



AXIS BANK EMPLOYEE STOCK OPTION SCHEME, 2000-01 (THE SCHEME)

(as on January 16, 2023)

Axis Bank Limited Employee Stock Option Scheme, 2000-01

1. SHORT TITLE, EXTENT AND COMMENCEMENT

- 1) This Scheme may be called the “**Axis Bank Limited Employee Stock Option Scheme, 2000-01**” (“**the Scheme**”)
- 2) This Scheme shall be applicable and binding on the Eligible employees (as defined below),
- 3) The Scheme was approved by way of special resolution passed by the shareholders of the Bank at their Extraordinary General Meeting held on February 24, 2001 and become effective on same day.

2. OBJECT

This Scheme has been formulated in terms of the relevant provisions of the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 (the “SCRA”), the Securities Contracts (Regulations) Rules, 1957, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, (“SEBI SBEB and SE Regulations”) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Companies Act, 2013 and the rules notified thereunder (the “Companies Act”), the Foreign Exchange Management Act, 2000, the rules notified thereunder, the Income Tax Act, 1961, the Income Tax Rules, 1962 and such other laws, rules and regulations enacted by any statutory/ regulatory authority in India (collectively hereinafter referred as “Applicable Laws”) relating to Grant, Vesting and Exercise of options, each as amended, from time to time, pursuant to the approval granted by the Nomination & Remuneration Committee of Directors of the Bank, in terms of the special resolutions passed by the shareholders of the Bank at its Extraordinary General Meeting held on February 24, 2001, and at its Annual General Meetings held on June 18, 2004, June 2, 2006, June 6, 2008, June 8, 2010, July 19, 2013, July 30, 2021 and through Postal Ballot on January 17, 2019 and January 16, 2023, respectively, authorising the Board / Committee to *inter alia* implement Scheme, consider and approve the grant of such number of options to Eligible Employees in one or more tranches, in such manner and to such extent as the Nomination and Remuneration Committee, may at its sole and absolute discretion decide, from time to time.

The objectives of Scheme are:

- (a) to enhance employee motivation;
- (b) to enable employees to participate, whether directly or indirectly, in the long-term growth and financial success of the Bank;
- (c) to act as a retention mechanism by enabling employee participation in the business as an active stakeholder to usher in an ‘owner-manager’ culture and
- (d) to achieve greater synergy between the Bank and its subsidiary and associate companies.

3. DEFINITIONS

In the Scheme, unless the context otherwise means:

- 1) “Applicable Laws” has the meaning ascribed to such term in Clause 2 of this Scheme;
- 2) “Articles” means the Articles of Association of the Bank;
- 3) “Associate Company” has the meaning as defined under Section 2(6) of the Companies Act;
- 4) “Bank” means Axis Bank Limited;
- 5) “Board” means the Board of Directors of the Bank duly constituted under the relevant provisions of the Companies Act, 2013, the relevant rules notified thereunder, the Banking Regulation Act, 1949 (including any statutory amendment(s), modification(s), variation or re-enactment thereof, for time being in force) and the rules, guidelines and circulars issued by Reserve Bank of India, in this regard, from time to time and the relevant provisions of the SEBI LODR Regulations.

- 6) "Code of Conduct and Ethics" means the Code of Conduct and Ethics of the Bank, as adopted by the Board;
- 7) "Companies Act" has the meaning ascribed to such term in Clause 2 of this Scheme;
- 8) "Eligible employee" means:
 - a) An employee (including present and future employee) as designated by the Bank who is exclusively working in India or outside India;
 - b) A whole-time director of the Bank; and
 - c) Employee as enumerated in sub-clauses (a) and (b) above, of a subsidiary or associate company of the Bank (including present and future subsidiary or associate company of the Bank), whether working in India or outside India.

Following person shall not be considered as "Eligible Employee(s)":

- (i) an employee who is a promoter or a person belonging to the promoter group; or
 - (ii) 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 Bank;
 - (iii) a non-executive director including an independent director within the meaning of the Companies Act, 2013 and Regulation 16(b) of the SEBI LODR Regulations on the Board or the board of directors of its subsidiary or associate companies.
- 9) "Exercise" means the act of making of an application by an Eligible Employee to the Bank for exercising the vested options and applying for issuance of Shares, in terms of the Scheme;
 - 10) "Exercise Period" means the time period after Vesting within which an Eligible Employee can exercise his right to apply for Shares against the vested options in terms of this Scheme;
 - 11) "Exercise Price" means the market price payable by the Eligible Employee for exercising the options granted to him/her in terms of the Scheme;
 - 12) "Grant" means the process by which the Nomination and Remuneration Committee of the Directors of the Bank issues options to the Eligible Employees, in terms of the Scheme;
 - 13) "Grant Date" means the date on which the Committee approves the grant of options to Eligible Employees;

Explanation — For accounting purposes, the Grant Date will be determined in accordance with applicable accounting standards.

- 14) "Long Leave" means leave on loss of pay of six months or more at a stretch;
- 15) "Market price" means the latest available closing price of the equity shares of the Bank prevailing on the recognized stock exchanges on which the equity shares of the Bank are listed on the trading day immediately prior to the relevant date.

Explanation: Since the equity shares of the Bank are listed on more than one Stock Exchanges, the closing price on the concerned stock exchange having higher trading volume shall be considered as the Market Price;

- 16) "Nomination and Remuneration Committee" or "Committee" shall mean the Committee of the Board constituted by the Board, in terms of Section 178 of the Companies Act, 2013 read with Regulations 19 of the SEBI LODR Regulations. The Nomination and Remuneration Committee shall act as the Compensation Committee under Regulation 5 SEBI (SBEB and SE) Regulations and entrusted with the authority to formulate, implement and administer the Scheme, in accordance with the SEBI (SBEB and SE) Regulations;
- 17) "Promoter" shall have the same meaning assigned to it under the SEBI (ICDR) Regulations;

- 18) "Promoter Group" shall have the same meaning assigned to it under SEBI (ICDR) Regulations;
- 19) "Recognized Stock Exchange" means a stock exchange which has been granted recognition under Section 4 of the SCRA;
- 20) "Remuneration Policy" means the Remuneration Policy for MD & CEO, Whole-time Directors, Material Risk Takers, Control Functions Staff and other employees of Axis Bank, as adopted by the Board;
- 21) "SCRA " has the meaning ascribed to such term in Clause 2 of this Scheme;
- 22) "Securities" means securities as defined in Section 2(h) of the SCRA;
- 23) "SEBI ICDR Regulations" means the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;
- 24) "SEBI LODR Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018, as amended;
- 25) "SEBI (SBEB and SE) Regulations" has the meaning ascribed to such term in Clause 2 of this Scheme;
- 26) "Share(s)" means equity shares of the Bank;
- 27) "Share Dealing Code" means the Share Dealing Code of the Bank, as adopted by the Board;
- 28) "Specified securities" means as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- 29) "Subsidiary" has the meaning as defined under Section 2(87) of the Companies Act;
- 30) "Option" means the option granted to an Eligible Employee which gives him/her a right, but not an obligation, to purchase or subscribe at a future date, the shares offered by the Bank, at a pre-determined price;
- 31) "Option Grantee" means an Eligible Employee to whom Option is granted in pursuance of the Scheme and is deemed to include nominee/ legal heir of an Option Grantee in case of his/her death to the extent provisions of the Scheme are applicable to such nominee/ legal heir;
- 32) "Vesting" means the process by which the Eligible Employee becomes entitled to receive the benefit of options granted to him/her, in terms of the Scheme;
- 33) "Vesting period" means the period during which the vesting of the options granted to the Eligible Employee, in terms of the Scheme, takes place;
- 34) "Vested Options" means the Options in respect of which the relevant Vesting Period has completed and the Option Grantee has become eligible to Exercise the Options;
- 35) "Unvested Options" means the Options in respect of which the relevant Vesting Period is not completed and as such, the Option Grantee has not become eligible to Exercise the Options;
- 36) "Relevant Date" means :
 - a) in the case of grant, the date of the meeting of the Nomination and Remuneration Committee of Directors on which the grant of options to the Eligible Employees is approved; or
 - b) In the case of exercise, the date on which the notice of exercise is given by the concerned Eligible Employee to the Bank, in terms of Scheme;

Words and expressions used and not defined in the Scheme but defined in the Securities and Exchange Board of India Act, 1992, the SCRA, the Companies Act, 2013 or the the SEBI (SBEB and SE)

Regulations, SEBI (Prohibition of Insider Trading) Regulations, 2015 and the rules, regulations or guidelines notified thereunder or any statutory modification or re-enactment thereof, shall have the meanings respectively assigned to them in those legislations.

4. ELIGIBILITY

An Eligible Employee can participate in the Scheme in the manner as determined by the Committee.

The Committee shall ensure that, while Options are being Granted to the Eligible Employees, all disclosures as required under Part G of Schedule I of the SEBI (SBEB and SE) Regulations shall be made by the Bank, as required under Applicable Laws, from time to time.

5. SHAREHOLDER'S APPROVAL

Grant of Options to Eligible Employee of the Bank is subject to passing of a special resolution by the shareholders, in terms of Applicable Laws.

The Scheme has been formulated and adopted in terms of the approval granted by the Shareholders of the Bank by way of special resolutions passed by the shareholders of the Bank, at its Extraordinary General Meeting held on February 24, 2001, and thereafter at its Annual General Meetings held on June 18, 2004, June 2, 2006, June 6, 2008, June 8, 2010, July 19, 2013 and July 30, 2021 and through Postal Ballot on January 17, 2019 and January 16, 2023 respectively.

6. ADMINISTRATION OF THE EMPLOYEE STOCK OPTION SCHEME

- 1) The Scheme shall be administered and/or superintended by the Committee as mandated under the SEBI (SBEB and SE) Regulations, and the Committee shall *inter alia* approve Eligible Employees to whom Options could be granted as well as determine the performance level and/or any other criteria required to be adopted for Grant of Options to the Eligible Employees.
- 2) Subject to the provisions of the Scheme, the Committee shall at its sole and absolute discretion determine and finalize the following:
 - i) selection of the Eligible Employee(s) to whom Options may, from time to time, be granted hereunder;
 - ii) the quantum of Options per eligible employee and in aggregate under the Scheme;
 - iii) determining the number of Shares to be covered by each such Option granted hereunder;
 - iv) determining the vesting Period and the conditions under which Options may vest in Eligible Employee and may lapse in case of termination of his/her employment for misconduct;
 - v) the Exercise Period within which the Eligible Employee can exercise the options and that Options would lapse on failure to exercise the same within the Exercise Period;
 - vi) the right of an employee to exercise all the Options vested in him/her, at one time or at various points of time within the exercise period;
 - vii) the specified time period within which such Eligible Employee shall exercise the vested Options in the event of his/her termination or resignation;
 - viii) the procedure for cashless Exercise of Options;
 - ix) the procedure for funding the Exercise of Options;
 - x) treatment of Options in case of termination of Eligible Employee for misconduct/ misdemeanor, subject to disciplinary proceedings, or in case of death or permanent incapacity of the Eligible Employee, or otherwise as mentioned under (iii) above;
 - xi) the Grant, Vesting and Exercise of Options in case of employee who is on long leave;
 - xii) grounds of cancellation of Options and re-issuances;
 - xiii) subject to Clause 18 of this Scheme, to determine 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 corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, *inter alia*, be taken into consideration by the Board/the Committee:

- a) 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;
 - b) the Vesting period and the life of the Options shall be left unaltered as far as possible to protect the rights of the employee who is granted such options;
- xiv) the procedure for buy-back of Specified Securities issued under the Scheme, if to be undertaken at any time by the Bank, and the applicable terms and conditions, including:
 - a) permissible sources of financing for buy-back;
 - b) any minimum financial thresholds to be maintained by the Bank as per its last financial statements; and
 - c) limits upon quantum of Specified Securities that the Bank may buy-back in a financial year, determining the number of Shares to be covered by each such Option granted hereunder;
 - xv) approving forms of agreement for use under the Scheme; determining any and all terms and conditions including provisions as specified in SEBI SBEB & SE Regulations (including under Part B of Schedule I of the SEBI SBEB & SE Regulations), not inconsistent with the terms of the Scheme, of Options granted hereunder;
 - xvi) prescribing, amending and rescinding rules and regulations relating to the Scheme; and
 - xvii) construing and interpreting the terms of the Scheme and Options granted pursuant to the Scheme, and do all that may be necessary to ensure compliance of the Scheme and administration thereof; and
 - xviii) to formulate the suitable policies and procedure to ensure that there is no violation of Applicable Laws in relation to the Scheme
- 3) All decisions, in respect of above, determination and interpretations made by the Committee shall be final and binding on all Eligible Employees.

7. VARIATION OF TERMS AND CONDITIONS OF SCHEME

The Committee may at any time amend or change or modify or vary or alter the terms and conditions contained herein in accordance with the applicable regulations / guidelines as may be stipulated by the Securities and Exchange Board of India or any other statutory/ regulatory authority, from time to time, provided that such variation is not detrimental to the interest of the Option Grantees or the Eligible Employees, who have been granted Options under the Scheme.

8. GENERAL RISKS

Participation in the Scheme shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the market price of the equity and the risks associated with the investments are that of the Eligible Employees alone. Neither the Bank nor any of its directors or officers shall in any manner be liable or responsible to make good any such loss. Further, the Scheme shall not confer on any person any legal or equitable rights (other than that to which he would be entitled as an ordinary member/shareholder of the Bank) against the Bank either directly or indirectly or give rise to any cause of action in law or in equity against the Bank.

9. GRANT OF OPTIONS

- 1) The number of options to be granted to an Eligible Employee will be based on his grade, performance and direct or indirect contribution by the employee and such other criteria as determined by the Committee, from time to time. Grant of a particular number of options to an Eligible Employee in a particular year is no guarantee that the Eligible Employee will be granted an equal or higher number of options in the subsequent year(s);
- 2) The Bank shall grant stock options under this Scheme, within the overall ceiling of 31,50,87,000 stock options, in terms of the special resolutions passed by the shareholders of the Bank as mentioned in Clause 5 of this Scheme.
- 3) No Eligible Employee shall be granted stock options exceeding 10% of the total number of options to be granted in terms of the special resolutions passed by the shareholders of the Bank;

- 4) No Eligible Employee shall be granted stock options during any one year equal to or exceeding 1% of the total issued and paid up share capital of the Bank (excluding outstanding warrants and conversions) at the time of grant of Options under the Scheme, without the approval of the Shareholders of the Bank by means of a special resolution;
- 5) Subject to clause 11(2)(i) of this Scheme, no person other than the Eligible Employee to whom the Options have been granted shall be entitled to the benefit arising out of the Options so granted;

10. EXERCISE PRICE

Subject to Clauses 6 and 7 of this Scheme, the Options granted to the Eligible Employee would be at the market price viz. latest available closing price of the equity shares of the Bank prevailing on the Stock Exchanges on which the equity shares of the Bank are listed on the trading day immediately prior to the relevant date viz. being the date on which grant of Options was approved by the Committee of the Bank at the latest available closing price prevailing on the National Stock Exchange of India Limited being the Stock Exchange, which had recorded the maximum trading volumes in respect of the equity shares of the Bank on the said date, (subject to any fair and reasonable adjustments thereto that may be made by the Committee on account of corporate actions of the Bank in order to comply with the SEBI (SBE and SE) Regulations).

The Eligible Employee shall also be liable to remit the amount equivalent to the applicable value of the perquisite tax payable on Exercise of such Options in accordance with the provisions of the Income Tax Act, 1961 at the relevant time.

The Bank shall be entitled to recover and receive the entire consideration i.e., Exercise Price and applicable taxes at the time of Exercise of the Options by the Eligible Employee, irrespective of the date on which the Bank is required to remit such taxes to the relevant authorities.

11. VESTING OF OPTIONS

11.1 VESTING PERIOD

The minimum Vesting Period shall be of one year from the Grant Date.

The Options granted the Eligible Employees shall vest as per the following vesting schedule:

At the end of 1 year from the date of grant -	30% of granted options.
At the end of 2 years from the date of grant -	30% of granted options.
At the end of 3 years from the date of grant -	40% of granted options.

Options granted under this Scheme would vest upon fulfilment of any criteria/ condition, if any, imposed by the Committee and specified at the time of grant, so long as the Option Grantees remains in continued employment with the Bank or its Subsidiaries, subject to Clause 11(2) of this Scheme.

After vesting, the Eligible Employees shall be entitled to exercise the said Options granted to him to be converted into Shares of the Bank.

11.2 VESTING OF OPTIONS IN CASE OF DEATH, PERMANENT INCAPACITY, RETIREMENT ETC.

- (i) In the event of death of the Eligible Employee while in employment, all Unvested Options shall vest in favour of the legal heir(s) / nominee(s) of the the Eligible Employee, with effect from the date of his/her death. The minimum vesting period of one year shall not be applicable in this case. All the Vested Options may be Exercised, at any time within a period of 5 years from the date of respective vesting;

The said legal heir(s) / nominee(s) shall step into the shoes of said deceased Eligible Employee, with regard to unexercised Vested Options and Unvested Options, subject to the submission and verification of requisite documents evidencing their claim as legal heir(s)/ nominee(s) of the said

deceased Eligible Employee and upon confirmation by the Bank, the provisions of the Scheme shall be applicable and binding on them, *mutatis mutandis*;

- (ii) In case Eligible Employee suffers permanent incapacity during the course of employment, all Unvested Options shall vest in his favour on the date of such permanent incapacitation. The minimum Vesting period of one year shall not be applicable in this case. All the Vested Options may be Exercised, at any time within a period of 5 years from the date of their respective vesting.
- (iii) In case of an Eligible Employee, who has been suspended or who has been issued a show cause notice by the Bank, all the unexercised Vested Options and Unvested Options shall stand suspended. Such Options cannot be Exercised, unless the suspension is revoked or disciplinary proceedings initiated against him/her are completed and the concerned Eligible Employee has been absolved of all the allegations.

Upon conclusion of the disciplinary proceedings, in case where the employee is discharged or dismissed from service for misconduct as per the provisions contained in the Code of Conduct and Ethics, all the unexercised Vested Options and Unvested Options shall forthwith be forfeited on the date issuance of such Disciplinary order;

It is clarified that, upon conclusion of disciplinary proceedings, if any of the following penalties are imposed on the Eligible Employee:

- a) Warning or Censure; or
- b) Withholding of increments/revision of pay; or
- c) Withholding of promotion; or
- d) Reduction to lower grade or salary.

the right to exercise options, which had earlier been suspended upon initiation of Disciplinary proceedings, shall be reinstated and consequently such options will not lapse and the concerned Eligible Employee will be entitled to exercise his/ her options, in terms of the Scheme;

However, in case of Vested Options which could not be Exercised on account of such Disciplinary proceedings and a period of 5 years from the date of vesting of said options has expired, then in such cases the concerned Eligible Employee will be allowed to exercise such Options, within a period of 3 months from the date of issuance of directives.

- (iv) In the case of an Eligible Employee, who retires upon attainment of superannuation or otherwise or at the expiry of his/ her term, Options granted to the Eligible Employees shall vest as per their respective Vesting schedule in terms of Clause 11(1) of this Scheme.

Notwithstanding the fact that an Eligible Employee has ceased to be an employee, due to retirement or attainment of superannuation or otherwise or at the expiry of his term, as the case may be, he/she shall be entitled to Exercise all the Vested Options, within a period of 5 years from the date of respective vesting;

However, he/she shall not be entitled for any further grant after the day of his/her retirement or attainment of superannuation or otherwise or after the expiry of his term, as the case may be;

- (v) In the case of the Managing Director and the Whole Time Director(s) of the Bank, the date of cessation of his/ her service will be deemed to be his/ her date of retirement and options granted to the Managing Director or Whole Time Director of the Bank under the Scheme, shall vest as per their respective Vesting schedule in terms of Clause 11(1) of this Scheme.
- (vi) In the case of any Eligible Employee who is on authorized Long Leave, the said Eligible Employee may be allowed at the sole and absolute discretion of the Committee, for grant of Options notwithstanding the fact that he was on authorized Long Leave during the Grant Date, on such additional terms and conditions as deemed appropriate. The said Eligible Employee shall be treated as an employee at par with other Eligible Employees and all the provisions of this Scheme shall be applicable and binding on the such Eligible Employee;

The Options that vest during the period of such authorized Long Leave, will not be permitted to be exercised until a period of six months from the date on which the concerned Eligible Employee has resumed duty. However, Exercise of Options which was vested before starting date of such authorized Long Leave, may be allowed during the Long Leave period;

- (vii) In the event such Eligible Employee resigns from the services of the Bank during the period of such authorized Long Leave, Exercise of Options that may vest during the tenure of such authorized Long Leave will not be allowed, and such Options shall lapse forthwith on the date of such resignation. However, Exercise of Options which are already vested before the commencement of such authorized Long Leave, may be allowed within a period of 3 (three) months from the last day of service with the Bank or the last date for exercising the options, as per the Scheme, whichever is earlier;
- (viii) In the event the Eligible Employee who has been granted benefits under the Scheme, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing company, prior to the Vesting or Exercise, the treatment of Options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Eligible Employee.
- (ix) In the event that an Eligible Employee who has been granted benefits under the Scheme is transferred or deputed (including resignation for the purpose of such transfer) to a Subsidiary/Associate Company of the Bank prior to Vesting or Exercise of the Options, the Vesting and Exercise of Options shall be allowed in terms of the Scheme, even after the transfer or deputation of such Eligible Employee.
- (x) In the event of an Eligible Employee ceasing to be an Eligible Employee, for any reason whatsoever, including but not limited to resignation, dismissal or severance of employment or due to reasons of non-performance or otherwise but not by way of retirement or early retirement and/or death or permanent incapacitation during the course of his/her employment of the Bank and/or on account of Disciplinary proceedings, the Vested Options which were not Exercised by such Eligible Employee, can be Exercised within a period of 3 (three) months from the date they cease to be an employee of the Bank or before the last date for exercising the Options, as per the Scheme, whichever is earlier. The Unvested Options as on the date they cease to be an employee of the Bank, shall forthwith be cancelled.
- (xi) If an Eligible Employee resigns within one month of an announcement of change in the management of the Bank, then all Options granted to him/her shall vest as per their respective Vesting schedule in terms of Clause 11(1) of this Scheme.

12. EXERCISE PERIOD

The Option Grantees will be permitted to Exercise Vested Option during or within the Exercise Period as may be determined by the Committee and set out at the time of grant. However, in no event shall the Exercise Period exceed a period of 5 (five) years from the Vesting date, except in respect of cases falling under Clause 11(2)(iii) of this Scheme. The Vested Options shall be exercisable by the Option Grantees by submitting an application to the Bank, along with consideration amount in cash (including for the perquisite and other taxes, cess or levy as applicable) expressing his/her desire to Exercise such Vested Options in such manner and in such format as may be prescribed by the Committee. In case of cashless system of Exercise of Vested Options, if any, the Committee shall be entitled to specify such procedures and/or mechanisms relating to such Exercise of Options.

In case the Eligible Employees does not Exercise the Vested Options, within the Exercise Period as stated in Clauses 11 and 12 of this Scheme, the Options so vested but not Exercised shall lapse and no rights shall accrue in respect of the unexercised Options, after the said date.

In case any Options lapse during a "blackout period" announced under the Share Dealing Code of the Bank, resulting in Options Grantee not being able to exercise their vested Options during such blackout

period, such Options Grantees may be allowed to exercise the vested Options in terms of and compliance with the Share Dealing Code.

13. CANCELLATION OF OPTIONS/LAPSED OPTIONS TREATMENT

In case of Options which have lapsed/ expired/ cancelled/ forfeited, if any, for any reason whatsoever, under this Scheme, the same will be added back to the pool of Options and be available for Grant by the Committee to Eligible Employees.

14. EXERCISE OF OPTIONS

Each option entitles the Eligible Employee to apply for and be allotted such number of Share(s) of the Bank as may be covered under the respective Option Grant, upon payment of the Exercise Price and applicable taxes, if any, at any time during the Exercise Period. The Eligible Employee shall be permitted to Exercise his/her Options during the Exercise Period, in terms of the Scheme.

The Option Grantees may at his discretion opt for exercising during the Exercise Period of all the Options vested in him/her or a part thereof. However, the Exercise shall be made in a lot of such number of Options as would result in a minimum of 1 equity share of the Bank being allotted pursuant to its exercise.

15. ACCOUNTING METHODOLOGY

The Bank shall conform with the disclosure and accounting policies, as prescribed under applicable Regulations.

16. TRANSFER OF OPTIONS

The Options held by the Eligible Employees are not assignable or transferable to any other person in any manner whatsoever and the same cannot be pledged/ hypothecated/ charged/ mortgaged/ or in alienated or disposed off in any other manner whatsoever.

17. ALLOTMENT OF SHARES

The equity shares so allotted pursuant to Exercise of Options under the Scheme, shall be subject to the terms and conditions as mentioned below:

- 1) The equity shares of the Bank allotted pursuant to Exercise of the Options under the Scheme, shall subject to the provisions of the Articles of the Bank, rank *pari-passu* with all the other existing equity shares of the Bank, including dividend, from the date of its allotment and shall be entitled to all the rights attached to the said shares.
- 2) However, any right attached to such Shares shall be with reference to a date subsequent to the date of allotment of the Shares in accordance with the Applicable Laws.
- 3) The allotment of Shares pursuant to Exercise of Options shall be made only in dematerialized form. The responsibility of opening of the demat account with Depository Participant for credit of Shares, shall be the responsibility of the Eligible Employee.
- 4) The Shares so allotted pursuant to Exercise of Options shall be listed on the stock exchanges where the Shares of the Bank are listed and will be subject to the terms and conditions of the listing agreements entered into by the Bank with the Recognised Stock Exchanges and the Scheme.
- 5) There will be no lock-in period for sale of the Shares allotted pursuant to Exercise of Options under the Scheme except such restrictions as may apply under the Applicable Laws / regulatory authority from time to time.

18. CORPORATE ACTIONS

In case of any corporate action(s) such as right issues, bonus issues, split or consolidation of Shares, change in capital structure, reorganization, merger or demerger, sale of division of undertaking and other similar corporate actions, the Board be and is hereby authorised to do all acts, deeds, matters and things as it may deem fit in its absolute discretion and permitted under Applicable Laws for the purpose of making a fair and reasonable adjustment to the entitlements under the Scheme, including but not limited to, by way of issue of any additional Shares by the Bank to the Option Grantees, in which case the aforesaid ceiling of the Options/ Shares shall be deemed to have increased to the extent of such additional Shares issued.

19. NOMINATION

Each Eligible Employee under the Scheme may nominate, from time to time, any beneficiary or list of beneficiaries to whom any Option under the Scheme is to be vested in case of death before such Options is vested to him/her. Each such nomination shall revoke all prior nominations made by the same Eligible Employee, and shall be submitted in a form prescribed by the Bank.

20. APPLICABILITY OF MALUS AND CLAWBACK

The benefits accrued and / or availed under the Scheme shall be subject to Malus and Claw back conditions in line with the extant 'Remuneration Policy for MD & CEO, Whole Time Directors, Material Risk takers, control function staff and other employees of the Bank', as amended from time to time and relevant RBI guidelines, as amended from time to time.

21. TAX LIABILITY

Any direct or indirect or other tax liability by whatever name called arising on account of the Grant or Exercise of Options or on allotment of Shares pursuant to its Exercise of Options under the Scheme or transfer of Shares or any other event, shall be entirely the sole obligation of the concerned Eligible Employee/ legal heir/ nominee.

22. INSIDER TRADING

Eligible Employees who have been granted Options by the Bank shall abide with the relevant provisions of the Share Dealing Code, formulated and adopted by the Board in terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, from time to time.

23. CONFIDENTIALITY

- 1) The Eligible Employees shall maintain utmost confidentiality regarding the contents of the Scheme at all times and shall not make any announcement to the public or to any third person regarding the arrangement contemplated by the Scheme except to the extent as may be required by Applicable law.
- 2) The Eligible employee(s) shall be required to enter into such agreement, as the Bank may desire from time to time to more fully and effectively implement Scheme. In case if it is found that the employee has violated the confidentiality, the Bank reserves the right to take such action as it may be deemed appropriate.

24. CONTRACT OF EMPLOYMENT

- 1) The Scheme shall not form part of any contract of employment between the Bank and the Eligible Employee. The rights and obligations of any individual under the terms of his/her office or employment with the Bank shall not be affected by his/her participation in the Scheme or any right, which he may have to participate in.

- 2) Nothing in the Scheme shall be construed as affording such an individual any additional rights as to compensation or damages in consequence of the termination of his/her office or employment for any reason, whatsoever.
- 3) The Scheme shall not confer on any person any legal or equitable rights against the Bank either directly or indirectly or give rise to any cause of action in law or equity against the Bank.

25. TERMINATION OF SCHEME

- 1) The Bank may with the approval of the Committee and such other approvals as may be required, amend, discontinue or terminate the Scheme or any portion thereof at any time. Provided that any such amendment, discontinuation or termination that would impair the rights of any Eligible Employee or which is detrimental to their interest, shall not, to that extent, be effective without the consent of the affected Eligible Employee(s).
- 2) The Committee may at any time, in accordance with the Scheme and applicable laws, waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any Option hereto before granted, prospectively or retrospectively; provided that any such waiver, amendment, alteration, suspension, discontinuation, cancellation or termination in any manner which may be detrimental to the interests of the Eligible Employee shall not to that extent be effective without the consent of the affected Eligible employee.

26. NO RIGHT AS SHAREHOLDER

The Eligible Employee shall not have the right to receive any dividend or to vote or in any manner enjoy the benefits available to a shareholder in respect of Options granted to him/her, till Shares are issued to him/her upon Exercise of Options pursuant to this Scheme.

27. CERTIFICATE FROM SECRETARIAL AUDITORS

The Board shall at each annual general meeting place before the shareholders of the Bank, a certificate from the secretarial auditors of the Bank certifying that the Scheme has been implemented in accordance with the Applicable Laws and in accordance with the resolution of the Bank in the general meeting.

28. DISCLOSURES

The Board shall disclose the details of the Scheme as required under the Companies Act and Part F of Schedule – I of the SEBI (SBEB and SE) Regulations.

29. DISPUTE RESOLUTION

- 1) Any dispute, discrepancy or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with this Scheme shall be referred to and determined by the Committee.
- 2) Any dispute relating to or arising out of the Scheme shall be subject to the exclusive jurisdiction of the Courts at Mumbai, Maharashtra, India.
