s as maybe determined by the Compensation Committee in the event of 'Change in Capital Structure' or 'Corporate Action'.
6. The Options shall Vest in accordance with the Plan as per the following schedule:

Sr. No.	Vesting Date	Maximum number / % of Options that shall Vest
1	___ months from the Grant Date	
2	___ months from the Grant Date	
3	___ months from the Grant Date	
4	___ months from the Grant Date	
5	___ months from the Grant Date	
	Total	100 (One Hundred)%

7. Subject to the provisions of the PML ESOP Plan 2018, the Options should be Exercised within 3 years from the date of Vesting or the such other period as may be provided by the compensation committee in accordance with the Plan (except in case of termination of employment for which separate conditions apply) failing which they shall lapse.
9. On termination of employment, the Options under the Grant shall be dealt with in accordance with the Plan.

10. The Grant shall be subject to the terms and conditions of the Plan and shall be effective only on execution of the The Phoenix Mills Option Agreement, if any, between the Company and yourself or similar acceptance terms.

For and on behalf of
Compensation Committee of
The Phoenix Mills Limited

Place: Mumbai
Dated: _____

(Mr. _____)
Committee Member

I have read the Grant Letter / Option Agreement and the
The Phoenix Mills Limited - Employees Stock Option Plan
2018. I agree to be bound by the same

Place: Mumbai
Dated: _____

(Mr. _____)
Employee