

ZLL – ESOP 2010 - AMENDED 2015



~~ZLL - Employees Stock Option Scheme 2010 - AMENDED 2015~~

1. Name, Objective and Term of the Scheme

- 1.1 This Scheme shall be called the “ZLL ESOP 2010 - AMENDED 2015” and will override ZLL ESOP 2010, as applicable, without any break in continuity w.e.f. October 28, 2015.
- 1.2 The objective of the ZLL ESOP 2010 - AMENDED 2015 is to reward the Employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to attract and retain talent in the organization. The Company views employee stock options as instruments that would enable the Employees to share the value they create for the Company in the years to come.
- 1.3 The ZLL ESOP 2010 - AMENDED 2015 is established with effect from October 28, 2015 and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the options available for issuance under the ESOP 2010 or ZLL ESOP 2010 - AMENDED 2015 have been issued and exercised.
- 1.4 The Board of Directors may, subject to compliance with applicable laws and regulations, at any time alter, amend, suspend or terminate the ZLL ESOP 2010 - AMENDED 2015.

2. Definitions and Interpretation

2.1 Definitions

- i. **“Applicable Law”** means every law relating to Employee Stock Options, including, without limitation to, the provisions of Companies Act, 1956 and the Companies Act, 2013 and the rules made thereunder and modification thereof, Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the SEBI (Share Based Employee Benefit) Regulation, 2014 and all relevant tax, securities, exchange control or corporate laws of India or any relevant jurisdiction or of any stock exchange on which the shares are listed or quoted.
- ii. **“Associate Company”** shall have the meaning ascribed to it under Section 2(6) of the Companies Act, 2013.
- iii. **“Board”** means the Board of Directors of the Company.
- i. **“Companies Act”** means the Companies Act, 1956 and the Companies Act, 2013 and the rules made thereunder and includes any statutory modifications or re-enactments thereof, from time to time.
- ii. **“Company”** means “Zee Learn Limited”.
- iii. **“Company Policies/ Terms of Employment”** means the Company’s policies for employees and the terms of employment as contained in the Employment Letter and the Company Handbook, which includes provisions for securing Confidentiality, Non Compete and Non-Poaching of other Employees and customers.
- iv. **“Nomination & Remuneration Committee”** means a Committee constituted by the Board of Directors from time to time *inter alia* to administer ESOP 2010 or ZLL ESOP 2010 - AMENDED 2015.
- v. **“Director”** means a member of the Board of the Company.
- vi. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Remuneration Committee for granting the Employee means Stock Options to the employees.

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- vii. **“Employee”** (i) a permanent employee of the Company working in India or out of India; or (ii) a Director of the Company, whether a Whole-time Director or not but excluding an independent director; or (iii) an employee, as defined in sub-clauses (i) or (ii) in this Para, of a Subsidiary company in India or out of India, or of a holding company or of an associate company of the Company, **but excludes**
- a. an employee who is a Promoter or belongs to the Promoter Group;
 - b. Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company.
- viii. **“Employee Stock Option” or “Option”** means the option granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the shares underlying the option at a pre-determined price.
- ix. **“Exercise”** of an Option means expression of an intention by an Employee to the Company to purchase the Shares underlying the Options vested in him, in pursuance of the ESOP 2010 or ZLL ESOP 2010 - AMENDED 2015, in accordance with the procedure laid down by the Company for exercise of options.
- x. **“Exercise Period”** means such time period after Vesting within which the Employee should Exercise the options vested in him in pursuance of the ESOP 2010 or ZLL ESOP 2010 - AMENDED 2015.
- xi. **“Exercise Price”** means the price payable by an Employee in order to exercise the Options granted to him in pursuance of the ESOP 2010 or ZLL ESOP 2010 - AMENDED 2015.
- xii. **“Grant”** means issue of Options to the Employees under the ESOP 2010 or ZLL ESOP 2010 - AMENDED 2015.
- xiii. **“Market Price”** means the latest available closing price, prior to the date of meeting of the Board of Directors / Remuneration Committee in which options are granted (i.e. Grant date), on the stock exchange on which the shares of the company are listed.
- xiv. **“Option Grantee”** means an Employee who has been granted an Employee Stock Option in pursuance of the ESOP 2010 or ZLL ESOP 2010 - AMENDED 2015.
- xv. **“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 Remuneration Committee based on a certificate of a medical expert identified by the Board or otherwise.
- xvi. **“Promoter”** means (a) the person or persons who are in over-all control of the company; (b) the person or persons who are instrumental in the formation of the company or programme pursuant to which the shares were offered to the public; (c) the person or persons named in the offer document as promoter(s); (d) in case the persons mentioned in a, b or c above is a body corporate, the promoters of that body corporate shall also be deemed to be promoters of the Company.
- Provided that a director or officer of the Company, if they are acting as such only in their professional capacity will not be deemed to be a promoter.
- xvii. **“Promoter Group”** means (a) an immediate relative of the promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); (b) persons whose shareholding is aggregated for the purpose of disclosing in the offer document “shareholding of the promoter group”.
- xviii. **“Recognized Stock Exchange”** means the Bombay Stock Exchange Limited, the National Stock Exchange of India Limited or any other Stock Exchange in India on which the Company’s Shares are listed or to be listed.
- xix. **“Retirement”** means retirement as per the rules of the Company.
- xx. **“Scheme / Plan / ZLL ESOP”** means ESOP 2010 and / or ZLL ESOP 2010 - AMENDED 2015 under which the Company is authorized to grant Stock Options to the Employees.
- xxi. **“SEBI Act”** means the Securities & Exchange Board of India Act, 1992 as amended, and includes all regulations and clarifications issued there under.

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- xxii. **“SEBI Guidelines”** means the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended and includes all relevant regulations and clarifications issued there under.
- xxiii. **“Shares”** means equity shares of the Company arising out of the exercise of Stock Options granted under the ZLL ESOP.
- xxiv. **“Subsidiary company”** means any present or future direct or indirect subsidiary company, whether Indian or overseas, of the Company, as defined in the Companies Act, 1956 or the Companies Act, 2013.
- xxv. **“Vesting”** means the process by which the Option Grantee is given the right to exercise the Employee Stock Options granted to him in pursuance of the ZLL ESOP.
- xxvi. **“Vesting Condition”** means any condition subject to which the options granted would vest in an Option Grantee.
- xxvii. **“Vesting Period”** means the period during which the vesting of the Employee Stock Option granted to the Employee, in pursuance of the ZLL ESOP takes place.
- xxviii. **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.
- xxix. **“Unvested Option”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to exercise the Option.
- xxx. **“Group Company”** means and includes any company being part of the Essel group of companies. The Essel Group is a recognized business house with a diverse set of businesses in media, packaging, entertainment, technology-enabled services, finance services, refinery services, infrastructure development and education.

2.2 Interpretation

In this Scheme, unless the contrary intention appears:

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

3. Authority and Ceiling

- 3.1 The Shareholders at the Extra-ordinary General Meeting of the Company held on October 13, 2010 have approved issue to employees under ESOP 2010, Stock Options exercisable into not more than 61,36,930 equity shares of a face value of Re.1 each constituting 5% of the existing capital of the company, with each such option conferring a right upon the employee to apply for one equity share of the Company, in accordance with the terms and conditions of such issue.

Further, the Shareholders through the Special Resolution passed by the postal ballot on 18th December, 2015, have approved w.e.f 28th October, 2015, issue to employees under ESOP 2010 or the modification thereof (ZLL ESOP – 2010 – AMENDED 2015), Stock Options exercisable into not more than 1,60,07,451 equity shares of a face value of Re.1 each constituting 5% of the existing share capital of the company, with each such option conferring a right upon the employee to apply for one equity share of the Company, in accordance with the terms and conditions of such issue.

- 3.2 If an Employee Stock Option expires or becomes un-exercisable due to any other reason, it shall become available for future grants, subject to compliance with all applicable Laws.

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- 3.3 Where Shares are issued consequent upon exercise of an Employee Stock Option under the ZLL ESOP, the maximum number of Shares that can be issued under ZLL ESOP as referred to in Clause 3.1 above will stand reduced to the extent of such Shares issued.
- 3.4 In case of a share split or consolidation, if the revised face value of the equity shares is less or more (as the case may be) than the current face value as prevailing on the date of adoption of this Scheme by the Board, the maximum number of shares available for being granted under ZLL ESOP as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (No. of shares X Face value per share) prior to such share split or consolidation remains unchanged after such share split or consolidation. Thus, for example, if the prevailing face value of each share is Re.1 per share and the revised face value after the consolidation is Re.5 per share, the total number of shares available under ZLL ESOP would be 1/5th of the maximum number of shares specified in the Scheme.

4. Administration

- 4.1 The ZLL ESOP shall be administered by the Nomination & Remuneration Committee of the Board. All questions of interpretation of the ZLL ESOP or any Employee Stock Option shall be determined by the Nomination & Remuneration Committee or its appointed officers and such determination shall be final and binding upon all persons having an interest in the ZLL ESOP or such Employee Stock Option.
- 4.2 The Nomination & Remuneration Committee shall in accordance with this Scheme and applicable laws determine the following from time to time:
- (a) The quantum of Stock Options to be granted under the ZLL ESOP per Employee, subject to the ceiling as specified in Para 3.1;
 - (b) The Eligibility Criteria;
 - (c) The procedure for making a fair and reasonable adjustment in case of corporate actions such as merger, sale of division, stock split / consolidation, rights issues, bonus issues and others;
 - (d) The procedure and terms for the Grant, Vesting and Exercise of Stock Option in case of Employees who are on long leave;
 - (e) The procedure for cashless exercise of Employee Stock Options, if required;
 - (f) Approve forms, writings and/or agreements for use in pursuance of the ZLL ESOP;
 - (g) To decide on a case to case basis, the treatment of vested as well as unvested options of the employees who are being transferred to any of the Group Company;
 - (h) To decide on a case to case basis, the treatment of vested as well as unvested options of the employees under ZLL ESOP-2010-AMENDED 2015, who are resigning from any of the Group Company.

5. Eligibility and Applicability

- 5.1 Only confirmed employees are eligible for being granted Employee Stock Options under ZLL ESOP. The specific employees to whom the options would be granted and their eligibility criteria would be determined by the Nomination & Remuneration Committee from time to time.
- However, where such employee is a Director nominated by an institution as its representative on the Board of Directors of the Company:
- i) The contract/agreement entered into between such institution and the Nominee Director shall inter alia, specify a) whether options granted by the Company under the Scheme can be accepted by such nominee director; b) that the options if granted to such nominee director shall not be renounced in favor of nominating institution; and c) the conditions subject to which fees, commissions, Stock Options, other incentives etc. can be accepted by such nominee director from the Company.
 - ii) Such institution & Nominee Director shall file a copy of aforesaid contract agreement entered into with the Nominee Director, with the Company.
- 5.2 The Scheme shall be applicable to the Company, its direct and/or indirect Subsidiary companies in India and abroad, its holding company, its associate company and any successor company thereof and may be granted to the Employees and Directors of the Company, its subsidiaries, associate companies and its holding company, as determined by the Nomination & Remuneration Committee on its own discretion.

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6. Vesting Schedule / Conditions

Options granted under ZLL ESOP would vest not less than one year and not more than five years from the date of grant of such options. Vesting of options would be subject to continued employment/ association with the Company and /or its Subsidiary companies and/or its Associate companies and/or its holding company and thus the options would vest on passage of time. In addition to this, the Nomination & Remuneration Committee may also specify certain performance parameters, if applicable, subject to which the options would vest. The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the document given to the option grantee at the time of grant of options.

7. Exercise

- a) The exercise price shall be equal to the closing market price on the day previous to the grant date. Payment of the Exercise Price shall be made by a NEFT or crossed cheque or a demand draft drawn in favor of the Company or in such other manner as the Nomination & Remuneration Committee may decide.
- b) The Employee Stock Options granted shall be capable of being exercised within a period of four years from the date of Vesting of the respective Employee Stock Options.
- c) In the event of the death while in employment with the Company, all the Vested and Unvested Options may be Exercised by the Option Grantee's nominee immediately after, but in no event later than six months from the date of death.
- d) In the event of separation of the employee from the Company due to reasons of Permanent Incapacity the Option Grantee may Exercise his or her Vested as well as Unvested Option immediately after Permanent Incapacity but in no event later than six months from the date of separation from employment. In the event of death of the option grantee after such separation and before the expiry of six months from the date of such separation, the nominee / legal heir of such option grantee will be allowed to exercise all vested options of the option grantee before the expiry of six months from the date of such separation.
- e) In the event of separation from employment for reasons of normal retirement or a retirement specifically approved by the Company,
 - i. all Vested Options should be exercised by the Option Grantee immediately after, but in no event later than six months from the date of such Option Grantee's retirement, and
 - ii. all Unvested Options will lapse as on the date of such retirement, unless otherwise determined by the Nomination & Remuneration Committee whose determination will be final and binding.
- f) In the event of resignation, all Unvested Options, on the date of submission of resignation, shall expire and stand terminated with effect from that date. However, all Vested Options as on that date shall be exercisable by the employee before his last working day with the Company.
- g) In the event of abandonment of employment without the Company's consent, all Employee Stock Options granted to such Employee, including the Vested Options, which were not exercised at the time of abandonment of employment shall stand terminated with immediate effect. The Nomination & Remuneration Committee, at its sole discretion shall decide the date of abandonment by an Employee and such decision shall be binding on all concerned.
- h) In the event of transfer interse between the Company and any of its direct/ indirect subsidiaries and/ or associate companies and/ or holding company, all options shall continue as per the Scheme as if the option grantee continues in the employment/ association of the Company.
- i) In the event of termination of the employment of an Option Grantee due to breach of policies of the Company or the terms of employment, all Employee Stock Options granted to such Employee, including the Vested Options, which were not exercised at the time of such breach shall stand terminated with effect from the date of such breach; the date of such breach shall be determined by the Nomination & Remuneration Committee, and its decision on this issue shall be binding and final.

8. Other Terms and Conditions

- 8.1 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc) in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.

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- 8.2 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 8.3 If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of options or the exercise price or both would be made in accordance with Clause 4.2(c) of ZLL ESOP.
- 8.4 Employee Stock Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case clause 7(c) would apply.
- 8.5 No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option except in the event of the death of the Option Grantee holder, in which case clause 7(c) would apply.

9. Recovery of Applicable Tax

The Company shall have the right to deduct from the employee's salary, any of the employer's tax obligations, if any, arising in connection with the Employee Stock Option or the Shares acquired upon the Exercise thereof. Such tax shall be recovered from the employee in the manner as may be prescribed by the Nomination & Remuneration Committee. The Company shall have no obligation to deliver Shares until such tax deduction have been satisfied by the Option Grantee.

10. Authority to vary terms

The Nomination & Remuneration Committee may, from time to time, if it deems necessary, vary the terms of ZLL ESOP, subject to the compliance of applicable laws.

11. Miscellaneous

11.1 Government Regulations

This ZLL ESOP shall be subject to all Applicable Laws, and approvals from governmental authorities.

11.2 Inability to obtain authority

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

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

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

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

- 11.6 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Employee Stock Option in whole or in part.

12. Notices

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

The Company Secretary,
Zee Learn Limited
Continental Building,
135, Dr. Annie Besant Road,
Worli, Mumbai 400 018.

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13. Governing Law and Jurisdiction

- 13.1 The terms and conditions of the ZLL ESOP shall be governed by and construed in accordance with the laws of India.
- 13.2 The Courts of Mumbai shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ZLL ESOP.
- 13.3 Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this ZLL ESOP:
- (i) in any other court of competent jurisdiction; or
 - (ii) Concurrently in more than one jurisdiction.

14. Income Tax Rules

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