



**INFO EDGE EMPLOYEE STOCK  
OPTION SCHEME, 2015**

## PART A: STATEMENT OF RISKS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Scheme, including the risks and uncertainties described below, before making an investment in the Equity Shares pursuant to this Scheme. If our business, profitability and financial condition gets affected, the price of our Equity Shares could decline, and you may lose all or part of your investment in the Equity Shares. Unless specified or quantified in the Scheme, we are not in a position to quantify the financial or other implication of any of the risks. The investment in this Scheme is 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 option as an option amounts to a leveraged position in the share.
3. Illiquidity: The options cannot be transferred to anybody, and therefore Employees cannot mitigate their risks by selling the whole or part of their options 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.
5. Market Risk: The Employee can experience losses due to factors that affect the overall performance of the financial markets, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers, political turmoil, recessions, changes in interest rates and terrorist attacks.

## PART B: INFORMATION ABOUT THE COMPANY

### 1. **Business Profile of the Company**

Info Edge (India) Ltd. is an Indian on-line classifieds company founded in 1995 by Mr. Sanjeev Bikhchandani and headquartered in Noida. It owns internet properties: Naukri.com, Shiksha.com, Jeevansathi.com, Naukrigulf.com and 99acres.com and stakes in many other internet businesses. The company has investments in websites like Zomato, Policybazar India and Meritnation. The company has an in-depth understanding of Indian consumer internet domain. With years of experience in the domain, strong cash flow generation, a diversified business portfolio and a market capitalisation of about INR 80-100 billion, Info Edge is one of the very few profitable pure play internet companies in the country.

The Company's business portfolio comprises of online recruitment classifieds, online matrimonial classifieds, online real estate classifieds, online education classifieds etc. With a network of 64 offices located across 44 cities throughout India, Info Edge has a huge employee base engaged in innovation, product development, integration with mobile and social media, technology & technology updation, research and development, quality assurance, sales, marketing and payment collection.

### 2. **Financial Information:**

The financial information of the Company for the last 5 (Five) years is available on the website of the Company i.e. [www.infoedge.in](http://www.infoedge.in). The same may be accessed by following this link: <http://infoedge.in/ir-report-filing-ar.asp>. The said financial information shall be deemed to have been embedded and be a part of the Grant Letters to be given to the Employees at the time of grant of options to the Employee.

### 3. **Risk Factors for the Company:**

The Management of the Company has a perception that the following risks or uncertainties may occur during the course of business such as:

#### *i.* **Significant competition from Indian & International Companies:**

The online classifieds industry in India is highly competitive, and we expect that competition in this industry will continue to increase. The key direct competitors for Naukri.com are Monsterindia.com, Shine.com and Timesjobs.com as well as certain offline recruitment consultancy service providers. In addition, LinkedIn.com, a professional networking platform is increasingly becoming popular in India. 99acres.com faces competition from Magicbricks.com, Indiaproperty.com,

Housing.com, Commonfloor.com, Makaan.com and print media. In addition, websites such as Olx.in and Quikr.com provide free property listings in certain markets and compete with us. Similarly, in the case of Jeevansathi.com, the key competitors are Shaadi.com and Bharatmatrimony.com, and the more traditional brick and mortar companies offering marriage bureau and match making services. If we are not able to compete effectively with existing or future competitors, our business and results of operations could be adversely affected.

**ii. Brand Recognition:**

Brand recognition is important to the success of our online classified business. Establishing and maintaining our brand names in the recruitment and real estate industry, or for people relying on online matrimonial classified services to look for marriage partners, is critical to the success of the customer acquisition process of our business. Although we have expanded, and expect to continue to expand, a significant amount of resources, financial and otherwise, on establishing and maintaining our brands, no assurance can be given that our brand names will be effective in attracting and growing user and client base for our business or that such efforts will be cost effective, which may negatively affect our business, financial condition and results of operations.

**iii. Breakdown in Technical System:**

Due to the nature of our business, we are dependent on information technology of our operations. Our ability to collect, process and disseminate data using the internet in a secure and efficient manner is dependent on our technical systems. Technical failure relating to, inter-alia, our hardware or software, or breakdowns in servers, on which our websites are hosted, changes in our technical systems, difficulties in linkages with third-party systems, any corruption or loss of our electronically stored data, presence of computer viruses could lead to interruptions in the functioning of our websites and could result in corruption of our data, which could disrupt our ability to operate our online services or may materially affect the efficiency of our services, our reputation and financial condition.

Apart from the above, other risks and uncertainties include but are not limited to the risk and uncertainties regarding dependencies on the few customers and suppliers, changes in the regulatory framework, adverse development in the any of the customer industries to whom substantial part of the product is given,

downgrading of our credit worthiness, political instability, legal restrictions and general economic conditions affecting our industry.

**4. Continuing Disclosure Requirement:**

The Grantee would be entitled to receive copies of all documents that are sent to the members of the Company. This shall include the annual accounts of the Company as well as notices of the meetings and the accompanying explanatory statements. However, the option grantee will not be entitled to attend and vote in the meeting or receive any dividend in respect of unexercised options.

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## **PART C: SALIENT FEATURES OF THE SCHEME**

### **1. Introduction of the Scheme**

The INFO EDGE EMPLOYEES STOCK OPTION SCHEME 2015 was approved and recommended by the Compensation Committee on 27<sup>th</sup> July, 2015 and the Board of Directors of the Company has adopted the same on even date, subject to the approval of the members of the Company.

The Scheme has been formulated, keeping in mind the objectives of attracting highly skilled & talented Employees to the Company and inducing them to continue with the Company, and encourage them to increase their efforts to make the Company's business more successful. In furtherance thereof, this Scheme is designed to provide equity-based incentives to Employees of the Company i.e. the Options granted under the Scheme may be in the form of ESOPs / SARs / other Share-based form of incentives.

### **2. Purpose of the Scheme**

Info Edge (India) Limited, a Company limited by shares, incorporated under the Companies Act, 1956 having its registered office at Ground Floor, GF-12A, 94, Meghdoot, Nehru Place, New Delhi, Delhi 110020 has structured this Scheme for its Employees as well as Employees of its present & future subsidiaries. The Principle purposes of this Scheme are as under:

- a) To motivate the Employees to contribute to the growth and profitability of the Company.
- b) To retain the Employees for the growth of the Organization.
- c) To provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company;
- d) To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long term interests of the Company; and
- e) To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come.

### **3. Definitions**

In this Scheme, except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against. Further, unless the context otherwise requires, words denoting the masculine gender shall include the feminine gender and words denoting the singular shall include the plural and vice versa.

- 3.1 **"Applicable Law"** means every law relating to Employee Stock Options/SARs/other Stock Based Incentives in force, including, without limitation to, Companies Act, 2013, Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred as SEBI Regulations), SEBI (Listing Obligations & Disclosure Requirements) Regulations, and all relevant revenue, tax, securities or exchange control regulations or corporate laws of India or any relevant jurisdiction. The Applicable Law includes any provision of the applicable law, rules, regulations, notifications, circular(s) or any other similar form of directives issued by the competent authority under the relevant applicable law.
- 3.2 **"Beneficiary"** means the Employee, a person or persons who is/are entitled by the will of the Employee to receive the benefits specified in the Scheme, the legal heirs of the Employee, if the Employee dies intestate and includes the Employee's executors or administrator, if no other beneficiary is designated and able to act under the circumstances and such other persons as may be added from time to time to the class of beneficiaries by notice in writing and by the nomination form in the exercise of any powers conferred under the Scheme or any other agreements forming part thereof.
- 3.3 **"Board"** means the Board of Directors of the Company and includes any Committee(s) consisting of one or more members of the Board and/or one or more officials of the Company, which the Board may constitute to exercise powers of the Board.
- 3.4 **"Cause"** means (i) the act of wilful or gross misconduct or neglect; (ii) the commission of felony, fraud, misappropriation, embezzlement, breach of trust or an offence involving moral turpitude; (iii) gross or wilful insubordination; or (iv) any other act detrimental to the interests of the Company.
- 3.5 **"Change in Capital Structure"** means a change in the capital structure of the Company as a result of re-classification of Shares, sub-division of Shares, Right Issues , bonus issue, stock-split as well as consolidation.
- 3.6 **"Closing date"** means the last date on which the Grant of Options by the Company to a Grantee can be accepted. In case the last date is a non-working day, then it shall be the immediately next working day.



3.7 "**Committee**" means the Nomination and Remuneration Committee of the Board consisting of majority of independent directors that has been constituted by the Board *inter-alia* for administration and superintendence of this Scheme.

3.8 "**Company**" shall mean Info Edge (India) Limited, a Company limited by shares, incorporated and registered under the Companies Act, 1956 having its registered office at Ground Floor, GF-12A, 94, Meghdoot, Nehru Place, New Delhi, Delhi 110020.

3.9 "**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 clauses (a) or (b), of a subsidiary, in India or outside India;

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 percent of the outstanding Equity Shares of the Company.

3.10 "**ESOP**" means a right but not an obligation granted to an Employee, which gives such Employee the right to purchase or subscribe at a future date/period the shares underlying the aforesaid right at a pre-determined price.

3.11 "**Eligibility Criteria**" means the criteria, as may be determined from time to time by the Committee based on internal ratings including loyalty, performance and designation of an Employee or such other parameters as may be decided by the Committee at its sole & absolute discretion, for granting Employee Stock Options to the Employees.

3.12 "**ESOP Tax Provisions**" means the Income tax provisions notified pursuant to Section 17(2)(vi) of the Income tax Act, 1961.

- 3.13 "**Exercise**" means making of an application, in such manner and on such format as may be prescribed by the Committee, from time to time, by the Employee/ Beneficiary to the Company/Committee or to the Trust for transfer of Shares against the Vested Options in the Employee/ Beneficiary in pursuance to this Scheme on payment of the Exercise Price.
- 3.14 "**Exercise date**" means the date on which the Employee/Beneficiary Exercises his Vested Options.
- 3.15 "**Exercise Period**" means the time period, not exceeding 48 months, after vesting within which an Employee should exercise his right to apply for Shares against the vested option in pursuance of the Scheme.
- 3.16 "**Exercise Price**" means the price payable by the Option Grantee for exercising the Options vested in him in pursuance to the Scheme. The Exercise Price shall be determined by the Committee in line with SEBI Guidelines and any other applicable guidelines and shall be informed to the Option Grantee, by the Committee, through Grant letter.
- 3.17 "**Grant**" means the process by which the Company issues Options.
- 3.18 "**Grant Date**" means the date of meeting on which the Options are granted to an Employee by the Committee under the Scheme.
- 3.19 "**Grant letter**" means the letter by which Grant of Options is communicated to the Grantee.
- 3.20 "**Grantee**" shall mean an Employee who at the time of Grant of the Option is eligible to participate under the Scheme.
- 3.21 "**Market Price**" means the latest available closing price on a recognized stock exchange on which the shares of the Company are listed on the date immediately prior to the Grant 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;

- 3.22 "**Option**" means a right, but not an obligation, granted by the Company to an Employee which may be in the form of ESOPs/SARs/RSUs or other Stock Based Instruments, at a pre- determined price, in accordance with this Scheme.
- 3.23 "**Option Acceptance Agreement**" shall mean the agreement in such manner & on such format as may be prescribed by the Committee, from time to time, that the Grantee has to submit indicating his acceptance of the Grant made to him to participate in the Scheme.
- 3.24 "**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 Committee based on a certificate of a medical expert identified by such Committee.
- 3.25 "**Relative**" shall have the same meaning as defined under section 2(77) of the Companies Act, 2013;
- 3.26 "**RSU**" means a right but not an obligation to an Employee to be entitled to subscribe to the Equity Shares of the Company subject to fulfilment of certain conditions, to be determined by the Committee.
- 3.27 "**SAR**" means a right but not an obligation granted to an Employee to apply for an amount equal to the appreciation in share price, to be paid in shares in pursuance of the exercise of SARs upon such terms and conditions as may be specified by the company. The appreciation amount under the terms and conditions of the plan will be paid in shares. The number of shares will be determined by dividing the total appreciation amount to be payable [(Number of SARs Exercised) x (Market Price on Date of Exercise –Exercise Price)] by Market Price on the Date of Exercise. Employees exercising the SARs will pay the company, the face value of share upon issue of shares.

- 3.28 "**Scheme**" shall mean the Info Edge Employees Stock Option Scheme 2015 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.
- 3.29 "**SEBI Regulations**" means the Securities Exchange Board of India (Share Based Employee Benefit) Regulations, 2014, and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.
- 3.30 "**Share**" means an Equity Share of the Company of face value of Rs10/- each.
- 3.31 "**Shareholder**" means the registered holder of a Share in the Share Capital of the Company.
- 3.32 "**Subsidiary Company**" shall have the same meaning as defined under section 2(87) of the Companies Act, 2013 and related rules, including any statutory modification or re-enactment thereof;
- 3.33 "**Trust**" shall mean the Info Edge Employees Stock Option Plan Trust, established by the company for the benefit of the employees of the company and which may from time to time grant Option/SAR/Stock based Instruments, administer the scheme and hold cash, shares or other securities of the Company for the purposes of any of the Employee Stock Option Plans of the Company.
- 3.34 "**Unvested Option**" means an Option, which is not a Vested Option.
- 3.35 "**Vesting**" means the process by which the Employee becomes entitled to receive the benefit of a grant made to him under the Schemes;
- 3.36 "**Vesting period**" means a maximum period of 5 years or such other shorter period as may be decided by the Committee during which the Vesting of the Options Granted to an Employee in pursuance of the Scheme takes place.
- 3.37 "**Vested Option**" means an Option, which has vested in pursuance to Clause 10 hereof with the Employee / Beneficiary and has thereby become exercisable.

3.38 “**Vesting Date**” means the date on and from which the Option Vests with the Employee / Beneficiary and thereby becomes exercisable.

Interpretation:

In this document, unless the contrary intention appears:

- (a) The singular includes the plural and vice versa;
- (b) The word “person” includes an individual, a firm, a body corporate or unincorporated body or authority; and
- (c) Any word or expression importing the masculine, feminine or neuter genders only, shall be taken to include all three genders.

Article Headings:

Article headings are for information only and shall not affect the construction of this document.

References:

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

#### **4. Implementation & Administration**

Subject to Applicable Laws, and the broad policy and the framework laid down by the Board of Directors, the Scheme shall be administered by the Nomination & Remuneration Committee. The Committee is authorized to interpret the Scheme, to establish, amend and rescind any rules and regulations relating to the Scheme and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Scheme and such determination shall be final & binding upon all persons having an interest in the Scheme.

The Committee may correct any defect, omission or reconcile any inconsistency in the general parameters of the Scheme in the manner and to the extent the Committee deems necessary or desirable. However the terms which have been disclosed to the Shareholders at the time of approval of Scheme, shall be modified with prior approval of shareholders only.

## **5. Nomination & Remuneration Committee**

The Nomination & Remuneration Committee of the Company means the Committee already constituted or as may be re-constituted by the Board of Directors from time to time, for effective administration of the Scheme. The Committee shall be entitled to invite any person to attend its meetings and participate in the discussion and deliberations, if it may so deem fit. The Committee, in exercise of its powers, may require any information from the Company, and/or seek the assistance of any Employee of the Company as it may deem fit to fully and effectively discharge its duties.

**5.1** The powers of the Committee, inter alia, include the power to:

- I.** Adopt rules and regulations for implementing the Scheme from time to time.
- II.** Identification of Employees entitled to participate in the Scheme.
- III.** Grant Options to the identified Employees and determine the Grant date.
- IV.** Determine the number of Options to be Granted to each Grantee and in aggregate subject to the ceiling under the Scheme.
- V.** Determine the kind and quantum of benefit to be given pursuant to Options granted to respective Employees, which may be in the form of ESOPs / SARs / RSUs or other stock based instruments.
- VI.** Determine the terms and conditions for RSUs to be given pursuant to Options granted under the Scheme, as the case may be;
- VII.** The procedure for cashless exercise of options;
- VIII.** To decide the specified time period within which the Employee shall exercise the vested options in the event of termination or resignation of an Employee;
- IX.** To decide the criteria, at its sole & absolute discretion, based upon which the vesting of options will take place;
- X.** To accelerate the vesting of options on a case to case basis, as the Committee deems fit, subject to completion of minimum 1 year from the date of grant of options;
- XI.** To modify the vesting schedule on a case to case basis, as the Committee deems fit, subject to completion of minimum 1 year from the date of grant of options;
- XII.** To decide upon 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;
- XIII.** The grant, vest and exercise of option in case of Employees who are on long leave i.e. who are on leave of more than 3 months;

- XIV.** The procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of options and to the exercise price in case of change in capital structure such as rights issues, bonus issues, consolidation, split and others. In this regard, the following shall, inter alia, be taken into consideration by the committee:
- i. the number and price of options shall be adjusted in a manner such that total value to the Employee of the options remains the same after the corporate action;
  - ii. 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 is granted such options;
- XV.** Determine the method for exercising the Vested Options, period of Exercise, etc.
- XVI.** Determine the Exercise price of the Options Granted.
- XVII.** To decide whether the Shares issued pursuant to exercise of Options will be subject to any lock-in period;
- XVIII.** Re-pricing of the options which are not exercised, whether or not they have been vested if Options have been rendered unattractive due to fall in the price of the shares in the market.
- XIX.** Determine the terms and conditions, not inconsistent with the terms of the Scheme, of any Option Granted hereunder.
- XX.** Determine the terms and conditions under which Vested option can lapse in case of termination of employment for misconduct.
- XXI.** Approve forms or agreements for use under the Scheme.
- XXII.** Decide all other matters that must be determined in connection with an Option under the Scheme in accordance with SEBI Guidelines.
- XXIII.** Construe and interpret the terms of the Scheme, and the Options Granted pursuant to the Scheme.
- XXIV.** To frame suitable policies to ensure that there should be no violation of: -
- (i) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - (ii) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations 1995.
- 5.2** The powers and functions of the Committee can be specified, varied, altered or modified from time to time by the Board of Directors, subject to the rules and regulations as may be in force. The Board may further provide that the Committee shall exercise certain powers only after consultation with the Board and in such case, the said powers shall be exercised accordingly.

- 5.3** No member of the committee shall be personally liable for any decision or action taken in good faith with respect to the Scheme.
- 5.4** A member of the Committee shall abstain from participating in and deciding on any matter relating to grant of any Option to him.

## **6. Shares Pool of the Scheme**

In addition to the Options granted under original ESOP Plan 2007, the maximum number of options that may be issued pursuant this Scheme, in aggregate with the existing pool under the original ESOP Plan 2007, shall not exceed 40,00,000 Options exercisable into Equity Shares of the Company. The Company will create, issue & allot Equity Shares not exceeding 3% of the issued & paid-up Equity Share Capital of the Company as on 31st March, 2015, i.e., 36,06,484 (Thirty Six lacs Six Thousand Four Hundred and Eighty Four) including any expansion thereof, in one or more tranches to implement its ESOP Schemes.

Forfeited/lapsed options under this Scheme can be re-issued by the Committee at its discretion. Further, the maximum number of options that can be granted shall stand automatically enhanced in case of Corporate Actions such as right issue, bonus issue, merger, sale of division and others etc. The Company reserves the right to increase or reduce such number of shares as it deems fit, in accordance with the Applicable Laws.

## **7. Info Edge ESOP Trust**

- 7.1** The Company proposes to implement the Info Edge Employees Stock Option Scheme 2015 through the Trust Route. The Company believes that the implementation of Scheme through Trust Route will be in the best interests of the Company and its shareholders and will also enable the Company to retain quality talent.
- 7.2** For the purpose of transfer of Shares to the Employees under the Scheme, the Trust will acquire Shares of the company by way of fresh allotment from the Company.
- 7.3** For the purpose of subscription of Shares by the said Trust, the Trust shall be funded by the Company, in the manner permissible under Applicable Laws. Further, the Trust may take loan from Banks or any other source under Applicable Laws.
- 7.4** The Trust shall transfer the Shares to Employees in the manner specified in the Trust Deed. The Trustee(s) of the Trust shall administer the transfer of shares to the Grantee as per the directions of the Committee and as stipulated in the Scheme.



**7.5** The Trust shall abide by and adhere to the requirements of the Insider Trading Code of Conduct of the Company and shall make appropriate disclosures, wherever required, under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

## **8. Appraisal and Eligibility of an Employee**

The Committee may, at its sole & absolute discretion, from time to time, based on the following criteria, including but not limited to, decide on the Employees who are eligible for the grant / vesting of Options under the Scheme and the terms and conditions thereof:

- i.** Loyalty: It will be determined on the basis of tenure of employment of an Employee in the Company.
- ii.** Performance: Business Performance and achievement of set business targets year-on-year by the Business Unit Employee is associated with. Additionally, Employee's performance during the financial year on the basis of the parameters decided by the management.
- iii.** Designation: Employee's designation in the Career Group as per the HR Policy of the Company.
- iv.** The present and potential contribution of the Employee to the success of the Company.
- v.** High market value/difficulty in replacing the Employee.
- vi.** High risk of losing the Employee to competition, and
- vii.** Value addition by the new entrant, if any.

The Committee may in its sole & absolute discretion vary or modify such criteria and/or selection and/or the terms and conditions for granting any Option to any Employee or class of Employees.

New Joinees may also participate under this Scheme, upon the discretion of the Committee.

Nothing in the Scheme or in any Option granted pursuant to the Scheme shall confer on any individual, any right to continue in the employment of the Company or interfere in any way with the right of the Company to terminate the individual's employment at any time.

## **9. Grant of Options**

**9.1** The Committee, in accordance with the terms and conditions of the Scheme and subject to Employee's continuity in the employment, his performance, hierarchy and other parameters as set out by the Committee may grant Options to an Employee, from time to time.

- 9.2** The maximum number of Options that can be granted to any eligible Employee during any one-year shall not equal or exceed 1% of the issued capital of the Company at the time of grant of Options unless otherwise approved through a separate approval of the shareholders in a general meeting.
- 9.3** The Employee shall accept the offer made to him by submitting his acceptance within a period of 7 days from the date of receipt of respective Grant Letter, to the Company, in the prescribed format.
- 9.4** Each Option granted shall be advised to the Grantee in writing, specifying the date, number of Options granted, Type of options granted, the Exercise Price, the Vesting schedule of the Option, the earliest date on which the Options under the grant shall be eligible for Vesting, and other terms and conditions thereof.
- 9.5** An offer made under this Scheme is personal to the Grantee and cannot be transferred in any manner whatsoever.
- 9.6** Any grant of options to a Non- Executive Non- Independent Director shall be made in compliance of Regulation 17(6)(c) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

## **10. Method of acceptance**

- 10.1** Any Grantee who wishes to accept the Grant made pursuant to Clause 8 hereof, must deliver an Option Acceptance Agreement, prescribed by the Committee from time to time, duly completed as required therein to the Committee on or before the Closing date stated in the Grant letter.
- 10.2** Any Grantee who fails to return the Option Acceptance Agreement on or before the Closing date shall, unless the Committee determines otherwise, be deemed to have rejected the Grant.
- 10.3** Any Acceptance Agreement received after the Closing date shall not be valid.
- 10.4** Subject to the terms contained herein, the acceptance in accordance with this clause, of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option.

## **11. Vesting of Options**

- 11.1** The Options shall vest over a maximum period of 5 (five) years or such other shorter period as may be decided by the Committee, subject to a minimum vesting period of 1 year from the date of Grant and further subject to the satisfaction of other conditions as stipulated under the Scheme.
- 11.2** Actual Vesting of Options at the end of respective time periods, in the hands of the Employee shall further be evaluated on the basis of the Performance Grade of the Employee, in Annual Performance Appraisal system of the Company. The Committee may, at its sole & absolute discretion, lay down performance metrics which shall inter-alia include business performance and achievement of set business targets on the achievement of which such Options would vest, the detailed terms & conditions relating to such performance-based vesting and the proportion in which Options granted would vest.
- 11.3** After Performance evaluation, the actual Vested Options shall be exercisable according to the terms and conditions as determined and set forth under the scheme.
- 11.4** The Committee shall have the power to modify the vesting schedule on a case-to-case basis subject to the minimum gap of 1 (One) Year between the grant and first vesting and the maximum vesting period of 5 (Five) years from the date of Grant.
- 11.5** The options which do not get vested due to Performance Appraisal in any of the vesting, will lapse from the hands of the Employee and will add-back to the pool of un-granted options of this Scheme, and be available for further Grants under the scheme.

## **12. Exercise Price**

- 12.1** Under this Scheme, the Exercise price of the Shares will be based upon Market Price of the Shares one day before the date of the meeting of the Committee wherein the grants of options will be approved.

Suitable discount may be provided on the price as arrived above, as deemed fit by the Committee for the finalization of the Exercise Price. However, in any case the Exercise price shall not go below the par value of Equity Share of the Company.

Further Committee has the power to re-price the grants in future if the Grant made under the Scheme is rendered unattractive due to the fall in the price of Shares in the Stock Market.

- 12.2** The Aggregate Exercise Price payable at the time of Exercise will be the value to be paid in the manner prescribed in Clause 12.5 below.
- 12.3** The payment of applicable taxes, if any, in respect of exercise of the Options shall be made by the Grantee to the Company, as the Committee, may prescribe, at the time of Exercise. However the Company have the right to recover tax from the Grantee, by deducting the respective amount of tax from Grantee's salary.

### **13. Exercise of Options**

- 13.1** Under the Scheme, the Exercise period for the exercise of the Vested options will be 48 (Forty Eight ) months from the date of respective vesting(s), failing which the Vested Options shall stand lapsed in the hands of the Employee.

The Trust shall make transfer of Shares of the Company to the Employees, who have successfully exercised the Vested Options.

- 13.2** Vested Options can be exercised by the Employee, either wholly or in part during the Exercise period.
- 13.3** In case of grant of ESOPs, unless agreed otherwise between the Company and any Employee and subject to the Corporate Action(s) in the Company, 1 (One) Option under this Scheme shall entitle the holder of the Option to apply for 1 (One) Share in the Company.
- 13.4** In case of grant of SARs, the number of Shares to be issued on the exercise of SARs shall be computed as follows:

$$\frac{\text{No. of SARs} \times (\text{Market Price on the date of Exercise} - \text{Exercise Price})}{\text{Market Price on the date of Exercise}}$$

Market Price on the date of Exercise

In this case the Employee need to make a payment of Rs. 10/- per share at the time of exercise towards the face value of the shares.

- 13.5** A Vested Option shall be deemed to be exercised only when the Trust receives a notice of Exercise in a manner as may be decided by Committee, the Exercise Price (in accordance with the Scheme) and all tax & other liabilities arising as a result of participation in this Scheme from the person entitled to Exercise the Option. The Exercise price shall be paid to the Company by drawing a Cheque/Demand Draft in favour of the Info Edge Employees Stock Option Plan

Trust, or any other method as decided by the committee upon Exercise of the Vested Options.

- 13.6** An Employee/Beneficiary can Exercise the vested Options subject to the adherence of Insider Trading Code of Conduct of the Company.

#### **14. Cessation of Employment**

- 14.1** In the event of **Resignation**, all Unvested Options, shall expire on the date of exit and stand terminated with effect from that date unless otherwise determined by the Committee whose determination will be final and binding. However, all Vested Options as on that date shall be exercisable by the Grantee immediately but not later than 1 (One) Month/ 3 (Three) Months, as the case may be with respect to the notice period of the employee, from the date of submission of resignation.

- 14.2** Notwithstanding anything elsewhere stated in this document:-

- 1. In the event of cessation of employment due to Death** of a Grantee, all Options granted to him, whether vested or unvested, would vest as on the date of Death in his Legal heirs/Beneficiary. The Options would be exercisable, upon payment of Exercise Price and applicable Taxes, within a period of 1(One) year from the date of death, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.
- 2.** All other terms and conditions of the Scheme shall apply to such Options. Provided that, in order to exercise the options of the deceased Employee, his legal heirs / nominee have to submit following documents to the management:-

#### **IN CASE BENEFICIARY IS NOT APPOINTED**

- Copy of the Succession Certificate/Probate of Will/Letter of Administration.
- No objection certificate from the other legal heirs.
- Photo copy of the death certificate duly attested by the proper authority.  
(English translated version in case certificate is in vernacular language)
- Specimen signature of the person(s) in whose name Shares are to be transmitted (duly attested by the bank).
- Copy of PAN card of the applicant (self-attested).
- Copy of address proof ( self-attested )

### **IN CASE BENEFICIARY IS APPOINTED**

- Photo copy of the death certificate duly attested by the proper authority (English translated version in case certificate is in vernacular language)
- Specimen signature of the person(s) in whose name Shares are to be transmitted (duly attested by the bank)
- Copy of PAN card of the applicant (self-attested).
- Copy of address proof ( self-attested )

**3. In the event of Permanent Disability of an Employee**, all Options granted to him, whether vested or unvested, would vest in him on the date of Permanent Disability. The Options would be exercisable upon payment of Exercise Price and applicable Taxes, within a period of 1 (One) year from the date of Permanent Disability, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.

**14.3** In the event of **separation from employment due to Retirement/Superannuation/Retirement specifically approved by the Company:**

1. All Vested Options can be Exercised upon payment of Exercise Price and applicable Taxes, within a period of 1 (One) Year from the date of Retirement / Superannuation/Agreed Retirement or such other extended period as may be decided by Committee in its sole & absolute discretion, subject to the completion of minimum 1 (One) year from the date of Grant; failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished. and
2. All Unvested Options will get lapsed, unless otherwise determined by the Committee whose determination shall be final and binding;

**14.4** In the event of **Termination of the Employment** of a Grantee for Cause, all options granted, whether vested or unvested, shall stand terminated, with immediate effect unless otherwise determined by the Committee, whose determination will be final and binding. The Committee, at its sole discretion shall decide the date of termination of a Grantee, and such decision shall be binding on all concerned.

**14.5** In the event that an Employee who has been granted benefits under the scheme is **Transferred or Deputed** to an Associate / Subsidiary company prior to vesting or exercise, the vesting and exercise as per the terms of Grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

**14.6** In the event where arises a **Dispute between Employee and the Company**, exercise will be put on hold till the date of settlement of such dispute.

## **15. Terms & Conditions of Shares**

**15.1** Neither Grantee, nor his successors in interest, shall have any of the rights of a shareholder of the Company with respect to the Options granted to him, till Shares are transferred to them on exercise of Options.

**15.2** Except as otherwise specifically provided, nothing herein is intended to or shall give the Grantee, any right or status of any kind as a shareholder of the Company in respect of any share covered by the grant unless the Grantee exercises the options & becomes the Registered Shareholder of the Company.

**15.3** The Grantee shall not be entitled to any damages for any loss or potential loss which he may suffer by reason of being unable to Exercise an Option in whole or in part for any reason whatsoever including termination (whether or not such termination is ultimately held to be wrongful or unfair).

**15.4** Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an ESOP/ SAR/ Stock based Instrument 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 ESOP/ SAR/ Stock based Instrument on any other occasion.

**15.5** The Shares transferred to the Employees pursuant to the exercise of an Option will be subject to lock-in period if so decided by the Committee in its absolute discretion. However, the Employee shall be liable to abide by the Insider Trading Code of Conduct of the Company.

## **16. Notices and correspondence**

Any notice required to be given by an Employee, to the Company or the Committee or any correspondence to be made between an Employee and the Company or the Committee may be given or made to the Company/ Committee at the corporate office or registered office of the Company or at the place as may be notified by the Company/ Committee in writing.

Any notice, required to be given by the Company or the Committee to an Employee or any correspondence to be made between the Company or the Committee and an Employee shall be given or made by the Company or the Committee on behalf of the

Company at the address provided by the Employee in the Option Acceptance Agreement.

### **17. Beneficiary designation**

Each Grantee under the Scheme may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit under the Scheme is to be delivered in case of his or her death before he receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Grantee, shall be in a form prescribed by the Company and will be effective only when filed by the Employee in writing with the Company during the Grantee's lifetime.

### **18. Non-transferability of Options**

The Options cannot be assigned, alienated, pledged, attached, hypothecated, sold, or otherwise transferred or encumbered by the Employee otherwise than by will or by the laws of descent, to the extent permitted under the Applicable Law, and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void and unenforceable against the Company.

### **19. Change in Capital Structure**

- 19.1** Except as hereinafter provided, any grant made shall be subject to adjustment, by the Committee, at its sole & absolute discretion, as to the number and price of Options or Shares, as the case may be, in the event of 'Change in Capital Structure'.
- 19.2** If there is a 'Change in the Capital Structure' of the Company before the Options granted under this Scheme are Exercised, the Employee shall be entitled on Exercise of the Options, to such number of Resultant Shares to which he would have been entitled as if all the then outstanding Options exercised by him, had been exercised before such 'Change in the Capital Structure' had taken place and the rights under the Options shall stand correspondingly adjusted. In the event of Bonus Issue, Rights Issue, sub-division or consolidation of capital, declaration of dividend etc., the Nomination & Remuneration Committee, subject to the provisions of applicable laws to the Stock options, shall make fair and reasonable adjustments under the Scheme, as it deems fit, with respect to the number of options, exercise price, distribution of sums and make any other necessary amendments to the Scheme for this purpose. The vesting period and life of the options shall be left unaltered as far as possible.



- 19.3** In the event of severance of employment of a Grantee, as a part of reconstitution / amalgamation/sell-off or otherwise, the options that have vested before such reconstitution/amalgamation/sell-off, shall be exercised within 30 days from the date of such reconstitution/amalgamation/sell-off or the Exercise period as per the Scheme whichever is earlier. However, unvested options shall be treated as per the discretion of Committee.
- 19.4** In the event of a dissolution or liquidation of the Company, any vested options outstanding under the Scheme shall be cancelled if not exercised prior to such event and no compensation shall be payable in respect of the options so cancelled.
- 19.5** In the event of a reverse merger, the treatment of vested as well as unvested options will be decided by the Committee, whose decision shall be final and binding.
- 19.6** In the event of demerger of the Company, the respective Committees of the Resulting & the De-merged Company will take the decision regarding the time period for the exercise of the vested options and the treatment of unvested options.

## **20. Recovery of applicable taxes**

- 20.1** All Options Granted / Shares transferred under the Scheme shall be subject to all applicable taxes, if any, and the Company or Committee may recover such taxes accordingly from the Employee / beneficiary.
- 20.2** An Employee/ beneficiary shall pay all tax and discharge all other liabilities to which he may become subject to as a result of his participation in this Scheme or exercise of options.
- 20.3** Notwithstanding anything else contained in this Scheme, if deemed necessary, no Shares, shall be issued / disbursed to the Employee or Beneficiary, on Exercise of the Options or on sale of Shares under this Scheme unless appropriate recovery of applicable taxes as required under the applicable tax laws, are discharged.

## **21. Arbitration**

In the event of a dispute arising out of or in relation to the provisions of this Scheme (including a dispute relating to the construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such dispute through an amicable settlement. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after reasonable attempts, which attempt shall continue for not more than 30 days, gives 10 days notice thereof to the other party in writing. In case of such failure, either party may refer the dispute to a single arbitrator to be appointed by Managing Director of the Company. The

arbitration proceedings shall be held in New Delhi, India under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator shall give a reasoned award in writing. The arbitrator shall also decide on the costs of the arbitration proceedings. The parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law at Delhi.

## **22. Governing Law**

- 22.1** This Scheme and all agreements thereunder shall be governed by and construed in accordance with the Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014 and other Applicable laws of India.
- 22.2** The Employee agrees and acknowledges that the Employee has received and read a copy of the Scheme. The Options are subject to the Scheme. Any term of the Scheme that is contrary to the requirement of the SEBI Guidelines or any other Applicable Law or other Indian regulations shall not apply to the extent it is contrary.
- 22.3** The Court at Delhi shall have exclusive jurisdiction on any matter arising out of this Scheme.

## **23. Regulatory approvals**

The implementation of the Scheme, the Granting of any Option under the Scheme and the issuance of any Shares under this Scheme shall be subject to the procurement by the Company and the Employee/ Beneficiary of all approvals and permits, if any, required by any regulatory authorities having jurisdiction over the Scheme, the Options and the Shares issued pursuant thereto. The Employee/ Beneficiary under this Scheme will, if requested by the Committee/ Company, provide such assurances and representations to the Company or the Committee, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements. However, 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 relieve & wholly discharge the Company of any and all liability in respect of the failure to issue or sell such shares.

## **24. Modification of Scheme**

The Committee may, at any time and from time to time, on its own accord or if required by the law, after authorization by the shareholders/ Board of Directors, as the case may be, with regard to the terms which have already been disclosed to the Shareholders at the time of approval of the Scheme:

**24.1** Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Scheme or all or any of the rights and obligations of the Grantee /Beneficiary;

Provided that the notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the employees who are beneficiaries of such variation.

**24.2** Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Grantee /Beneficiary. Each of such sets of special terms and conditions shall be restricted in its application to those Grantee /Beneficiary;

**24.3** Formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Grantee / Beneficiary separately and each of such sets of special terms and conditions shall be restricted in its applications to such Grantee/ Beneficiary.

**24.4** Alter the Exercise price, if the option becomes unattractive due to fall in market price of the share. Provided that no variation, alteration, addition or amendment to the Scheme can be made if it is detrimental to the interest of the Grantee / Beneficiary.

**24.5** However, any changes / variations made pursuant to this clause shall not be prejudicial to the interest of employees of the company.

## **25. Term of the Scheme**

**25.1** Except as provided elsewhere specifically, the Scheme shall continue in effect unless terminated by the Company or the Committee or until all options available to be granted under the Scheme are fully exercised.

**25.2** Any such termination of the Scheme shall not affect Options already Granted and such Options shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Employee/ Beneficiary and the Committee.

## **26. Winding up of the Scheme**

In case of winding up of the Scheme being implemented by the Company through Trust, the excess monies or Shares remaining with the Trust after meeting all the obligations, if any, shall be utilized for repayment of loan or by way of distribution to Employees as specified under the Trust Deed.

## **27. Confidentiality**

Notwithstanding anything contained in this Scheme, the Grantee/ Beneficiary shall not divulge the details of the Scheme and/or his holdings to any person except with the prior written permission of the Committee unless so required to do under the Applicable laws or any statutes or regulations applicable to such Grantee/ Beneficiary.

**For and on behalf of Board of Directors  
Of Info Edge (India) Ltd.**

**Chintan Thakkar  
Whole-time Director & CFO**