
EMPLOYEES STOCK OPTION PLAN - I, 2013

SHORT TITLE, EXTENT AND COMMENCEMENT

This plan may be called the **“OnMobile Employees Stock Option Plan - I, 2013”** (hereinafter referred to as the **“Plan”**).

It applies only to the bonafide confirmed Employees of OnMobile Global Limited or its Subsidiaries whether in India or outside India, who are in whole-time employment of the Company or its subsidiary(ies). At the discretion of the Compensation Committee, Employees of all Subsidiaries, now or hereinafter existing, may also be covered. In the event the employee is transferred to any of the Company’s subsidiary, then the options granted to the employee shall continue to vest in him.

It shall be deemed to have come into force on July 30, 2013 and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all the options available for issuance under the Plan have been issued and exercised.

1. OBJECT

The object of the Plan is to create a sense of ownership within the organization, to reward Employees for ongoing performance and motivate them to drive the Company value. The Plan has been adopted by a Board resolution of the Company. The object of the Plan is to grant Options, at the discretion of the Company, to the Employees of the Company, who are eligible and qualify under the Plan. Such Options shall be convertible to Shares of the Company and Employees holding such Options shall be allotted Shares of the Company on Exercise of such Options. This Plan has been approved by a special resolution of the present members of the Company at the Annual General Meeting held on July 30, 2013.

2. DEFINITIONS

In this Plan, unless the context otherwise requires,

- a) **“Applicable Laws”** shall mean the legal requirements relating to stock option plans, including, without limitation, the tax, securities or corporate laws of India, any stock exchange or quotation on which the shares are listed or quoted.
- b) **“Board”** shall mean the Board of Directors of the Company as a whole or a majority of them or any committee of the board exclusively constituted for purpose of administering the Plan.
- c) **“Cause”** shall mean conduct, as determined by the Board involving the commission of an act of theft, embezzlement, fraud, dishonesty or moral turpitude, the deliberate disregard of the rules of the Company or on such

other disciplinary grounds which resulted in or on the Board's determination may result in loss, damage or injury to the Company, the unauthorized disclosure of any trade secret or confidential information of the Company, or the commission of an act which constitutes unfair competition.

- d) **“Company”** shall mean OnMobile Global Limited.
- e) **“Compensation Committee”** shall mean the compensation committee constituted by the Board for administration and superintendence of this Plan and comprising a majority of Independent Directors or such other composition as may be required under the Applicable Law.
- f) **“Director”** shall mean a director of the Company or its Subsidiaries whether whole time or not and shall include an Independent Director.
- g) **“Employee”** shall mean:
 - (i) a permanent employee of the Company or its Subsidiaries working in India;
 - (ii) a permanent employee of the Company or any of its Subsidiary who is a person resident outside India as defined in the Foreign Exchange Management Act, 1999 or an employee of the Company or its Subsidiary who is a foreign national or any other employee of any of its Subsidiary;
 - (iii) the Directors of the Company or its Subsidiaries whether whole-time or not;but shall not include (a) an employee who is a Promoter or who belongs to the Promoter Group; (b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.
- h) **“Exercise”** is the act of a written application being made by the Optionee to the Company to have the Vested Options converted and issued as Shares upon payment of the Exercise Price and applicable taxes, if any, in accordance with this Plan and the relevant stock option agreement.
- i) **“Exercise Period”** shall mean the period commencing from the date on which the Options become Vested Options vis-à-vis the Optionee in accordance with the relevant stock option agreement and terminating on such date as may be specified under the said agreement, within which period the Optionee shall have the right to Exercise his Vested Options.

Provided that in no event shall the Exercise Period exceed five (5) years from the date the Options become Vested Options.

- j) **“Exercise Price”** shall mean the price at which Vested Options held by the Optionee may be exercised.
- k) **“Grant”** means issue of Options to the Employees under this Plan and the relevant stock option agreement.
- l) **“Guidelines”** means Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.
- m) **“Independent Director”** shall mean a Director of the Company, not being a whole time Director and who is neither a Promoter nor belongs to the Promoter Group.
- n) **“Market Price”** means the latest available closing price, prior to the date of the meeting of the Compensation Committee in which options are granted/shares are issued, on the stock exchange on which the shares of the Company are listed. Since the shares are listed on more than one stock exchange, the stock exchange where there is highest trading volume on the said date shall be considered.
- o) **“Option”** shall mean a stock option granted by the Company to the Employees pursuant to this Plan, which Option upon becoming a Vested Option, would be convertible into Shares in accordance with the relevant stock option agreement.
- p) **“Optionee”** shall mean an Employee of the Company who holds Options granted by the Company pursuant to this Plan and who has duly executed a stock option agreement with the Company.
- q) **“Plan”** shall mean this OnMobile Employee Stock Option Plan - I, 2013.
- r) **“Promoter”** means:
 - (i) the person or persons who are in overall control of the Company;
 - (ii) the person or persons who were instrumental in the formation of the Company or programme pursuant to which the shares were offered to the public;
 - (iii) the persons or persons named in the offer document as promoter(s).

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; and

Explanation: Where a promoter of a company is a body corporate, the promoters of that body corporate shall also be deemed to be promoters of the company.

- s) **“Promoter Group”** shall mean:
- (i) an immediate relative of a Promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and
 - (ii) those persons whose shareholding is aggregated for the purpose of disclosing in the offer document as “shareholding of the promoter group”, at any time after the listing of the Company.
- t) **“Permanent Disablement”** shall mean such disablement, which incapacitates an Employee for all work that he was capable of performing at the time of the accident resulting in such disablement.
- u) **“Share”** means equity shares of the Company and securities convertible into equity share and shall include American Depositary Receipt (ADRs), Global Depositary Receipts (GDRs) or other depository receipts representing underlying equity share or security convertible into equity share and where the context so requires shall be deemed to include the Resultant Shares also. .
- v) **“Subsidiary”** shall mean a subsidiary company of the Company in which the Company holds more than half of nominal value of the aggregate equity share capital either directly or indirectly and includes any number of step-down Subsidiaries and includes any Subsidiary within or outside India.
- w) **“Unvested Option”** shall mean an Option, which has not vested in the Optionee in accordance with the relevant stock option agreement. For the purpose of clarity, unvested option is an Option in respect of which the relevant Vesting Period has not been completed.
- x) **“Vesting”** means earning by the Optionee, of the right to apply for Shares against the Options granted to him in pursuance of this Plan and the relevant stock option agreement.

-
- y) **“Vested Option”** shall mean an Option, which has duly vested in the Optionee by reason of the Vesting Period being completed in accordance with the relevant stock option agreement.
 - z) **“Vesting Period”** shall mean the period during which the vesting of the Options, granted to the Optionee in pursuance of the Plan and the relevant stock option agreement, is effected. The vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option under this Stock Option Plan.
3. Words not specifically defined herein shall have the meaning attributed to them under the Guidelines.

ESTABLISHMENT OF THE COMPENSATION COMMITTEE

The Board shall, as soon as may be possible, constitute a Compensation Committee in accordance with the Guidelines consisting of a majority of Independent Directors of the Company. Currently, the Board has formulated a Compensation Committee which administers and implements the ESOP Plans. The Committee consists of two independent Directors and one Non-Executive Director.

4. AUTHORITY AND MAXIMUM CEILING

- 4.1 A Resolution has been passed by the shareholders of the Company at the General Meeting of the Company held on July 30, 2013 authorising the Board / Compensation Committee to issue to the Employees, Employee Stock Options under the OnMobile Employee Stock Option Plan - I, 2013, exercisable into not more than 15,00,000 (Fifteen Lakhs only) Equity shares of face value of Rs. 10/- each or such number as may be required on account of Corporate Action, with each of 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.
- 4.2 If Employee Stock Option expires or becomes unexercisable without having been exercised in full, the un exercised options , which were subject thereto, shall become available for future Grants under the Plan (unless the OnMobile Employee Stock Option Plan - I, 2013 stands terminated).
- 4.3 Where Shares are issued consequent upon exercise of an Employee Stock Option under the Plan the maximum number of Shares underlying the Employee Stock Options referred to in Clause 4.1 above will stand reduced to the extent of such Shares issued.

5. ADMINISTRATION AND IMPLEMENTATION OF THE PLAN

- a) The Plan shall be administered by the Compensation Committee. In this regard, the Compensation Committee shall frame the guidelines for the administration and management of the Plan.
- b) The Options that are set-aside under the Plan shall be allocated from time to time to the Optionee in pursuance of the Plan and subject to the conditions under the relevant stock option agreement duly executed by the said Optionee.
- c) Under the Plan, a total of 15,00,000 (Fifteen Lakhs only) options shall be made available for grant to the Employees.
- d) In the event of any change to the capital of the Company or any capital reconstruction, re-capitalization or capital infusion by reason of split, capitalization, consolidation, exchange or other changes affecting the capital as a class without receipt of consideration by the Company, appropriate adjustments shall be made to the maximum number of options under the Plan to ensure there is no dilution in the shareholding and the percentage of Shares allotted under this Plan.
- e) Subject to the provisions of the Plan and approval of the Board, the Compensation Committee shall have the authority to do the following:
 - (i) determine the number of Options to be granted to each class/category of Optionees and in aggregate;
 - (ii) to select the class of Employees to whom options may from time to time be granted hereunder;
 - (iii) approve grant letters to be provided to the each class/category of Optionees and other forms of agreement which are required to be executed by the Optionees pursuant to the Plan;
 - (iv) determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option granted hereunder;
 - (v) construe and interpret the terms of the Plan and Options granted pursuant to the Plan and the relevant stock option agreements;
 - (vi) determine the Vesting Period and Exercise Period of the Options granted to the each class/category of Optionees; and

-
- (vii) adopt the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others in accordance with the Guidelines.
 - (viii) determine the conditions under which Options vested in Employees may lapse in case of termination of employment for misconduct.
 - (ix) the Grant, Vesting and Exercise of Options in case of Employees who are on long leave.
 - (x) the procedure for cashless exercise of Options.
- f) All decisions, determinations and interpretations of the Compensation Committee shall be final and binding on all Optionees.
 - g) The Compensation Committee shall frame suitable policies to ensure that there is no violation of the Securities and Exchange Board of India (Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- 5.1 No member of the Compensation Committee shall be personally liable for any decision or action taken in good faith with respect to the Plan.
- 5.2 A member of the Compensation Committee shall abstain from participating in and deciding any matter relating granting of any Option to him.

6. GOVERNMENTAL REGULATIONS

The Plan shall be subject to and governed by all Applicable Laws. The transfer/grant of Shares/Options under this Plan shall entitle the Company to require the Optionee to comply with such conditions of law as may be necessary in the opinion of the Company.

7. GENERAL RISKS

Participation in the Plan 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 is that of the Optionee alone. The Optionee is encouraged to make considered judgement and seek adequate information /clarifications essential for appropriate decision.

8. ELIGIBILITY AND APPRAISAL PROCESS

- a) Only the Employees are eligible for being granted Employee Stock Options.
- b) The appraisal process for determining the eligibility of the employee will be specified by the Compensation Committee, and will be based on criteria such as the seniority of the employee, length of service, performance record, merit of the employee, future potential contribution by the employee and / or any such other criteria that may be determined by the compensation Committee at its sole discretion.

9. CONDITIONS FOR ISSUE OF GRANT LETTERS

- a) The grant letter and the relevant stock option agreement will set out the terms and conditions of issue of Options to the Employee. If the Employee does not wish to accept the grant made by the Compensation Committee, then he shall communicate his non-acceptance to the Compensation Committee within fifteen (15) days from the date of the grant. If a letter of non-acceptance is not received within fifteen (15) days from the date of grant, the grant will be considered to have been accepted. The acceptance of the grant by the Employee shall not, in any manner, be construed to compel the Employee to Exercise his Option upon the Option becoming a Vested Option in the said Employee.
- b) The grant letter shall, besides other terms and conditions, specify the number of Options granted, the Vesting Period, the vesting schedule, the Exercise Price, the Exercise Period, etc.

-
- c) The grant letter confirms the right of Exercise by the Optionee during the Exercise Period and at the Exercise Price, to apply for and be allotted the Shares of the Company upon Options becoming Vested Options.

The grant is not transferable by the Optionee till the Options become Vested Options and are exercised by the Optionee and Shares issued in this regard. Therefore, for the purposes of clarity, only the Shares issued upon conversion of the Vested Options are transferable by the Optionee and Options (whether vested or unvested) are not transferable by the Optionee. Further, only the Optionee named in the grant letter shall be entitled to the rights thereof except in exceptional circumstances as stated in the Plan. The Optionee is not entitled to pledge, hypothecate, charge, mortgage or in any manner alienate or dispose of the grant or Options (whether vested or unvested) to any other person.

10. LIMITATIONS FOR GRANT OF OPTIONS

Notwithstanding anything contained in this Plan, the face value of Shares allotted under this Plan to the class of Employees falling within clause 2(g) (ii) of this Plan shall not exceed 5 % of the total paid up Share capital of the Company as on date of the grant of Options or any other such percentage as may be notified under the provisions of the Foreign Exchange Management Act, 1999 from time to time.

The number of options that may be granted to any specific employee under the plan, during any one year, shall not exceed 1% of the outstanding issued equity capital as on the date of Grant (excluding outstanding options, warrants and conversions) and in aggregate, all such grants shall not exceed 15,00,000 (Fifteen Lakhs only) Equity Shares of the Company.

The no. of options that may be granted to any non-executive director (including any independent director but not including any director who is a promoter), of the Company and its subsidiaries in any financial year under the plan shall not exceed 1% of the outstanding issued equity capital as on the date of Grant (excluding outstanding options, warrants and conversions) and in aggregate shall not exceed 15,00,000 (Fifteen Lakhs only).

11. OPTIONS

11.1 Issue of Options

- a) The Options shall be issued to the Optionees by the Compensation Committee for such Exercise Price and in such numbers as may be determined by the Compensation Committee from time to time, in accordance with the Guidelines.

-
- b) The issue of Options under the Plan shall in no way affect the right of the Company to adjust, re-classify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

11.2 Vesting Period

The Options granted under the Plan shall vest in the Optionee(s) during the vesting period.

The vesting period of the stock options granted shall be determined by the compensation committee of the board from time to time, subject to the guidelines and Companies Act, 1956, provided that the minimum vesting period shall be for 1 year and the maximum vesting period shall be of 4 years.

11.3 Exercise of Vested Options

- a) The Optionee is entitled to Exercise only the Vested Options. The Optionee shall Exercise the Vested Options within a period of five (5) years from the date of Vesting or such other period as may be determined by the Compensation Committee at the Exercise Price by way of cash or cheque, drawn to the order of the Compensation Committee or in such other consideration as the Compensation Committee deems appropriate. The Exercise Price shall be equal to the prevailing Market Price being the latest available closing price prior to the date of the meeting of the Compensation Committee in which Options are granted, on the Stock Exchanges on which the shares of the Company are listed. Since the shares are listed on more than one Stock Exchange, the Stock Exchange where there is a highest trading volume on the said date shall be considered.
- b) The Compensation Committee shall have the full power and authority to extend the Exercise Period of any Option granted under this Plan as the Compensation Committee may deem appropriate provided the exercise period is not extended beyond 5 years from the date of the vesting.
- c) The Optionee may at his discretion Exercise all or any of the Vested Options, provided such Exercise is made in lots of such number of Shares or parts thereof as may be determined by the Compensation Committee from time to time and within the Exercise Period.

-
- d) In case of the Optionee ceasing to be Employee of the Company by reason of resignation, i.e., voluntary separation from the Company, the Optionee shall have the right to Exercise all the vested options at any time within a Period of one month from the date of his separation from the employment. In the event, that the Vested Options are not exercised within the aforesaid Period by such Optionee, the Vested Options shall lapse.
 - e) Notwithstanding, anything to the contrary in this Plan, the Options shall lapse in their entirety immediately upon the Optionee's termination or other service relationship upon a Cause, regardless of whether the Options are vested or not. However, the Optionee may be allowed to exercise the Vested Options with the written approval of the Compensation Committee within ninety (90) days from such discharge in exceptional circumstances.
 - f) In the event of death of an Optionee while in employment, all the Options (both vested and unvested) granted to the Optionee till such date shall be transferred to the legal heirs/nominee of the deceased Optionee as Vested Options. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the legal heirs/nominee. However, the unvested options shall vest only after one year from the date of grant.
 - g) In the event of Permanent Disability of an Optionee while in employment, all the Options (both vested and unvested) granted to the Optionee as on the date of the occurrence of Permanent Disability shall be transferred to the Optionee or nominee of the Optionee as Vested Options on that day as may be determined by the Compensation committee of the Board after considering the circumstances of each case. Such Vested Options would be exercisable by the Optionee or the nominee of the Optionee at any time within the Exercise Period. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the Optionee or the nominee of the Optionee. However, the unvested options shall vest only after one year from the date of grant.
 - h) In the event of severance of employment of an Optionee from the Company as a part of reconstitution/amalgamation/sell-off or such other significant change in the Company's structure, the Optionee will have to Exercise the Vested Options within a date as

predetermined by the agreement dealing with the reconstitution/amalgamation/sell-off or such other significant change in the Company's structure, from the date of severance. In the event that the Vested Options are not exercised within this period, the Options shall lapse. This condition shall be applicable notwithstanding that the normal Exercise Period may be longer than the period mentioned under the agreement dealing with the reconstitution/amalgamation, etc. of the Company.

- i) In the event of an Optionee being transferred to a Subsidiary at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. All Unvested Options shall vest in accordance with the relevant stock option agreement. The Vested Options can be exercised at any time within the Exercise Period.
- j) In the event of retirement of an Optionee from the Company at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime as specified under clause d) herein above. The above is applicable provided the Optionee does not enter into competition or is not employed by a competitor of the Company.
- k) In the event of the Company being taken-over or amalgamated or merged with another company, the Compensation Committee, at its sole discretion and in conjunction with the acquiring company, may decide to issue fresh Options which shall carry the option of conversion into Shares of the merged company on such terms and conditions as may be decided by the Compensation Committee. However, the same shall be at the discretion of the Compensation Committee, which may alternatively decide for lapse of the Options, which shall be purchased back by the Compensation Committee without issue of any fresh Options.
- l) The Exercise of Vested Options is deemed to be completed when the Shares are allotted to the Optionee in response to his application and payments, if any, in accordance with the relevant stock option agreement and grant letter.
- m) In the event of resignation or termination of employment of the Optionee, all Unvested Options shall lapse. However, the Optionee shall, subject to clause 11.3 (d) or (e) as applicable of the Plan, shall be entitled to retain all the Vested Options.

-
- n) In case the Optionee does not Exercise the Vested Options within the Exercise Period, the said Options will lapse and no rights will accrue to the Optionee after that date.
 - o) In the event, the Optionee/legal heir/nominee is unable to Exercise the Vested Options within the Exercise Period, on the happening of any contingencies mentioned in this clause 11.3 of the Plan, then such an Optionee/legal heir/nominee shall have an obligation to notify the Compensation Committee in writing prior to the lapse of the Exercise Period indicating the contingencies and his consequent inability to Exercise the Vested Options. Such a written notification to the Compensation Committee shall be a prerequisite in order for the Optionee/legal heir/nominee to be entitled to any refund of amounts paid towards the Exercise of the Options.
 - p) For the purpose of clarity, the Exercise of Options by the Optionee is a right granted to the said Optionee, and not an obligation, under the Plan, to apply for and be transferred the Shares of the Company at the Exercise Price, subject to the requirements of vesting detailed under the relevant stock option agreement and the grant letter.

11.4 Surrender of Options

An Optionee/legal heirs/nominee may surrender any or all of the Options to the Compensation Committee at any time, whether vested or not. The entitlement to such surrender shall be limited prior to the lapse of the Exercise Period.

11.5 Corporate Action

- a) In case of any corporate action (s) such as rights issues, bonus issues, merger / amalgamation and sale of division and others, if any additional equity shares are issued by the Company to the Option Grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling as provided in the Clause 4.1 shall be deemed to be increased to the extent of such additional equity shares issued.
- b) Notwithstanding any grant of Options made by the Company to the Employees in pursuance to this Plan and subject to the Guidelines, the Company is at full liberty to issue any further Shares at any price as it thinks fit to any class of persons, at any time at its discretion.
- c) The Compensation Committee shall intimate the Optionee in a written notice subsequent to a bonus/rights issue of Shares regarding the increase

in the number of Options granted to the Employee under the grant and also the reduction in the Exercise Price.

- d) The issue of the bonus/rights Shares shall not change any of the rights or conditions under which the Options have been granted except the entitlement to an increase in the number of Shares which may be applied for and a reduction in the Exercise Price.
- e) In the event of an issue of bonus/rights Shares being made by the Company after the grant, the Optionee shall, with regard to all Options, whether vested or not, have the right to apply for the increased number of Shares upon the Options becoming Vested Options, equivalent to the ratio in which the bonus/rights Shares are issued. However, the eligibility of the Optionee for the above said bonus/rights Shares and the reduction in the Exercise Price and the length of the Exercise Period would be decided by the Compensation Committee.

11.6 Option for Conversion

The Optionee may opt for conversion of his Vested Options into Shares by applying to the Compensation Committee during the Exercise Period in a specified format.

11.7 Cancellation/Regrant/Buy-Back of Options

- a) The Compensation Committee shall have the authority to effect, at any time and from time to time, the cancellation of any or all outstanding Options under the Plan and grant in substitution new Options under the Plan covering the same or different numbers of Shares.
- b) The Compensation Committee shall consider, in case of each substitute grant, whether and the extent to which the vesting schedule related to the exercisability of the substitute Option should extend beyond the schedule for the cancelled Option.
- c) The Compensation Committee shall also consider setting up a vehicle as per the Applicable Laws to enable the Optionee to sell all or part of the Vested Options in the circumstances mentioned in clause 11.3 of the Plan and to enable the Compensation Committee to buy the Shares back from the Optionee.
- d) Options forfeited/lapsed/ surrendered can be regranted to employees from time to time by the Compensation Committee of

the Board till all the options under the said plans are exercised and exhausted completely.

12. SHARES

12.1 Issue of Shares

- a) After the Options are converted into Shares, the Shares so converted shall be subject to the terms and conditions as mentioned below.
- b) The Shares shall not be subject to any lock in period from the date the Options are converted into Shares.

12.2 Ranking of Shares

- a) The Shares arising on the conversion of the Options shall, subject to the rights provided in the Memorandum of Association and Articles of Association of the Company, rank pari-passu with all the other Shares of the Company from the date of conversion of Options into Shares. Thus, any right attached to such Shares shall be with reference to the date of conversion of the Options into Shares.
- b) The Optionee shall not have any of the rights of a shareholder with respect to the Shares until such Shares have been issued to him upon the due Exercise of the Vested Options. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such Shares are issued.

13. RESTRICTIONS ON DISPOSITION

The Compensation committee may, subject to the requirements of Guidelines, determine any lock-in period for the options granted under this plan.

14. TAX LIABILITY

- a) In the event of any tax liability arising to the Optionee on account of the issue of the Options/conversion into Shares/transfer of Shares or on any other event, the liability shall be that of the Optionee alone.
- b) In the event of any tax liability arising on account of the Plan to the Company, the Company, on the advice of the Compensation Committee, shall have the right to cause the Shares issuable under this Plan to be sold or otherwise alienated or to have the Options nullified to meet the liability

or to meet the liability on behalf of the Optionee in the event the Optionee fails to pay back such liability borne by the Company on the Optionee's behalf.

15. CONFIDENTIALITY

- a) The Optionee who holds any Options/Shares under the Plan shall not divulge the details of the Plan and his holding to any person except with the prior permission of the Company obtained in writing.
- b) The Optionee shall enter into such agreements, as the Company may desire, from time to time, to more fully and effectively implement the Plan.

16. CONTRACT OF EMPLOYMENT

- a) The Plan shall not form part of any contract of employment between the Company and the Employees. The rights and obligations of any individual Employee under the terms of his office or employment with the Company shall not be affected by his participation in the Plan or any right, which he may have to participate in it.
- b) Nothing in the Plan shall be construed as affording an Employee any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.
- c) The Plan shall not confer on any person any legal or equitable rights against the Company either directly or indirectly or give rise to any cause of action in law or equity against the Company.
- d) The Plan is purely at the discretion of the Company.

17. NO RIGHT TO CONTINUED EMPLOYMENT/SERVICE

- a) Neither the action of the Company in establishing the Plan nor any action taken by the Compensation Committee, nor any provision of the Plan shall be construed so as to grant the Optionee the right to remain in the employment or service of the Company, for any period of specific duration.
- b) The Company shall have full right to terminate the Optionee's employment or services at any time for any reason, with or without Cause. In the event the Company chooses to terminate the services of the Optionee without a Cause then the Company shall provide the Optionee with sufficient notice and validate the reasons for termination of the

Optionee through a due process. If the reasons for termination are determined to be justifiable under the due process then the Employee shall be liable to forfeit all his Options, whether vested or unvested, in favour of the Compensation Committee, on the date of termination. For termination for Cause, clause 11.3(e) of this Plan shall be applicable to all Options, both vested and unvested.

18. APPOINTMENT OF NOMINEE

- a) In the event of circumstances detailed in clause 11.3 (f) and (g) of this Plan, an Optionee may appoint a person as his nominee(s) for the purpose of exercising the rights, subject to the obligations, in terms of the Plan. Such Optionee shall appoint a nominee(s) by submitting a letter in the form specified in *Annexure 1* to the Plan. The Optionee has the right to revoke such nomination at any time and a fresh nomination may be made on such revocation. Notwithstanding the appointment of a nominee and exercise of rights under this Plan by the said nominee, the Company or the Compensation Committee shall not be liable in relation to any rights and obligations amongst the legal heirs of the Optionee concerned.
- b) If the Optionee fails to make a nomination, in the event of his inability/incapacity to hold the Shares under clause 11.3 (f) and (g) of this Plan, the same shall revert back to the name and sole custody of the Compensation Committee, to be dealt with in a fair and reasonable manner.

19. AMENDMENT OF THE PLAN

The Compensation Committee may cancel any or all outstanding Options under the Plan and grant in substitution, new Options under the Plan covering same or different numbers of Shares but having an Exercise Price as mentioned in the relevant stock option agreement and the grant letter. The Compensation Committee shall not vary the terms of the Plan in any manner, which may be detrimental to the interests of the employees.

ANNEXURE 1

NOMINATION

Date: _____

To: The Compensation Committee

OnMobile Global Limited

Dear Sirs,

In respect of the rights to be exercised by me under the **Employees Stock Option Plan I-
- 2013 (“Plan”)**, I hereby appoint _____ (*please specify nature of relationship*) viz.,
Mr/Mrs/Miss _____, aged _____ years, residing at
_____ as my nominee in accordance with clause 18 of the
Plan.

Yours faithfully

Witnessed by:

1. Signature:

Name :

Address :

2. Signature:

Name :

Address :

EMPLOYEES STOCK OPTION PLAN - I, 2012

SHORT TITLE, EXTENT AND COMMENCEMENT

This plan may be called the **“OnMobile Employees Stock Option Plan - I, 2012”** (hereinafter referred to as the **“Plan”**).

It applies only to the bonafide confirmed Employees of OnMobile Global Limited or its Subsidiaries whether in India or outside India, who are in whole-time employment of the Company or its subsidiary(ies). At the discretion of the Compensation Committee, Employees of all Subsidiaries, now or hereinafter existing, may also be covered. In the event the employee is transferred to any of the Company’s subsidiary, then the options granted to the employee shall continue to vest in him.

It shall be deemed to have come into force on August 29, 2012 and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all the options available for issuance under the Plan have been issued and exercised.

1. OBJECT

The object of the Plan is to create a sense of ownership within the organization, to reward Employees for ongoing performance and motivate them to drive the Company value. The Plan has been adopted by a Board resolution of the Company. The object of the Plan is to grant Options, at the discretion of the Company, to the Employees of the Company, who are eligible and qualify under the Plan. Such Options shall be convertible to Shares of the Company and Employees holding such Options shall be allotted Shares of the Company on Exercise of such Options. This Plan has been approved by a special resolution of the present members of the Company at the Annual General Meeting held on August 29, 2012.

2. DEFINITIONS

In this Plan, unless the context otherwise requires,

- a) **“Applicable Laws”** shall mean the legal requirements relating to stock option plans, including, without limitation, the tax, securities or corporate laws of India, any stock exchange or quotation on which the shares are listed or quoted.
- b) **“Board”** shall mean the Board of Directors of the Company as a whole or a majority of them or any committee of the board exclusively constituted for purpose of administering the Plan.
- c) **“Cause”** shall mean conduct, as determined by the Board involving the commission of an act of theft, embezzlement, fraud, dishonesty or moral

turpitude, the deliberate disregard of the rules of the Company or on such other disciplinary grounds which resulted in or on the Board's determination may result in loss, damage or injury to the Company, the unauthorized disclosure of any trade secret or confidential information of the Company, or the commission of an act which constitutes unfair competition.

- d) **“Company”** shall mean OnMobile Global Limited.
- e) **“Compensation Committee”** shall mean the compensation committee constituted by the Board for administration and superintendence of this Plan and comprising a majority of Independent Directors or such other composition as may be required under the Applicable Law.
- f) **“Director”** shall mean a director of the Company or its Subsidiaries whether whole time or not and shall include an Independent Director.
- g) **“Employee”** shall mean:
 - (i) a permanent employee of the Company or its Subsidiaries working in India;
 - (ii) a permanent employee of the Company or any of its Subsidiary who is a person resident outside India as defined in the Foreign Exchange Management Act, 1999 or an employee of the Company or its Subsidiary who is a foreign national or any other employee of any of its Subsidiary;
 - (iii) the Directors of the Company or its Subsidiaries whether whole-time or not;

but shall not include (a) an employee who is a Promoter or who belongs to the Promoter Group; (b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.

- h) **“Exercise”** is the act of a written application being made by the Optionee to the Company to have the Vested Options converted and issued as Shares upon payment of the Exercise Price and applicable taxes, if any, in accordance with this Plan and the relevant stock option agreement.
- i) **“Exercise Period”** shall mean the period commencing from the date on which the Options become Vested Options vis-à-vis the Optionee in accordance with the relevant stock option agreement and terminating on such date as may be specified under the said agreement, within which

period the Optionee shall have the right to Exercise his Vested Options. Provided that in no event shall the Exercise Period exceed five (5) years from the date the Options become Vested Options.

- j) **“Exercise Price”** shall mean the price at which Vested Options held by the Optionee may be exercised.
- k) **“Grant”** means issue of Options to the Employees under this Plan and the relevant stock option agreement.
- l) **“Guidelines”** means Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.
- m) **“Independent Director”** shall mean a Director of the Company, not being a whole time Director and who is neither a Promoter nor belongs to the Promoter Group.
- n) **“Market Price”** means the latest available closing price, prior to the date of the meeting of the Compensation Committee in which options are granted/shares are issued, on the stock exchange on which the shares of the Company are listed. Since the shares are listed on more than one stock exchange, the stock exchange where there is highest trading volume on the said date shall be considered.
- o) **“Option”** shall mean a stock option granted by the Company to the Employees pursuant to this Plan, which Option upon becoming a Vested Option, would be convertible into Shares in accordance with the relevant stock option agreement.
- p) **“Optionee”** shall mean an Employee of the Company who holds Options granted by the Company pursuant to this Plan and who has duly executed a stock option agreement with the Company.
- q) **“Plan”** shall mean this OnMobile Employee Stock Option Plan - I, 2012.
- r) **“Promoter”** means:
 - (i) the person or persons who are in overall control of the Company;
 - (ii) the person or persons who were instrumental in the formation of the Company or programme pursuant to which the shares were offered to the public;

-
- (iii) the persons or persons named in the offer document as promoter(s).

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; and

Explanation: Where a promoter of a company is a body corporate, the promoters of that body corporate shall also be deemed to be promoters of the company.

- s) **“Promoter Group”** shall mean:
- (i) an immediate relative of a Promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and
 - (ii) those persons whose shareholding is aggregated for the purpose of disclosing in the offer document as “shareholding of the promoter group”, at any time after the listing of the Company.
- t) **“Permanent Disablement”** shall mean such disablement, which incapacitates an Employee for all work that he was capable of performing at the time of the accident resulting in such disablement.
- u) **“Share”** means equity shares of the Company and securities convertible into equity share and shall include American Depositary Receipt (ADRs), Global Depositary Receipts (GDRs) or other depository receipts representing underlying equity share or security convertible into equity share and where the context so requires shall be deemed to include the Resultant Shares also. .
- v) **“Subsidiary”** shall mean a subsidiary company of the Company in which the Company holds more than half of nominal value of the aggregate equity share capital either directly or indirectly and includes any number of step-down Subsidiaries and includes any Subsidiary within or outside India.
- w) **“Unvested Option”** shall mean an Option, which has not vested in the Optionee in accordance with the relevant stock option agreement. For the purpose of clarity, unvested option is an Option in respect of which the relevant Vesting Period has not been completed.
- x) **“Vesting”** means earning by the Optionee, of the right to apply for Shares against the Options granted to him in pursuance of this Plan and the relevant stock option agreement.

-
- y) **“Vested Option”** shall mean an Option, which has duly vested in the Optionee by reason of the Vesting Period being completed in accordance with the relevant stock option agreement.
- z) **“Vesting Period”** shall mean the period during which the vesting of the Options, granted to the Optionee in pursuance of the Plan and the relevant stock option agreement, is effected. The vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option under this Stock Option Plan.
3. Words not specifically defined herein shall have the meaning attributed to them under the Guidelines.

ESTABLISHMENT OF THE COMPENSATION COMMITTEE

The Board shall, as soon as may be possible, constitute a Compensation Committee in accordance with the Guidelines consisting of a majority of Independent Directors of the Company. Currently, the Board has formulated a Compensation Committee which administers and implements the ESOP Plans. The Committee consists of two independent Directors and one Non-Executive Director.

4. AUTHORITY AND MAXIMUM CEILING

- 4.1 A Resolution has been passed by the shareholders of the Company at the General Meeting of the Company held on August 29, 2012 authorising the Board / Compensation Committee to issue to the Employees, Employee Stock Options under the OnMobile Employee Stock Option Plan - I, 2012, exercisable into not more than 30,00,000 or such number as may be required on account of Corporate Action, with each of 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.
- 4.2 If Employee Stock Option expires or becomes unexercisable without having been exercised in full, the un exercised options , which were subject thereto, shall become available for future Grants under the Plan (unless the OnMobile Employee Stock Option Plan - I, 2012 stands terminated).
- 4.3 Where Shares are issued consequent upon exercise of an Employee Stock Option under the Plan the maximum number of Shares underlying the Employee Stock Options referred to in Clause 4.1 above will stand reduced to the extent of such Shares issued.

5. ADMINISTRATION AND IMPLEMENTATION OF THE PLAN

- a) The Plan shall be administered by the Compensation Committee. In this regard, the Compensation Committee shall frame the guidelines for the administration and management of the Plan.
- b) The Options that are set-aside under the Plan shall be allocated from time to time to the Optionee in pursuance of the Plan and subject to the conditions under the relevant stock option agreement duly executed by the said Optionee.
- c) Under the Plan, a total of 30,00,000 (Thirty Lakhs only) options shall be made available for grant to the Employees.
- d) In the event of any change to the capital of the Company or any capital reconstruction, re-capitalization or capital infusion by reason of split, capitalization, consolidation, exchange or other changes affecting the capital as a class without receipt of consideration by the Company, appropriate adjustments shall be made to the maximum number of options under the Plan to ensure there is no dilution in the shareholding and the percentage of Shares allotted under this Plan.
- e) Subject to the provisions of the Plan and approval of the Board, the Compensation Committee shall have the authority to do the following:
 - (i) determine the number of Options to be granted to each class/category of Optionees and in aggregate;
 - (ii) to select the class of Employees to whom options may from time to time be granted hereunder;
 - (iii) approve grant letters to be provided to the each class/category of Optionees and other forms of agreement which are required to be executed by the Optionees pursuant to the Plan;
 - (iv) determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option granted hereunder;
 - (v) construe and interpret the terms of the Plan and Options granted pursuant to the Plan and the relevant stock option agreements;
 - (vi) determine the Vesting Period and Exercise Period of the Options granted to the each class/category of Optionees; and

-
- (vii) adopt the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others in accordance with the Guidelines.
 - (viii) determine the conditions under which Options vested in Employees may lapse in case of termination of employment for misconduct.
 - (ix) the Grant, Vesting and Exercise of Options in case of Employees who are on long leave.
 - (x) the procedure for cashless exercise of Options.
- f) All decisions, determinations and interpretations of the Compensation Committee shall be final and binding on all Optionees.
 - g) The Compensation Committee shall frame suitable policies to ensure that there is no violation of the Securities and Exchange Board of India (Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- 5.1 No member of the Compensation Committee shall be personally liable for any decision or action taken in good faith with respect to the Plan.
- 5.2 A member of the Compensation Committee shall abstain from participating in and deciding any matter relating granting of any Option to him.

6. GOVERNMENTAL REGULATIONS

The Plan shall be subject to and governed by all Applicable Laws. The transfer/grant of Shares/Options under this Plan shall entitle the Company to require the Optionee to comply with such conditions of law as may be necessary in the opinion of the Company.

7. GENERAL RISKS

Participation in the Plan 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 is that of the Optionee alone. The Optionee is encouraged to make considered judgement and seek adequate information /clarifications essential for appropriate decision.

8. ELIGIBILITY AND APPRAISAL PROCESS

- a) Only the Employees are eligible for being granted Employee Stock Options.
- b) The appraisal process for determining the eligibility of the employee will be specified by the Compensation Committee, and will be based on criteria such as the seniority of the employee, length of service, performance record, merit of the employee, future potential contribution by the employee and / or any such other criteria that may be determined by the compensation Committee at its sole discretion.

9. CONDITIONS FOR ISSUE OF GRANT LETTERS

- a) The grant letter and the relevant stock option agreement will set out the terms and conditions of issue of Options to the Employee. If the Employee does not wish to accept the grant made by the Compensation Committee, then he shall communicate his non-acceptance to the Compensation Committee within fifteen (15) days from the date of the grant. If a letter of non-acceptance is not received within fifteen (15) days from the date of grant, the grant will be considered to have been accepted. The acceptance of the grant by the Employee shall not, in any manner, be construed to compel the Employee to Exercise his Option upon the Option becoming a Vested Option in the said Employee.
- b) The grant letter shall, besides other terms and conditions, specify the number of Options granted, the Vesting Period, the vesting schedule, the Exercise Price, the Exercise Period, etc.

-
- c) The grant letter confirms the right of Exercise by the Optionee during the Exercise Period and at the Exercise Price, to apply for and be allotted the Shares of the Company upon Options becoming Vested Options.

The grant is not transferable by the Optionee till the Options become Vested Options and are exercised by the Optionee and Shares issued in this regard. Therefore, for the purposes of clarity, only the Shares issued upon conversion of the Vested Options are transferable by the Optionee and Options (whether vested or unvested) are not transferable by the Optionee. Further, only the Optionee named in the grant letter shall be entitled to the rights thereof except in exceptional circumstances as stated in the Plan. The Optionee is not entitled to pledge, hypothecate, charge, mortgage or in any manner alienate or dispose of the grant or Options (whether vested or unvested) to any other person.

10. LIMITATIONS FOR GRANT OF OPTIONS

Notwithstanding anything contained in this Plan, the face value of Shares allotted under this Plan to the class of Employees falling within clause 2(g) (ii) of this Plan shall not exceed 5 % of the total paid up Share capital of the Company as on date of the grant of Options or any other such percentage as may be notified under the provisions of the Foreign Exchange Management Act, 1999 from time to time.

The number of options that may be granted to any specific employee under the plan, during any one year, shall not exceed 1% of the outstanding issued equity capital as on the date of Grant (excluding outstanding options, warrants and conversions) and in aggregate, all such grants shall not exceed 30,00,000 (thirty lakhs) Equity Shares of the Company.

The no. of options that may be granted to any non-executive director (including any independent director but not including any director who is a promoter), of the Company and its subsidiaries in any financial year under the plan shall not exceed 1% of the outstanding issued equity capital as on the date of Grant (excluding outstanding options, warrants and conversions) and in aggregate shall not exceed 30,00,000.

11. OPTIONS

11.1 Issue of Options

- a) The Options shall be issued to the Optionees by the Compensation Committee for such Exercise Price and in such numbers as may be determined by the Compensation Committee from time to time, in accordance with the Guidelines.

-
- b) The issue of Options under the Plan shall in no way affect the right of the Company to adjust, re-classify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

11.2 Vesting Period

The Options granted under the Plan shall vest in the Optionee(s) during the vesting period.

The vesting period of the stock options granted shall be determined by the compensation committee of the board from time to time, subject to the guidelines and Companies Act, 1956, provided that the minimum vesting period shall be for 1 year and the maximum vesting period shall be of 4 years.

11.3 Exercise of Vested Options

- a) The Optionee is entitled to Exercise only the Vested Options. The Optionee shall Exercise the Vested Options within a period of five (5) years from the date of Vesting or such other period as may be determined by the Compensation Committee at the Exercise Price by way of cash or cheque, drawn to the order of the Compensation Committee or in such other consideration as the Compensation Committee deems appropriate. The Exercise Price shall be equal to the prevailing Market Price being the latest available closing price prior to the date of the meeting of the Compensation Committee in which Options are granted, on the Stock Exchanges on which the shares of the Company are listed. Since the shares are listed on more than one Stock Exchange, the Stock Exchange where there is a highest trading volume on the said date shall be considered.
- b) The Compensation Committee shall have the full power and authority to extend the Exercise Period of any Option granted under this Plan as the Compensation Committee may deem appropriate provided the exercise period is not extended beyond 5 years from the date of the vesting.
- c) The Optionee may at his discretion Exercise all or any of the Vested Options, provided such Exercise is made in lots of such number of Shares or parts thereof as may be determined by the Compensation Committee from time to time and within the Exercise Period.

-
- d) In case of the Optionee ceasing to be Employee of the Company by reason of resignation, i.e., voluntary separation from the Company, the Optionee shall have the right to Exercise all the vested options at any time within a Period of one month from the date of his separation from the employment. In the event, that the Vested Options are not exercised within the aforesaid Period by such Optionee, the Vested Options shall lapse.
 - e) Notwithstanding, anything to the contrary in this Plan, the Options shall lapse in their entirety immediately upon the Optionee's termination or other service relationship upon a Cause, regardless of whether the Options are vested or not. However, the Optionee may be allowed to exercise the Vested Options with the written approval of the Compensation Committee within ninety (90) days from such discharge in exceptional circumstances.
 - f) In the event of death of an Optionee while in employment, all the Options (both vested and unvested) granted to the Optionee till such date shall be transferred to the legal heirs/nominee of the deceased Optionee as Vested Options. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the legal heirs/nominee. However, the unvested options shall vest only after one year from the date of grant.
 - g) In the event of Permanent Disability of an Optionee while in employment, all the Options (both vested and unvested) granted to the Optionee as on the date of the occurrence of Permanent Disability shall be transferred to the Optionee or nominee of the Optionee as Vested Options on that day as may be determined by the Compensation committee of the Board after considering the circumstances of each case. Such Vested Options would be exercisable by the Optionee or the nominee of the Optionee at any time within the Exercise Period. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the Optionee or the nominee of the Optionee. However, the unvested options shall vest only after one year from the date of grant.

-
- h) In the event of severance of employment of an Optionee from the Company as a part of reconstitution/amalgamation/sell-off or such other significant change in the Company's structure, the Optionee will have to Exercise the Vested Options within a date as predetermined by the agreement dealing with the reconstitution/amalgamation/sell-off or such other significant change in the Company's structure, from the date of severance. In the event that the Vested Options are not exercised within this period, the Options shall lapse. This condition shall be applicable notwithstanding that the normal Exercise Period may be longer than the period mentioned under the agreement dealing with the reconstitution/amalgamation, etc. of the Company.
 - i) In the event of an Optionee being transferred to a Subsidiary at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. All Unvested Options shall vest in accordance with the relevant stock option agreement. The Vested Options can be exercised at any time within the Exercise Period.
 - j) In the event of retirement of an Optionee from the Company at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime as specified under clause d) herein above. The above is applicable provided the Optionee does not enter into competition or is not employed by a competitor of the Company.
 - k) In the event of the Company being taken-over or amalgamated or merged with another company, the Compensation Committee, at its sole discretion and in conjunction with the acquiring company, may decide to issue fresh Options which shall carry the option of conversion into Shares of the merged company on such terms and conditions as may be decided by the Compensation Committee. However, the same shall be at the discretion of the Compensation Committee, which may alternatively decide for lapse of the Options, which shall be purchased back by the Compensation Committee without issue of any fresh Options.
 - l) The Exercise of Vested Options is deemed to be completed when the Shares are allotted to the Optionee in response to his application and payments, if any, in accordance with the relevant stock option agreement and grant letter.
 - m) In the event of resignation or termination of employment of the Optionee, all Unvested Options shall lapse. However, the Optionee

shall, subject to clause 11.3 (d) or (e) as applicable of the Plan, shall be entitled to retain all the Vested Options.

- n) In case the Optionee does not Exercise the Vested Options within the Exercise Period, the said Options will lapse and no rights will accrue to the Optionee after that date.
- o) In the event, the Optionee/legal heir/nominee is unable to Exercise the Vested Options within the Exercise Period, on the happening of any contingencies mentioned in this clause 11.3 of the Plan, then such an Optionee/legal heir/nominee shall have an obligation to notify the Compensation Committee in writing prior to the lapse of the Exercise Period indicating the contingencies and his consequent inability to Exercise the Vested Options. Such a written notification to the Compensation Committee shall be a prerequisite in order for the Optionee/legal heir/nominee to be entitled to any refund of amounts paid towards the Exercise of the Options.
- p) For the purpose of clarity, the Exercise of Options by the Optionee is a right granted to the said Optionee, and not an obligation, under the Plan, to apply for and be transferred the Shares of the Company at the Exercise Price, subject to the requirements of vesting detailed under the relevant stock option agreement and the grant letter.

11.4 Surrender of Options

An Optionee/legal heirs/nominee may surrender any or all of the Options to the Compensation Committee at any time, whether vested or not. The entitlement to such surrender shall be limited prior to the lapse of the Exercise Period.

11.5 Corporate Action

- a) In case of any corporate action (s) such as rights issues, bonus issues, merger / amalgamation and sale of division and others, if any additional equity shares are issued by the Company to the Option Grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling as provided in the Clause 4.1 shall be deemed to be increased to the extent of such additional equity shares issued.
- b) Notwithstanding any grant of Options made by the Company to the Employees in pursuance to this Plan and subject to the Guidelines, the Company is at full liberty to issue any further Shares at any price as it thinks fit to any class of persons, at any time at its discretion.

-
- c) The Compensation Committee shall intimate the Optionee in a written notice subsequent to a bonus/rights issue of Shares regarding the increase in the number of Options granted to the Employee under the grant and also the reduction in the Exercise Price.
 - d) The issue of the bonus/rights Shares shall not change any of the rights or conditions under which the Options have been granted except the entitlement to an increase in the number of Shares which may be applied for and a reduction in the Exercise Price.
 - e) In the event of an issue of bonus/rights Shares being made by the Company after the grant, the Optionee shall, with regard to all Options, whether vested or not, have the right to apply for the increased number of Shares upon the Options becoming Vested Options, equivalent to the ratio in which the bonus/rights Shares are issued. However, the eligibility of the Optionee for the above said bonus/rights Shares and the reduction in the Exercise Price and the length of the Exercise Period would be decided by the Compensation Committee.

11.6 Option for Conversion

The Optionee may opt for conversion of his Vested Options into Shares by applying to the Compensation Committee during the Exercise Period in a specified format.

11.7 Cancellation/Regrant/Buy-Back of Options

- a) The Compensation Committee shall have the authority to effect, at any time and from time to time, the cancellation of any or all outstanding Options under the Plan and grant in substitution new Options under the Plan covering the same or different numbers of Shares.
- b) The Compensation Committee shall consider, in case of each substitute grant, whether and the extent to which the vesting schedule related to the exercisability of the substitute Option should extend beyond the schedule for the cancelled Option.
- c) The Compensation Committee shall also consider setting up a vehicle as per the Applicable Laws to enable the Optionee to sell all or part of the Vested Options in the circumstances mentioned in clause 11.3 of the Plan and to enable the Compensation Committee to buy the Shares back from the Optionee.
- d) Options forfeited/lapsed/ surrendered can be regranted to employees from time to time by the Compensation Committee of the Board till all the options under the said plans are exercised and exhausted completely.

12. SHARES

12.1 Issue of Shares

- a) After the Options are converted into Shares, the Shares so converted shall be subject to the terms and conditions as mentioned below.
- b) The Shares shall not be subject to any lock in period from the date the Options are converted into Shares.

12.2 Ranking of Shares

- a) The Shares arising on the conversion of the Options shall, subject to the rights provided in the Memorandum of Association and Articles of Association of the Company, rank pari-passu with all the other Shares of the Company from the date of conversion of Options into Shares. Thus, any right attached to such Shares shall

be with reference to the date of conversion of the Options into Shares.

- b) The Optionee shall not have any of the rights of a shareholder with respect to the Shares until such Shares have been issued to him upon the due Exercise of the Vested Options. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such Shares are issued.

13. RESTRICTIONS ON DISPOSITION

The Compensation committee may, subject to the requirements of Guidelines, determine any lock-in period for the options granted under this plan.

14. TAX LIABILITY

- a) In the event of any tax liability arising to the Optionee on account of the issue of the Options/conversion into Shares/transfer of Shares or on any other event, the liability shall be that of the Optionee alone.
- b) In the event of any tax liability arising on account of the Plan to the Company, the Company, on the advice of the Compensation Committee, shall have the right to cause the Shares issuable under this Plan to be sold or otherwise alienated or to have the Options nullified to meet the liability or to meet the liability on behalf of the Optionee in the event the Optionee fails to pay back such liability borne by the Company on the Optionee's behalf.

15. CONFIDENTIALITY

- a) The Optionee who holds any Options/Shares under the Plan shall not divulge the details of the Plan and his holding to any person except with the prior permission of the Company obtained in writing.
- b) The Optionee shall enter into such agreements, as the Company may desire, from time to time, to more fully and effectively implement the Plan.

16. CONTRACT OF EMPLOYMENT

- a) The Plan shall not form part of any contract of employment between the Company and the Employees. The rights and obligations of any individual Employee under the terms of his office or employment with the Company shall not be affected by his participation in the Plan or any right, which he may have to participate in it.

-
- b) Nothing in the Plan shall be construed as affording an Employee any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.
 - c) The Plan shall not confer on any person any legal or equitable rights against the Company either directly or indirectly or give rise to any cause of action in law or equity against the Company.
 - d) The Plan is purely at the discretion of the Company.

17. NO RIGHT TO CONTINUED EMPLOYMENT/SERVICE

- a) Neither the action of the Company in establishing the Plan nor any action taken by the Compensation Committee, nor any provision of the Plan shall be construed so as to grant the Optionee the right to remain in the employment or service of the Company, for any period of specific duration.
- b) The Company shall have full right to terminate the Optionee's employment or services at any time for any reason, with or without Cause. In the event the Company chooses to terminate the services of the Optionee without a Cause then the Company shall provide the Optionee with sufficient notice and validate the reasons for termination of the Optionee through a due process. If the reasons for termination are determined to be justifiable under the due process then the Employee shall be liable to forfeit all his Options, whether vested or unvested, in favour of the Compensation Committee, on the date of termination. For termination for Cause, clause 11.3(e) of this Plan shall be applicable to all Options, both vested and unvested.

18. APPOINTMENT OF NOMINEE

- a) In the event of circumstances detailed in clause 11.3 (f) and (g) of this Plan, an Optionee may appoint a person as his nominee(s) for the purpose of exercising the rights, subject to the obligations, in terms of the Plan. Such Optionee shall appoint a nominee(s) by submitting a letter in the form specified in ***Annexure 1*** to the Plan. The Optionee has the right to revoke such nomination at any time and a fresh nomination may be made on such revocation. Notwithstanding the appointment of a nominee and exercise of rights under this Plan by the said nominee, the Company or the Compensation Committee shall not be liable in relation to any rights and obligations amongst the legal heirs of the Optionee concerned.

-
- b) If the Optionee fails to make a nomination, in the event of his inability/incapacity to hold the Shares under clause 11.3 (f) and (g) of this Plan, the same shall revert back to the name and sole custody of the Compensation Committee, to be dealt with in a fair and reasonable manner.

19. AMENDMENT OF THE PLAN

The Compensation Committee may cancel any or all outstanding Options under the Plan and grant in substitution, new Options under the Plan covering same or different numbers of Shares but having an Exercise Price as mentioned in the relevant stock option agreement and the grant letter. The Compensation Committee shall not vary the terms of the Plan in any manner, which may be detrimental to the interests of the employees.

ANNEXURE 1

NOMINATION

Date: _____

To: The Compensation Committee

OnMobile Global Limited

Dear Sirs,

In respect of the rights to be exercised by me under the **Employees Stock Option Plan I-
- 2012 (“Plan”)**, I hereby appoint _____ (*please specify nature of relationship*) viz.,
Mr/Mrs/Miss _____, aged _____ years, residing at
_____ as my nominee in accordance with clause 18 of the
Plan.

Yours faithfully

Witnessed by:

1. Signature:

Name :

Address :

2. Signature:

Name :

Address :

EMPLOYEES STOCK OPTION PLAN - 2011

SHORT TITLE, EXTENT AND COMMENCEMENT

This plan may be called the “**OnMobile Employees Stock Option Plan - 2011**” (hereinafter referred to as the “**Plan**”).

It applies only to the bonafide confirmed Employees of OnMobile Global Limited or its Subsidiaries whether in India or outside India, who are in whole-time employment of the Company or its subsidiary(ies). At the discretion of the Compensation Committee, Employees of all Subsidiaries, now or hereinafter existing, may also be covered. In the event the employee is transferred to any of the Company’s subsidiary, then the options granted to the employee shall continue to vest in him.

It shall be deemed to have come into force on August 04, 2011 and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all the options available for issuance under the Plan have been issued and exercised.

1. OBJECT

The object of the Plan is to create a sense of ownership within the organization, to reward Employees for ongoing performance and motivate them to drive the Company value. The Plan has been adopted by a Board resolution of the Company. The object of the Plan is to grant Options, at the discretion of the Company, to the Employees of the Company, who are eligible and qualify under the Plan. Such Options shall be convertible to Shares of the Company and Employees holding such Options shall be allotted Shares of the Company on Exercise of such Options. This Plan has been approved by a special resolution of the present members of the Company at the general meeting held on August 04, 2011.

2. DEFINITIONS

In this Plan, unless the context otherwise requires,

- a) “**Applicable Laws**” shall mean the legal requirements relating to stock option plans, including, without limitation, the tax, securities or corporate laws of India, any stock exchange or quotation on which the shares are listed or quoted.
- b) “**Board**” shall mean the Board of Directors of the Company as a whole or a majority of them or any committee of the board exclusively constituted for purpose of administering the Plan.

-
- c) **“Cause”** shall mean conduct, as determined by the Board involving the commission of an act of theft, embezzlement, fraud, dishonesty or moral turpitude, the deliberate disregard of the rules of the Company or on such other disciplinary grounds which resulted in or on the Board’s determination may result in loss, damage or injury to the Company, the unauthorized disclosure of any trade secret or confidential information of the Company, or the commission of an act which constitutes unfair competition.
- d) **“Company”** shall mean OnMobile Global Limited.
- e) **“Compensation Committee”** shall mean the compensation committee constituted by the Board for administration and superintendence of this Plan and comprising a majority of Independent Directors or such other composition as may be required under the Applicable Law.
- f) **“Director”** shall mean a director of the Company or its Subsidiaries whether whole time or not and shall include an Independent Director.
- g) **“Employee”** shall mean:
- (i) a permanent employee of the Company or its Subsidiaries working in India;
 - (ii) a permanent employee of the Company or any of its Subsidiary who is a person resident outside India as defined in the Foreign Exchange Management Act, 1999 or an employee of the Company or its Subsidiary who is a foreign national or any other employee of any of its Subsidiary;
 - (iii) the Directors of the Company or its Subsidiaries whether whole-time or not;
- but shall not include (a) an employee who is a Promoter or who belongs to the Promoter Group; (b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.
- h) **“Exercise”** is the act of a written application being made by the Optionee to the Company to have the Vested Options converted and issued as Shares upon payment of the Exercise Price and applicable taxes, if any, in accordance with this Plan and the relevant stock option agreement.
- i) **“Exercise Period”** shall mean the period commencing from the date on which the Options become Vested Options vis-à-vis the Optionee in

accordance with the relevant stock option agreement and terminating on such date as may be specified under the said agreement, within which period the Optionee shall have the right to Exercise his Vested Options. Provided that in no event shall the Exercise Period exceed five (5) years from the date the Options become Vested Options.

- j) **“Exercise Price”** shall mean the price at which Vested Options held by the Optionee may be exercised.
- k) **“Grant”** means issue of Options to the Employees under this Plan and the relevant stock option agreement.
- l) **“Guidelines”** means Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.
- m) **“Independent Director”** shall mean a Director of the Company, not being a whole time Director and who is neither a Promoter nor belongs to the Promoter Group.
- n) **“Market Price”** means the latest available closing price, prior to the date of the meeting of the Board of Directors in which options are granted/shares are issued, on the stock exchange on which the shares of the Company are listed. Since the shares are listed on more than one stock exchange, the stock exchange where there is highest trading volume on the said date shall be considered.
- o) **“Option”** shall mean a stock option granted by the Company to the Employees pursuant to this Plan, which Option upon becoming a Vested Option, would be convertible into Shares in accordance with the relevant stock option agreement.
- p) **“Optionee”** shall mean an Employee of the Company who holds Options granted by the Company pursuant to this Plan and who has duly executed a stock option agreement with the Company.
- q) **“Plan”** shall mean this OnMobile Employee Stock Option Plan, 2011.
- r) **“Promoter”** means:
 - (i) the person or persons who are in overall control of the Company;
 - (ii) the person or persons who were instrumental in the formation of the Company or programme pursuant to which the shares were offered to the public;

-
- (iii) the persons or persons named in the offer document as promoter(s).

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; and

Explanation: Where a promoter of a company is a body corporate, the promoters of that body corporate shall also be deemed to be promoters of the company.

- s) **“Promoter Group”** shall mean:
- (i) an immediate relative of a Promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and
 - (ii) those persons whose shareholding is aggregated for the purpose of disclosing in the offer document as “shareholding of the promoter group”, at any time after the listing of the Company.
- t) **“Permanent Disablement”** shall mean such disablement, which incapacitates an Employee for all work that he was capable of performing at the time of the accident resulting in such disablement.
- u) **“Share”** shall mean an equity share of the Company having a nominal value of Rs. 10/- (Rupees Ten Only).
- v) **“Subsidiary”** shall mean a subsidiary company of the Company in which the Company holds more than half of nominal value of the aggregate equity share capital either directly or indirectly and includes any number of step-down Subsidiaries and includes any Subsidiary within or outside India.
- w) **“Unvested Option”** shall mean an Option, which has not vested in the Optionee in accordance with the relevant stock option agreement. For the purpose of clarity, unvested option is an Option in respect of which the relevant Vesting Period has not been completed.
- x) **“Vesting”** means earning by the Optionee, of the right to apply for Shares against the Options granted to him in pursuance of this Plan and the relevant stock option agreement.
- y) **“Vested Option”** shall mean an Option, which has duly vested in the Optionee by reason of the Vesting Period being completed in accordance with the relevant stock option agreement.

-
- z) **“Vesting Period”** shall mean the period during which the vesting of the Options, granted to the Optionee in pursuance of the Plan and the relevant stock option agreement, is effected. The vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option under this Stock Option Plan.

Words not specifically defined herein shall have the meaning attributed to them under the Guidelines.

3. ESTABLISHMENT OF THE COMPENSATION COMMITTEE

The Board shall, as soon as may be possible, constitute a Compensation Committee in accordance with the Guidelines consisting of a majority of Independent Directors of the Company. Currently, the Board has formulated a Compensation Committee which administers and implements the ESOP Plans. The Committee consists of two independent Directors and one Non-Executive Director.

4. ADMINISTRATION AND IMPLEMENTATION OF THE PLAN

- a) The Plan shall be administered by the Compensation Committee. In this regard, the Compensation Committee shall frame the guidelines for the administration and management of the Plan.
- b) The Options that are set-aside under the Plan shall be allocated from time to time to the Optionee in pursuance of the Plan and subject to the conditions under the relevant stock option agreement duly executed by the said Optionee.
- c) Under the Plan, a total of 11,50,000 (Eleven lakhs and Fifty thousand) options shall be made available for grant to the Employees.
- d) In the event of any change to the capital of the Company or any capital reconstruction, re-capitalization or capital infusion by reason of split, capitalization, consolidation, exchange or other changes affecting the capital as a class without receipt of consideration by the Company, appropriate adjustments shall be made to the maximum number of options under the Plan to ensure there is no dilution in the shareholding and the percentage of Shares allotted under this Plan.
- e) Subject to the provisions of the Plan and approval of the Board, the Compensation Committee shall have the authority to do the following:

-
- (i) determine the number of Options to be granted to each class/category of Optionees and in aggregate;
 - (ii) to select the class of Employees to whom options may from time to time be granted hereunder;
 - (iii) approve grant letters to be provided to the each class/category of Optionees and other forms of agreement which are required to be executed by the Optionees pursuant to the Plan;
 - (iv) determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option granted hereunder;
 - (v) construe and interpret the terms of the Plan and Options granted pursuant to the Plan and the relevant stock option agreements;
 - (vi) determine the Vesting Period and Exercise Period of the Options granted to the each class/category of Optionees; and
 - (vii) adopt the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others in accordance with the Guidelines.
 - (viii) determine the conditions under which Options vested in Employees may lapse in case of termination of employment for misconduct.
 - (ix) the Grant, Vesting and Exercise of Options in case of Employees who are on long leave.
 - (x) the procedure for cashless exercise of Options.
- f) All decisions, determinations and interpretations of the Compensation Committee shall be final and binding on all Optionees.
 - g) The Compensation Committee shall frame suitable policies to ensure that there is no violation of the Securities and Exchange Board of India (Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

5. GOVERNMENTAL REGULATIONS

The Plan shall be subject to and governed by all Applicable Laws. The transfer/grant of Shares/Options under this Plan shall entitle the Company to require the Optionee to comply with such conditions of law as may be necessary in the opinion of the Company.

6. GENERAL RISKS

Participation in the Plan 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 is that of the Optionee alone. The Optionee is encouraged to make considered judgement and seek adequate information /clarifications essential for appropriate decision.

7. CONDITIONS FOR ISSUE OF GRANT LETTERS

- a) The grant letter and the relevant stock option agreement will set out the terms and conditions of issue of Options to the Employee. If the Employee does not wish to accept the grant made by the Compensation Committee, then he shall communicate his non-acceptance to the Compensation Committee within fifteen (15) days from the date of the grant. If a letter of non-acceptance is not received within fifteen (15) days from the date of grant, the grant will be considered to have been accepted. The acceptance of the grant by the Employee shall not, in any manner, be construed to compel the Employee to Exercise his Option upon the Option becoming a Vested Option in the said Employee.
- b) The grant letter shall, besides other terms and conditions, specify the number of Options granted, the Vesting Period, the vesting schedule, the Exercise Price, the Exercise Period, etc.
- c) The grant letter confirms the right of Exercise by the Optionee during the Exercise Period and at the Exercise Price, to apply for and be allotted the Shares of the Company upon Options becoming Vested Options.
- d) The grant is not transferable by the Optionee till the Options become Vested Options and are exercised by the Optionee and Shares issued in this regard. Therefore, for the purposes of clarity, only the Shares issued upon conversion of the Vested Options are transferable by the Optionee and Options (whether vested or unvested) are not transferable by the Optionee. Further, only the Optionee named in the grant letter shall be entitled to the rights thereof except in exceptional circumstances as stated in the Plan. The Optionee is not entitled to pledge, hypothecate, charge, mortgage or in any manner alienate or dispose of the grant or Options (whether vested or unvested) to any other person.

8. LIMITATIONS FOR GRANT OF OPTIONS

Notwithstanding anything contained in this Plan, the face value of Shares allotted under this Plan to the class of Employees falling within clause 2(g) (ii) of this Plan shall not exceed 5 % of the total paid up Share capital of the Company as on date of the grant of Options or any other such percentage as may be notified under the provisions of the Foreign Exchange Management Act, 1999 from time to time.

The number of options that may be granted to any specific employee under the plan, during any one year, shall not exceed 1% of the outstanding issued equity capital as on the date of Grant (excluding outstanding options, warrants and conversions) and in aggregate, all such grants shall not exceed 11,50,000 (eleven lakh fifty thousand) Equity Shares of the Company.

The no. of options that may be granted to any non-executive director (including any independent director but not including any director who is a promoter), of the Company and its subsidiaries in any financial year under the plan shall not exceed 1% of the outstanding issued equity capital as on the date of Grant (excluding outstanding options, warrants and conversions) and in aggregate shall not exceed 11,50,000.

9. OPTIONS

9.1 Issue of Options

- a) The Options shall be issued to the Optionees by the Compensation Committee for such Exercise Price and in such numbers as may be determined by the Compensation Committee from time to time, in accordance with the Guidelines.
- b) The issue of Options under the Plan shall in no way affect the right of the Company to adjust, re-classify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

9.2 Vesting Period

The Options granted under the Plan shall vest in the Optionee(s) during the vesting period.

The vesting period of the stock options granted shall be determined by the compensation committee of the board from time to time, subject to the guidelines and Companies Act, 1956, provided that the minimum vesting

period shall be for 1 year and the maximum vesting period shall be of 4 years.

9.3 Exercise of Vested Options

- a) The Optionee is entitled to Exercise only the Vested Options. The Optionee shall Exercise the Vested Options within a period of five (5) years from the date of Vesting or such other period as may be determined by the Compensation Committee at the Exercise Price by way of cash or cheque, drawn to the order of the Compensation Committee or in such other consideration as the Compensation Committee deems appropriate. The Exercise Price shall be equal to the prevailing Market Price being the latest available closing price prior to the date of the meeting of the Compensation Committee in which Options are granted, on the Stock Exchanges on which the shares of the Company are listed. Since the shares are listed on more than one Stock Exchange, the Stock Exchange where there is a highest trading volume on the said date shall be considered.
- b) The Compensation Committee shall have the full power and authority to extend the Exercise Period of any Option granted under this Plan as the Compensation Committee may deem appropriate provided the exercise period is not extended beyond 5 years from the date of the vesting.
- c) The Optionee may at his discretion Exercise all or any of the Vested Options, provided such Exercise is made in lots of such number of Shares or parts thereof as may be determined by the Compensation Committee from time to time and within the Exercise Period.
- d) In case of the Optionee ceasing to be Employee of the Company by reason of resignation, i.e., voluntary separation from the Company, the Optionee shall have the right to Exercise all the vested options at any time within a Period of one month from the date of his separation from the employment. In the event, that the Vested Options are not exercised within the aforesaid Period by such Optionee, the Vested Options shall lapse.
- e) Notwithstanding, anything to the contrary in this Plan, the Options shall lapse in their entirety immediately upon the Optionee's discharge from employment or other service relationship upon a Cause, regardless of whether the Options are vested or not. However, the Optionee may be allowed to exercise the Vested

Options with the written approval of the Compensation Committee within ninety (90) days from such discharge in exceptional circumstances.

- f) In the event of death of an Optionee while in employment, all the Options (both vested and unvested) granted to the Optionee till such date shall be transferred to the legal heirs/nominee of the deceased Optionee as Vested Options. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the legal heirs/nominee.
- g) In the event of Permanent Disability of an Optionee while in employment, all the Options (both vested and unvested) granted to the Optionee as on the date of the occurrence of Permanent Disability shall be transferred to the Optionee or nominee of the Optionee as Vested Options on that day as may be determined by the Compensation committee of the Board after considering the circumstances of each case. Such Vested Options would be exercisable by the Optionee or the nominee of the Optionee at any time within the Exercise Period. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the Optionee or the nominee of the Optionee.
- h) In the event of severance of employment of an Optionee from the Company as a part of reconstitution/amalgamation/sell-off or such other significant change in the Company's structure, the Optionee will have to Exercise the Vested Options within a date as predetermined by the agreement dealing with the reconstitution/amalgamation/sell-off or such other significant change in the Company's structure, from the date of severance. In the event that the Vested Options are not exercised within this period, the Options shall lapse. This condition shall be applicable notwithstanding that the normal Exercise Period may be longer than the period mentioned under the agreement dealing with the reconstitution/amalgamation, etc. of the Company.
- i) In the event of an Optionee being transferred to a Subsidiary at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. All Unvested Options shall vest in accordance with the relevant stock option agreement. The Vested Options can be exercised at any time within the Exercise Period.

-
- j) In the event of retirement of an Optionee from the Company at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime as specified under clause d) herein above. The above is applicable provided the Optionee does not enter into competition or is not employed by a competitor of the Company.
 - k) In the event of the Company being taken-over or amalgamated or merged with another company, the Compensation Committee, at its sole discretion and in conjunction with the acquiring company, may decide to issue fresh Options which shall carry the option of conversion into Shares of the merged company on such terms and conditions as may be decided by the Compensation Committee. However, the same shall be at the discretion of the Compensation Committee, which may alternatively decide for lapse of the Options, which shall be purchased back by the Compensation Committee without issue of any fresh Options.
 - l) The Exercise of Vested Options is deemed to be completed when the Shares are allotted to the Optionee in response to his application and payments, if any, in accordance with the relevant stock option agreement and grant letter.
 - m) In the event of resignation or termination of employment of the Optionee, all Unvested Options shall lapse. However, the Optionee shall, subject to clause 9.3 (d) of the Plan, shall be entitled to retain all the Vested Options.
 - n) In case the Optionee does not Exercise the Vested Options within the Exercise Period, the said Options will lapse and no rights will accrue to the Optionee after that date.
 - o) In the event, the Optionee/legal heir/nominee is unable to Exercise the Vested Options within the Exercise Period, on the happening of any contingencies mentioned in this clause 9.3 of the Plan, then such an Optionee/legal heir/nominee shall have an obligation to notify the Compensation Committee in writing prior to the lapse of the Exercise Period indicating the contingencies and his consequent inability to Exercise the Vested Options. Such a written notification to the Compensation Committee shall be a prerequisite in order for the Optionee/legal heir/nominee to be entitled to any refund of amounts paid towards the Exercise of the Options.

-
- p) For the purpose of clarity, the Exercise of Options by the Optionee is a right granted to the said Optionee, and not an obligation, under the Plan, to apply for and be transferred the Shares of the Company at the Exercise Price, subject to the requirements of vesting detailed under the relevant stock option agreement and the grant letter.

9.4 Surrender of Options

An Optionee/legal heirs/nominee may surrender any or all of the Options to the Compensation Committee at any time, whether vested or not. The entitlement to such surrender shall be limited prior to the lapse of the Exercise Period.

9.5 Bonus / Rights Issue

- a) Notwithstanding any grant of Options made by the Company to the Employees in pursuance to this Plan and subject to the Guidelines, the Company is at full liberty to issue any further Shares at any price as it thinks fit to any class of persons, at any time at its discretion.
- b) The Compensation Committee shall intimate the Optionee in a written notice subsequent to a bonus/rights issue of Shares regarding the increase in the number of Options granted to the Employee under the grant and also the reduction in the Exercise Price.
- c) The issue of the bonus/rights Shares shall not change any of the rights or conditions under which the Options have been granted except the entitlement to an increase in the number of Shares which may be applied for and a reduction in the Exercise Price.
- d) In the event of an issue of bonus/rights Shares being made by the Company after the grant, the Optionee shall, with regard to all Options, whether vested or not, have the right to apply for the increased number of Shares upon the Options becoming Vested Options, equivalent to the ratio in which the bonus/rights Shares are issued. However, the eligibility of the Optionee for the above said bonus/rights Shares and the reduction in the Exercise Price and the length of the Exercise Period would be decided by the Compensation Committee.

9.6 Option for Conversion

The Optionee may opt for conversion of his Vested Options into Shares by applying to the Compensation Committee during the Exercise Period in a specified format.

9.7 Cancellation/Regrant/Buy-Back of Options

- a) The Compensation Committee shall have the authority to effect, at any time and from time to time, the cancellation of any or all outstanding Options under the Plan and grant in substitution new Options under the Plan covering the same or different numbers of Shares.

-
- b) The Compensation Committee shall consider, in case of each substitute grant, whether and the extent to which the vesting schedule related to the exercisability of the substitute Option should extend beyond the schedule for the cancelled Option.
 - c) The Compensation Committee shall also consider setting up a vehicle as per the Applicable Laws to enable the Optionee to sell all or part of the Vested Options in the circumstances mentioned in clause 9.3 of the Plan and to enable the Compensation Committee to buy the Shares back from the Optionee.
 - d) Options forfeited/lapsed/ surrendered can be regranted to employees from time to time by the Compensation Committee of the Board till all the options under the said plans are exercised and exhausted completely.

10. SHARES

10.1 Issue of Shares

- a) After the Options are converted into Shares, the Shares so converted shall be subject to the terms and conditions as mentioned below.
- b) The Shares shall not be subject to any lock in period from the date the Options are converted into Shares.

10.2 Ranking of Shares

- a) The Shares arising on the conversion of the Options shall, subject to the rights provided in the Memorandum of Association and Articles of Association of the Company, rank pari-passu with all the other Shares of the Company from the date of conversion of Options into Shares. Thus, any right attached to such Shares shall be with reference to the date of conversion of the Options into Shares.
- b) The Optionee shall not have any of the rights of a shareholder with respect to the Shares until such Shares have been issued to him upon the due Exercise of the Vested Options. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such Shares are issued.

11. RESTRICTIONS ON DISPOSITION

The Compensation committee may, subject to the requirements of Guidelines, determine any lock-in period for the options granted under this plan.

12. TAX LIABILITY

- a) In the event of any tax liability arising to the Optionee on account of the issue of the Options/conversion into Shares/transfer of Shares or on any other event, the liability shall be that of the Optionee alone.
- b) In the event of any tax liability arising on account of the Plan to the Company, the Company, on the advice of the Compensation Committee, shall have the right to cause the Shares issuable under this Plan to be sold or otherwise alienated or to have the Options nullified to meet the liability or to meet the liability on behalf of the Optionee in the event the Optionee fails to pay back such liability borne by the Company on the Optionee's behalf.

13. CONFIDENTIALITY

- a) The Optionee who holds any Options/Shares under the Plan shall not divulge the details of the Plan and his holding to any person except with the prior permission of the Company obtained in writing.
- b) The Optionee shall enter into such agreements, as the Company may desire, from time to time, to more fully and effectively implement the Plan.

14. CONTRACT OF EMPLOYMENT

- a) The Plan shall not form part of any contract of employment between the Company and the Employees. The rights and obligations of any individual Employee under the terms of his office or employment with the Company shall not be affected by his participation in the Plan or any right, which he may have to participate in it.
- b) Nothing in the Plan shall be construed as affording an Employee any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.
- c) The Plan shall not confer on any person any legal or equitable rights against the Company either directly or indirectly or give rise to any cause of action in law or equity against the Company.
- d) The Plan is purely at the discretion of the Company.

15. NO RIGHT TO CONTINUED EMPLOYMENT/SERVICE

- a) Neither the action of the Company in establishing the Plan nor any action taken by the Compensation Committee, nor any provision of the Plan shall be construed so as to grant the Optionee the right to remain in the employment or service of the Company, for any period of specific duration.
- b) The Company shall have full right to terminate the Optionee's employment or services at any time for any reason, with or without Cause. In the event the Company chooses to terminate the services of the Optionee without a Cause then the Company shall provide the Optionee with sufficient notice and validate the reasons for termination of the Optionee through a due process. If the reasons for termination are determined to be justifiable under the due process then the Employee shall be liable to forfeit all his Options, whether vested or unvested, in favour of the Compensation Committee, on the date of termination. For termination for Cause, clause 9.3(e) of this Plan shall be applicable to all Options, both vested and unvested.

16. APPOINTMENT OF NOMINEE

- a) In the event of circumstances detailed in clause 9.3 (f) and (g) of this Plan, an Optionee may appoint a person as his nominee(s) for the purpose of exercising the rights, subject to the obligations, in terms of the Plan. Such Optionee shall appoint a nominee(s) by submitting a letter in the form specified in *Annexure 1* to the Plan. The Optionee has the right to revoke such nomination at any time and a fresh nomination may be made on such revocation. Notwithstanding the appointment of a nominee and exercise of rights under this Plan by the said nominee, the Company or the Compensation Committee shall not be liable in relation to any rights and obligations amongst the legal heirs of the Optionee concerned.
- b) If the Optionee fails to make a nomination, in the event of his inability/incapacity to hold the Shares under clause 9.3 (f) and (g) of this Plan, the same shall revert back to the name and sole custody of the Compensation Committee, to be dealt with in a fair and reasonable manner.

17. AMENDMENT OF THE PLAN

The Compensation Committee may cancel any or all outstanding Options under the Plan and grant in substitution, new Options under the Plan covering same or different numbers of Shares but having an Exercise Price as mentioned in the relevant stock option agreement and the grant letter. The Compensation Committee shall not vary the terms of the Plan in any manner, which may be detrimental to the interests of the employees.

ANNEXURE 1

NOMINATION

Date: _____

To: The Compensation Committee

OnMobile Global Limited

Dear Sirs,

In respect of the rights to be exercised by me under the **Employees Stock Option Plan -- 2011 ("Plan")**, I hereby appoint _____ (*please specify nature of relationship*) viz., Mr/Mrs/Miss _____, aged _____ years, residing at _____ as my nominee in accordance with clause 16 of the Plan.

Yours faithfully

Witnessed by:

1. Signature:

Name :

Address :

2. Signature:

Name :

Address :

EMPLOYEES STOCK OPTION PLAN II, 2010

SHORT TITLE, EXTENT AND COMMENCEMENT

This plan may be called the “**OnMobile Employees Stock Option Plan - II, 2010**” (hereinafter referred to as the “**Plan**”).

It applies only to the bonafide confirmed Employees of OnMobile Global Limited or its Subsidiaries, who are in employment of the Company. At the discretion of the Compensation Committee, Employees of all Subsidiaries and holding companies, now or hereinafter existing, may also be covered. In the event the employee is transferred to any of the Company’s subsidiary, then the options granted to the employee shall continue to vest in him.

It shall be deemed to have come into force on 24th day of July, 2010 and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all the options available for issuance under the ESOP II (2010) have been issued and exercised.

1. OBJECT

The object of the Plan is to create a sense of ownership within the organization, to reward Employees for ongoing performance and motivate them to drive the Company value. The Plan has been adopted by a Board resolution of the Company. The object of the Plan is to grant Options, at the discretion of the Company, to the Employees of the Company, who are eligible and qualify under the Plan. Such Options shall be convertible to Shares of the Company and Employees holding such Options shall be allotted Shares of the Company on Exercise of such Options. This Plan has been approved by a special resolution of the present members of the Company at the general meeting held on July 24, 2010. The Company will as required under the **SEBI (Employee Stock Option Scheme (ESOP) & Employee Stock Purchase Scheme (ESPS)) Guidelines, 1999**, disclose appropriately, any impact of fair value of these options on Company’s profits and Earning per Share (EPS), to the shareholders.

2. DEFINITIONS

In this Plan, unless the context otherwise requires,

- a) “**Applicable Laws**” shall mean the legal requirements relating to stock option plans, including, without limitation, the tax, securities or corporate laws of India, which are applicable to the Company.

-
- b) **“Board”** shall mean the Board of Directors of the Company as a whole or a majority of them or any committee of the board exclusively constituted for purpose of administering the Plan.
- c) **“Cause”** shall mean conduct, as determined by the Board involving the commission of an act of theft, embezzlement, fraud, dishonesty or moral turpitude, the deliberate disregard of the rules of the Company or on such other disciplinary grounds which resulted in or on the Board’s determination may result in loss, damage or injury to the Company, the unauthorized disclosure of any trade secret or confidential information of the Company, or the commission of an act which constitutes unfair competition.
- d) **“Company”** shall mean OnMobile Global Limited.
- e) **“Compensation Committee”** shall mean the compensation committee constituted by the Board for administration and superintendence of this Plan and comprising a majority of Independent Directors or such other composition as may be required under the Applicable Law.
- f) **“Director”** shall mean a director of the Company whether whole time or not and shall include an Independent Director.
- g) **“Employee”** shall mean:
- (i) a permanent employee of the Company working in India;
 - (ii) a permanent employee of the Company or any of its Subsidiary who is a person resident outside India as defined in the Foreign Exchange Management Act, 1999 or an employee of the Company or its Subsidiary who is a foreign national or any other employee of any of its Subsidiary;
 - (iii) the Directors of the Company whether whole-time or not;
- but shall not include (a) an employee who is a Promoter or who belongs to the Promoter Group; (b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.
- h) **“Exercise”** is the act of a written application being made by the Optionee to the Company to have the Vested Options converted and issued as Shares upon payment of the Exercise Price and applicable taxes, if any, in accordance with this Plan and the relevant stock option agreement.

-
- i) **“Exercise Period”** shall mean the period commencing from the date on which the Options become Vested Options vis-à-vis the Optionee in accordance with the relevant stock option agreement and terminating on such date as may be specified under the said agreement, within which period the Optionee shall have the right to Exercise his Vested Options. Provided that in no event shall the Exercise Period exceed five (5) years from the date the Options become Vested Options.
- j) **“Exercise Price”** shall mean the price at which Vested Options held by the Optionee may be exercised or purchased. The price shall be determined by the Compensation Committee under the relevant stock option agreement subject to compliance with the provisions if the Guidelines, in particular those in relation to the accounting policies.
- k) **“Grant”** means issue of Options to the Employees under this Plan and the relevant stock option agreement.
- l) **“Guidelines”** means Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.
- m) **“Independent Director”** shall mean a Director of the Company, not being a whole time Director and who is neither a Promoter nor belongs to the Promoter Group.
- n) **“Option”** shall mean a stock option granted by the Company to the Employees pursuant to this Plan, which Option upon becoming a Vested Option, would be convertible into Shares in accordance with the relevant stock option agreement.
- o) **“Optionee”** shall mean an Employee of the Company who holds Options granted by the Company pursuant to this Plan and who has duly executed a stock option agreement with the Company.
- p) **“Plan”** shall mean this OnMobile Employee Stock Option Plan II, 2010.
- q) **“Promoter”** means:
- (i) the person or persons who are in overall control of the Company;
 - (ii) the person or persons who were instrumental in the formation of the Company or programme pursuant to which the shares were offered to the public;

-
- (iii) the persons or persons named in the offer document as promoter(s). 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; and

Explanation: Where a promoter of a company is a body corporate, the promoters of that body corporate shall also be deemed to be promoters of the company.

- r) **“Promoter Group”** shall mean:
 - (i) an immediate relative of a Promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and
 - (ii) those persons whose shareholding is aggregated for the purpose of disclosing in the offer document as “shareholding of the promoter group”, at any time after the listing of the Company.
- s) **“Permanent Disablement”** shall mean such disablement, which incapacitates an Employee for all work that he was capable of performing at the time of the accident resulting in such disablement.
- t) **“Share”** shall mean an equity share of the Company having a nominal value of Rs. 10/- (Rupees Ten Only).
- u) **“Subsidiary”** shall mean a subsidiary company of the Company in which the Company holds more than half of nominal value of the aggregate equity share capital either directly or indirectly and includes any number of step-down Subsidiaries and includes any Subsidiary within or outside India.
- v) **“Unvested Option”** shall mean an Option, which has not vested in the Optionee in accordance with the relevant stock option agreement. For the purpose of clarity, unvested option is an Option in respect of which the relevant Vesting Period has not been completed.
- w) **“Vesting”** means earning by the Optionee, of the right to apply for Shares against the Options granted to him in pursuance of this Plan and the relevant stock option agreement.
- x) **“Vested Option”** shall mean an Option, which has duly vested in the Optionee by reason of the Vesting Period being completed in accordance with the relevant stock option agreement.

-
- y) **“Vesting Period”** shall mean the period during which the vesting of the Options, granted to the Optionee in pursuance of the Plan and the relevant stock option agreement, is effected. The vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option under this under this Stock Option Plan.

Words not specifically defined herein shall have the meaning attributed to them under the Companies Act, 1956, the Guidelines and the Central Board of Direct Taxes Guidelines on Employees Stock Option Plans, as the case may be.

3. ESTABLISHMENT OF THE COMPENSATION COMMITTEE

The Board shall, as soon as may be possible, constitute a Compensation Committee in accordance with the Guidelines consisting of a majority of Independent Directors of the Company. Currently, the Board has formulated a Compensation Committee which administers and implements the ESOP Plans. The Committee consists of two independent Directors and one Non-Executive Director.

4. ADMINISTRATION AND IMPLEMENTATION OF THE PLAN

- a) The Plan shall be administered by the Compensation Committee. In this regard, the Compensation Committee shall frame the guidelines for the administration and management of the Plan.
- b) The Shares that are set-aside under the Plan shall be transferred from time to time to the Optionee in pursuance of the Plan and subject to the conditions under the relevant stock option agreement duly executed by the said Optionee.
- c) Under the Plan, a total of 875,000 (eight lakhs and seventy five thousand) equity shares shall be made available for grant to the Employees.
- d) In the event of any change to the capital of the Company or any capital reconstruction, re-capitalization or capital infusion by reason of split, capitalization, consolidation, exchange or other changes affecting the capital as a class without receipt of consideration by the Company, appropriate adjustments shall be made to the maximum number of Shares under the Plan to ensure there is no dilution in the shareholding and the percentage of Shares allotted under this Plan.
- e) The Pricing Formula, in order to calculate the Exercise Price shall be a percentage of the fair value of the Shares, as determined by the Compensation Committee from time to time. Notwithstanding, anything

contained above, the Exercise Price shall not be less than the nominal value of the Shares.

- f) Subject to the provisions of the Plan and approval of the Board, the Compensation Committee shall have the authority to do the following:
- (i) determine the number of Options to be granted to each class/category of Optionees and in aggregate;
 - (ii) determine the Exercise Price of the Options granted to each class/category of Optionees in accordance with the Guidelines;
 - (iii) approve grant letters to be provided to the each class/category of Optionees and other forms of agreement which are required to be executed by the Optionees pursuant to the Plan;
 - (iv) determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option granted hereunder;
 - (v) construe and interpret the terms of the Plan and Options granted pursuant to the Plan and the relevant stock option agreements;
 - (vi) determine the Vesting Period and Exercise Period of the Options granted to the each class/category of Optionees; and
 - (vii) adopt the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others in accordance with the Guidelines, notwithstanding clause 4 (f) above.
 - (viii) determine the conditions under which Options vested in Employees may lapse in case of termination of employment for misconduct.
 - (ix) the Grant, Vesting and Exercise of Options in case of Employees who are on long leave.
 - (x) the procedure for cashless exercise of Options.
- g) All decisions, determinations and interpretations of the Compensation Committee shall be final and binding on all Optionees.
- h) The Compensation Committee shall frame suitable policies to ensure that there is no violation of the Securities and Exchange Board of India (Insider Trading) Regulations, 1992 and the Securities and Exchange

5. GOVERNMENTAL REGULATIONS

The Plan shall be subject to and governed by all Applicable Laws. The transfer/grant of Shares/Options under this Plan shall entitle the Company to require the Optionee to comply with such conditions of law as may be necessary in the opinion of the Company.

6. GENERAL RISKS

Participation in the Plan 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 is that of the Optionee alone. The Optionee is encouraged to make considered judgement and seek adequate information /clarifications essential for appropriate decision.

7. CONDITIONS FOR ISSUE OF GRANT LETTERS

- a) The grant letter and the relevant stock option agreement will set out the terms and conditions of issue of Options to the Employee. If the Employee does not wish to accept the grant made by the Compensation Committee, then he shall communicate his non-acceptance to the Compensation Committee within fifteen (15) days from the date of the grant. If a letter of non-acceptance is not received within fifteen (15) days from the date of grant, the grant will be considered to have been accepted. The acceptance of the grant by the Employee shall not, in any manner, be construed to compel the Employee to Exercise his Option upon the Option becoming a Vested Option in the said Employee.
- b) The grant letter shall, besides other terms and conditions, specify the number of Options granted, the Vesting Period, the vesting schedule, the Exercise Price, the Exercise Period, etc.
- c) The grant letter confirms the right of Exercise by the Optionee during the Exercise Period and at the Exercise Price, to apply for and be allotted the Shares of the Company upon Options becoming Vested Options.
- d) The grant is not transferable by the Optionee till the Options become Vested Options and are exercised by the Optionee and Shares issued in this regard. Therefore, for the purposes of clarity, only the Shares issued upon conversion of the Vested Options are transferable by the Optionee and Options (whether vested or unvested) are not transferable by the

Optionee. Further, only the Optionee named in the grant letter shall be entitled to the rights thereof except in exceptional circumstances as stated in the Plan. The Optionee is not entitled to pledge, hypothecate, charge, mortgage or in any manner alienate or dispose of the grant or Options (whether vested or unvested) to any other person.

8. LIMITATIONS FOR GRANT OF OPTIONS

Notwithstanding anything contained in this Plan, the face value of Shares allotted under this Plan to the class of Employees falling within clause 2(g) (ii) of this Plan shall not exceed 5 % of the total paid up Share capital of the Company as on date of the grant of Options or any other such percentage as may be notified under the provisions of the Foreign Exchange Management Act, 1999 from time to time.

9. OPTIONS

9.1 Issue of Options

- a) The Options shall be issued to the Optionees by the Compensation Committee for such Exercise Price and in such numbers as may be determined by the Compensation Committee from time to time, in accordance with the Guidelines.
- b) The issue of Options under the Plan shall in no way affect the right of the Company to adjust, re-classify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

9.2 Vesting Period

The Options granted under the Plan shall vest in the Optionee(s) during the vesting period in the following manner:

The vesting period of the stock options granted shall be determined by the compensation committee of the board from time to time, subject to the SEBI guidelines and companies act, 1956, provided that the minimum vesting period shall be for 1 year and the maximum vesting period shall be of 4 years.

9.3 Exercise of Vested Options

- a) The Optionee is entitled to Exercise only the Vested Options. The Optionee shall Exercise the Vested Options within a period of five (5) years from the date of Vesting or such other period as may be

determined by the Compensation Committee at the Exercise Price by way of cash or cheque, drawn to the order of the Compensation Committee or in such other consideration as the Compensation Committee deems appropriate, including a combination of cash and such other consideration having a fair market value, as so determined, equal to the Exercise Price. The exercise price shall be determined by the Compensation Committee of the Board from time to time after considering the fair market value and the price of the Company's share price as listed on the stock exchange and prevalent at the time of making the grant. However, the specific Exercise Period for each category/class of Employee shall be stated in the relevant stock option agreement and the grant letter.

- b) The Compensation Committee shall have the full power and authority to extend the Exercise Period of any Option granted under this Plan as the Compensation Committee may deem appropriate provided the exercise period is not extended beyond 5 years from the date of the vesting.
- c) The Optionee may at his discretion Exercise all or any of the Vested Options, provided such Exercise is made in lots of such number of Shares or parts thereof as may be determined by the compensation committee from time to time and within the Exercise Period.
- d) In case of the Optionee ceasing to be Employee of the Company by reason of resignation, i.e., voluntary separation from the Company, the Optionee shall have the right to Exercise all the vested options at any time within a Period of one month from the date of his separation from the employment. In the event, that the Vested Options are not exercised within the aforesaid Period by such Optionee, the Vested Options shall lapse.
- e) Notwithstanding, anything to the contrary in this Plan, the Options shall lapse in their entirety immediately upon the Optionee's discharge from employment or other service relationship upon a Cause, regardless of whether the Options are vested or not. However, the Optionee may be allowed to exercise the Vested Options with the written approval of the Compensation Committee within ninety (90) days from such discharge in exceptional circumstances.
- f) In the event of death of an Optionee while in employment, all the Options (both vested and unvested) granted to the Optionee till such date shall be transferred to the legal heirs/nominee of the

deceased Optionee as Vested Options. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the legal heirs/nominee.

- g) In the event of Permanent Disability of an Optionee while in employment, all the Options (both vested and unvested) granted to the Optionee as on the date of the occurrence of Permanent Disability shall be transferred to the Optionee or nominee of the Optionee as Vested Options on that day as may be determined by the Compensation committee of the Board after considering the circumstances of each case. Such Vested Options would be exercisable by the Optionee or the nominee of the Optionee at any time within the Exercise Period. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the Optionee or the nominee of the Optionee.
- h) In the event of severance of employment of an Optionee from the Company as a part of reconstitution/amalgamation/sell-off or such other significant change in the Company's structure, the Optionee will have to Exercise the Vested Options within a date as predetermined by the agreement dealing with the reconstitution/amalgamation/sell-off or such other significant change in the Company's structure, from the date of severance. In the event that the Vested Options are not exercised within this period, the Options shall lapse. This condition shall be applicable notwithstanding that the normal Exercise Period may be longer than the period mentioned under the agreement dealing with the reconstitution/amalgamation, etc. of the Company.
- i) In the event of an Optionee being transferred to a Subsidiary at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. All Unvested Options shall vest in accordance with the relevant stock option agreement. The Vested Options can be exercised at any time within the Exercise Period.
- j) In the event of retirement of an Optionee from the Company at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime as specified under clause d) herein above. The above is applicable provided the Optionee does not enter into competition or is not employed by a competitor of the Company.

-
- k) In the event of the Company being taken-over or amalgamated or merged with another company, the Compensation Committee, at its sole discretion and in conjunction with the acquiring company, may decide to issue fresh Options which shall carry the option of conversion into Shares of the merged company on such terms and conditions as may be decided by the Compensation Committee. However, the same shall be at the discretion of the Compensation Committee, which may alternatively decide for lapse of the Options, which shall be purchased back by the Compensation Committee without issue of any fresh Options.
 - l) The Exercise of Vested Options is deemed to be completed when the Shares are allotted to the Optionee in response to his application and payments, if any, in accordance with the relevant stock option agreement and grant letter.
 - m) In the event of resignation or termination of employment of the Optionee, all Unvested Options shall lapse. However, the Optionee shall, subject to clause 9.3 (d) of the Plan, shall be entitled to retain all the Vested Options.
 - n) In case the Optionee does not Exercise the Vested Options within the Exercise Period, the said Options will lapse and no rights will accrue to the Optionee after that date.
 - o) In the event, the Optionee/legal heir/nominee is unable to Exercise the Vested Options within the Exercise Period, on the happening of any contingencies mentioned in this clause 9.3 of the Plan, then such an Optionee/legal heir/nominee shall have an obligation to notify the Compensation Committee in writing prior to the lapse of the Exercise Period indicating the contingencies and his consequent inability to Exercise the Vested Options. Such a written notification to the Compensation Committee shall be a pre-requisite in order for the Optionee/legal heir/nominee to be entitled to any refund of amounts paid towards the Exercise of the Options.
 - p) For the purpose of clarity, the Exercise of Options by the Optionee is a right granted to the said Optionee, and not an obligation, under the Plan, to apply for and be transferred the Shares of the Company at the Exercise Price, subject to the requirements of vesting detailed under the relevant stock option agreement and the grant letter.

9.4 Surrender of Options

An Optionee/legal heirs/nominee may surrender any or all of the Options to the Compensation Committee at any time, whether vested or not. The entitlement to such surrender shall be limited prior to the lapse of the Exercise Period.

9.5 Bonus / Rights Issue

- a) Notwithstanding any grant of Options made by the Company to the Employees in pursuance to this Plan and subject to the Guidelines, the Company is at full liberty to issue any further Shares at any price as it thinks fit to any class of persons, at any time at its discretion.
- b) The Compensation Committee shall intimate the Optionee in a written notice subsequent to a bonus/rights issue of Shares regarding the increase in the number of Options granted to the Employee under the grant and also the reduction in the Exercise Price.
- c) The issue of the bonus/rights Shares shall not change any of the rights or conditions under which the Options have been granted except the entitlement to an increase in the number of Shares which may be applied for and a reduction in the Exercise Price.
- d) In the event of an issue of bonus/rights Shares being made by the Company after the grant, the Optionee shall, with regard to all Options, whether vested or not, have the right to apply for the increased number of Shares upon the Options becoming Vested Options, equivalent to the ratio in which the bonus/rights Shares are issued. However, the eligibility of the Optionee for the above said bonus/rights Shares and the reduction in the Exercise Price and the length of the Exercise Period would be decided by the Compensation Committee.

9.6 Option for Conversion

The Optionee may opt for conversion of his Vested Options into Shares by applying to the Compensation Committee during the Exercise Period in a specified format.

9.7 Cancellation/Regrant/Buy-Back of Options

-
- a) The Compensation Committee shall have the authority to effect, at any time and from time to time, the cancellation of any or all outstanding Options under the Plan and grant in substitution new Options under the Plan covering the same or different numbers of Shares.
 - b) The Compensation Committee shall consider, in case of each substitute grant, whether and the extent to which the vesting schedule related to the exercisability of the substitute Option should extend beyond the schedule for the cancelled Option.
 - c) The Compensation Committee shall also consider setting up a vehicle as per the Applicable Laws to enable the Optionee to sell all or part of the Vested Options in the circumstances mentioned in clause 9.3 of the Plan and to enable the Compensation Committee to buy the Shares back from the Optionee.
 - d) Options forfeited/lapsed can be regranted to employees from time to time by the Compensation Committee of the Board till all the options under the said plans are exercised and exhausted completely.

10. SHARES

10.1 Issue of Shares

- a) After the Options are converted into Shares, the Shares so converted shall be subject to the terms and conditions as mentioned below.
- b) The Shares shall not be subject to any lock in period from the date the Options are converted into Shares.

10.2 Ranking of Shares

- a) The Shares arising on the conversion of the Options shall, subject to the rights provided in the Memorandum of Association and Articles of Association of the Company, rank pari-passu with all the other Shares of the Company from the date of conversion of Options into Shares. Thus, any right attached to such Shares shall be with reference to the date of conversion of the Options into Shares.
- b) The Optionee shall not have any of the rights of a shareholder with respect to the Shares until such Shares have been issued to him

upon the due Exercise of the Vested Options. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such Shares are issued.

11. RESTRICTIONS ON DISPOSITION

The Compensation committee may, subject to the requirements of SEBI Guidelines, determine any lock-in period for the options granted under this plan.

12. TAX LIABILITY

- a) In the event of any tax liability arising to the Optionee on account of the issue of the Options/conversion into Shares/transfer of Shares or on any other event, the liability shall be that of the Optionee alone.
- b) In the event of any tax liability arising on account of the Plan to the Company, the Company, on the advice of the Compensation Committee, shall have the right to cause the Shares issuable under this Plan to be sold or otherwise alienated or to have the Options nullified to meet the liability or to meet the liability on behalf of the Optionee in the event the Optionee fails to pay back such liability borne by the Company on the Optionee's behalf.

13. CONFIDENTIALITY

- a) The Optionee who holds any Options/Shares under the Plan shall not divulge the details of the Plan and his holding to any person except with the prior permission of the Company obtained in writing.
- b) The Optionee shall enter into such agreements, as the Company may desire, from time to time, to more fully and effectively implement the Plan.

14. CONTRACT OF EMPLOYMENT

- a) The Plan shall not form part of any contract of employment between the Company and the Employees. The rights and obligations of any individual Employee under the terms of his office or employment with the Company shall not be affected by his participation in the Plan or any right, which he may have to participate in it.
- b) Nothing in the Plan shall be construed as affording an Employee any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.

-
- c) The Plan shall not confer on any person any legal or equitable rights against the Company either directly or indirectly or give rise to any cause of action in law or equity against the Company.
 - d) The Plan is purely at the discretion of the Company.

15. NO RIGHT TO CONTINUED EMPLOYMENT/SERVICE

- a) Neither the action of the Company in establishing the Plan nor any action taken by the Compensation Committee, nor any provision of the Plan shall be construed so as to grant the Optionee the right to remain in the employment or service of the Company, for any period of specific duration.
- b) The Company shall have full right to terminate the Optionee's employment or services at any time for any reason, with or without Cause. In the event the Company chooses to terminate the services of the Optionee without a Cause then the Company shall provide the Optionee with sufficient notice and validate the reasons for termination of the Optionee through a due process. If the reasons for termination are determined to be justifiable under the due process then the Employee shall be liable to forfeit all his Options, whether vested or unvested, in favour of the Compensation Committee, on the date of termination. For termination for Cause, clause 9.3(e) of this Plan shall be applicable to all Options, both vested and unvested.

16. APPOINTMENT OF NOMINEE

- a) In the event of circumstances detailed in clause 9.3 (f) and (g) of this Plan, an Optionee may appoint a person as his nominee(s) for the purpose of exercising the rights, subject to the obligations, in terms of the Plan. Such Optionee shall appoint a nominee(s) by submitting a letter in the form specified in *Annexure 1* to the Plan. The Optionee has the right to revoke such nomination at any time and a fresh nomination may be made on such revocation. Notwithstanding the appointment of a nominee and exercise of rights under this Plan by the said nominee, the Company or the Compensation Committee shall not be liable in relation to any rights and obligations amongst the legal heirs of the Optionee concerned.
- b) If the Optionee fails to make a nomination, in the event of his inability/incapacity to hold the Shares under clause 9.3 (f) and (g) of this Plan, the

same shall revert back to the name and sole custody of the Compensation Committee, to be dealt with in a fair and reasonable manner.

17. AMENDMENT OF THE PLAN

The Compensation Committee may cancel any or all outstanding Options under the Plan and grant in substitution, new Options under the Plan covering same or different numbers of Shares but having an Exercise Price as mentioned in the relevant stock option agreement and the grant letter. The Compensation Committee shall not vary the terms of the Plan in any manner, which may be detrimental to the interests of the employees.

ANNEXURE 1

NOMINATION

Date: _____

To: The Compensation Committee

OnMobile Global Limited

Dear Sirs,

In respect of the rights to be exercised by me under the **Employees Stock Option Plan - II, 2010 (“Plan”)**, I hereby appoint _____ (*please specify nature of relationship*) viz., Mr/Mrs/Miss _____, aged _____ years, residing at _____ as my nominee in accordance with clause 17 of the Plan.

Yours faithfully

Witnessed by:

1. Signature:

Name :

Address :

2. Signature:

Name :

Address :

EMPLOYEES STOCK OPTION PLAN I, 2010

SHORT TITLE, EXTENT AND COMMENCEMENT

This plan may be called the **“OnMobile Employees Stock Option Plan - I, 2010”** (hereinafter referred to as the **“Plan”**).

It applies only to the bonafide confirmed Employees of OnMobile Global Limited's Subsidiaries in France, who are in employment. In the event the employee is transferred to any of OnMobile Global Limited (Company)'s subsidiary (ies) or to OnMobile Global Limited, then the options granted to the employee shall continue to vest in him.

It shall be deemed to have come into force on 24th day of July, 2010 and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all the options available for issuance under the ESOP I (2010) have been issued and exercised.

1. OBJECT

The object of the Plan is to create a sense of ownership within the organization, to reward Employees for ongoing performance and motivate them to drive the Company value. The Plan has been adopted by a resolution of the Compensation Committee of the Board of the Company. The object of the Plan is to grant Options, at the discretion of the Company, to the Employees of the Company's subsidiaries in France, who are eligible and qualify under the Plan. Such Options shall be convertible to Shares of the Company and Employees holding such Options shall be allotted Shares of the Company on Exercise of such Options. This Plan has been approved by a special resolution of the present members of the Company at the general meeting held on July 24, 2010. The Company will as required under the **SEBI (Employee Stock Option Scheme (ESOP) & Employee Stock Purchase Scheme (ESPS)) Guidelines, 1999**, disclose appropriately, any impact of fair value of these options on Company's profits and Earning per Share (EPS), to the shareholders.

2. DEFINITIONS

In this Plan, unless the context otherwise requires,

- a) **“Applicable Laws”** shall mean the legal requirements relating to stock option plans, including, without limitation, the tax, securities or corporate laws of India, which are applicable to the Company.
- b) **“Board”** shall mean the Board of Directors of the Company as a whole or a majority of them or any committee of the board exclusively constituted for purpose of administering the Plan.

-
- c) **“Cause”** shall mean conduct, as determined by the Board involving the commission of an act of theft, embezzlement, fraud, dishonesty or moral turpitude, the deliberate disregard of the rules of the Company or on such other disciplinary grounds which resulted in or on the Board’s determination may result in loss, damage or injury to the Company, the unauthorized disclosure of any trade secret or confidential information of the Company, or the commission of an act which constitutes unfair competition.
- d) **“Company”** shall mean OnMobile Global Limited.
- e) **“Compensation Committee”** shall mean the compensation committee constituted by the Board for administration and superintendence of this Plan and comprising a majority of Independent Directors or such other composition as may be required under the Applicable Law.
- f) **“Director”** shall mean a director of the Company whether whole time or not and shall include an Independent Director.
- g) **“Employee”** shall mean:
- (i) a permanent employee of the Company’s Subsidiary(ies) in France;
 - (ii) a permanent employee of the Company’s Subsidiary (ies) in France being transferred to the Company or any of its other Subsidiary (ies) who is a person resident outside India as defined in the Foreign Exchange Management Act, 1999 or an employee of the Company or its Subsidiary who is a foreign national or any other employee of any of its Subsidiary;
 - (iii) the Directors of the Company whether whole-time or not;
- but shall not include (a) an employee who is a Promoter or who belongs to the Promoter Group; (b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.
- h) **“Exercise”** is the act of a written application being made by the Optionee to the Company to have the Vested Options converted and issued as Shares upon payment of the Exercise Price and applicable taxes, if any, in accordance with this Plan and the relevant stock option agreement.

-
- i) **“Exercise Period”** shall mean the period commencing from the date on which the Options become Vested Options vis-à-vis the Optionee in accordance with the relevant stock option agreement and terminating on such date as may be specified under the said agreement, within which period the Optionee shall have the right to Exercise his Vested Options. Provided that in no event shall the Exercise Period exceed five (5) years from the date the Options become Vested Options.
- j) **“Exercise Price”** shall mean the price at which Vested Options held by the Optionee may be exercised or purchased. The price shall be determined by the Compensation Committee under the relevant stock option agreement subject to compliance with the provisions if the Guidelines, in particular those in relation to the accounting policies.
- k) **“Grant”** means issue of Options to the Employees under this Plan and the relevant stock option agreement.
- l) **“Guidelines”** means Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.
- m) **“Independent Director”** shall mean a Director of the Company, not being a whole time Director and who is neither a Promoter nor belongs to the Promoter Group.
- n) **“Option”** shall mean a stock option granted by the Company to the Employees pursuant to this Plan, which Option upon becoming a Vested Option, would be convertible into Shares in accordance with the relevant stock option agreement.
- o) **“Optionee”** shall mean an Employee of the Company who holds Options granted by the Company pursuant to this Plan and who has duly executed a stock option agreement with the Company.
- p) **“Plan”** shall mean this OnMobile Employee Stock Option Plan I, 2010.
- q) **“Promoter”** means:
- (i) the person or persons who are in overall control of the Company;
 - (ii) the person or persons who were instrumental in the formation of the Company or programme pursuant to which the shares were offered to the public;

-
- (iii) the persons or persons named in the offer document as promoter(s). 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; and

Explanation: Where a promoter of a company is a body corporate, the promoters of that body corporate shall also be deemed to be promoters of the company.

- r) **“Promoter Group”** shall mean:
 - (i) an immediate relative of a Promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and
 - (ii) those persons whose shareholding is aggregated for the purpose of disclosing in the offer document as “shareholding of the promoter group”, at any time after the listing of the Company.
- s) **“Permanent Disablement”** shall mean such disablement, which incapacitates an Employee for all work that he was capable of performing at the time of the accident resulting in such disablement.
- t) **“Share”** shall mean an equity share of the Company having a nominal value of Rs. 10/- (Rupees Ten Only).
- u) **“Subsidiary”** shall mean a subsidiary company of the Company in which the Company holds more than half of nominal value of the aggregate equity share capital either directly or indirectly and includes any number of step-down Subsidiaries and includes any Subsidiary within or outside India.
- v) **“Unvested Option”** shall mean an Option, which has not vested in the Optionee in accordance with the relevant stock option agreement. For the purpose of clarity, unvested option is an Option in respect of which the relevant Vesting Period has not been completed.
- w) **“Vesting”** means earning by the Optionee, of the right to apply for Shares against the Options granted to him in pursuance of this Plan and the relevant stock option agreement.
- x) **“Vested Option”** shall mean an Option, which has duly vested in the Optionee by reason of the Vesting Period being completed in accordance with the relevant stock option agreement.

-
- y) **“Vesting Period”** shall mean the period during which the vesting of the Options, granted to the Optionee in pursuance of the Plan and the relevant stock option agreement, is effected. The vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option under this under this Stock Option Plan.

Words not specifically defined herein shall have the meaning attributed to them under the Companies Act, 1956, the Guidelines and the Central Board of Direct Taxes Guidelines on Employees Stock Option Plans, as the case may be.

3. ESTABLISHMENT OF THE COMPENSATION COMMITTEE

The Board shall, as soon as may be possible, constitute a Compensation Committee in accordance with the Guidelines consisting of a majority of Independent Directors of the Company. Currently, the Board has formulated a Compensation Committee which administers and implements the ESOP Plans. The Committee consists of two independent Directors and one Non-Executive Director.

4. ADMINISTRATION AND IMPLEMENTATION OF THE PLAN

- a) The Plan shall be administered by the Compensation Committee. In this regard, the Compensation Committee shall frame the guidelines for the administration and management of the Plan.
- b) The Shares that are set-aside under the Plan shall be transferred from time to time to the Optionee in pursuance of the Plan and subject to the conditions under the relevant stock option agreement duly executed by the said Optionee.
- c) Under the Plan, a total of 325,000 (three lakhs and twenty five thousand) equity shares shall be made available for grant to the Employees.
- d) In the event of any change to the capital of the Company or any capital reconstruction, re-capitalization or capital infusion by reason of split, capitalization, consolidation, exchange or other changes affecting the capital as a class without receipt of consideration by the Company, appropriate adjustments shall be made to the maximum number of Shares under the Plan to ensure there is no dilution in the shareholding and the percentage of Shares allotted under this Plan.
- e) The Pricing Formula, in order to calculate the Exercise Price shall be a percentage of the fair value of the Shares, as determined by the Compensation Committee from time to time. Notwithstanding, anything

contained above, the Exercise Price shall not be less than the nominal value of the Shares.

- f) Subject to the provisions of the Plan and approval of the Board, the Compensation Committee shall have the authority to do the following:
- (i) determine the number of Options to be granted to each class/category of Optionees and in aggregate;
 - (ii) determine the Exercise Price of the Options granted to each class/category of Optionees in accordance with the Guidelines;
 - (iii) approve grant letters to be provided to the each class/category of Optionees and other forms of agreement which are required to be executed by the Optionees pursuant to the Plan;
 - (iv) determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option granted hereunder;
 - (v) construe and interpret the terms of the Plan and Options granted pursuant to the Plan and the relevant stock option agreements;
 - (vi) determine the Vesting Period and Exercise Period of the Options granted to the each class/category of Optionees; and
 - (vii) adopt the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others in accordance with the Guidelines, notwithstanding clause 4 (f) above.
 - (viii) determine the conditions under which Options vested in Employees may lapse in case of termination of employment for misconduct.
 - (ix) the Grant, Vesting and Exercise of Options in case of Employees who are on long leave.
 - (x) the procedure for cashless exercise of Options.
- g) All decisions, determinations and interpretations of the Compensation Committee shall be final and binding on all Optionees.
- h) The Compensation Committee shall frame suitable policies to ensure that there is no violation of the Securities and Exchange Board of India (Insider Trading) Regulations, 1992 and the Securities and Exchange

5. GOVERNMENTAL REGULATIONS

The Plan shall be subject to and governed by all Applicable Laws. The transfer/grant of Shares/Options under this Plan shall entitle the Company to require the Optionee to comply with such conditions of law as may be necessary in the opinion of the Company.

6. GENERAL RISKS

Participation in the Plan 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 is that of the Optionee alone. The Optionee is encouraged to make considered judgement and seek adequate information /clarifications essential for appropriate decision.

7. CONDITIONS FOR ISSUE OF GRANT LETTERS

- a) The grant letter and the relevant stock option agreement will set out the terms and conditions of issue of Options to the Employee. If the Employee does not wish to accept the grant made by the Compensation Committee, then he shall communicate his non-acceptance to the Compensation Committee within fifteen (15) days from the date of the grant. If a letter of non-acceptance is not received within fifteen (15) days from the date of grant, the grant will be considered to have been accepted. The acceptance of the grant by the Employee shall not, in any manner, be construed to compel the Employee to Exercise his Option upon the Option becoming a Vested Option in the said Employee.
- b) The grant letter shall, besides other terms and conditions, specify the number of Options granted, the Vesting Period, the vesting schedule, the Exercise Price, the Exercise Period, etc.
- c) The grant letter confirms the right of Exercise by the Optionee during the Exercise Period and at the Exercise Price, to apply for and be allotted the Shares of the Company upon Options becoming Vested Options.
- d) The grant is not transferable by the Optionee till the Options become Vested Options and are exercised by the Optionee and Shares issued in this regard. Therefore, for the purposes of clarity, only the Shares issued upon conversion of the Vested Options are transferable by the Optionee and Options (whether vested or unvested) are not transferable by the

Optionee. Further, only the Optionee named in the grant letter shall be entitled to the rights thereof except in exceptional circumstances as stated in the Plan. The Optionee is not entitled to pledge, hypothecate, charge, mortgage or in any manner alienate or dispose of the grant or Options (whether vested or unvested) to any other person.

8. LIMITATIONS FOR GRANT OF OPTIONS

Notwithstanding anything contained in this Plan, the face value of Shares allotted under this Plan to the class of Employees falling within clause 2(g) (ii) of this Plan shall not exceed 5 % of the total paid up Share capital of the Company as on date of the grant of Options or any other such percentage as may be notified under the provisions of the Foreign Exchange Management Act, 1999 from time to time.

9. OPTIONS

9.1 Issue of Options

- a) The Options shall be issued to the Optionees by the Compensation Committee for such Exercise Price and in such numbers as may be determined by the Compensation Committee from time to time, in accordance with the Guidelines.
- b) The issue of Options under the Plan shall in no way affect the right of the Company to adjust, re-classify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

9.2 Vesting Period

The Options granted under the Plan shall vest in the Optionee(s) during the vesting period in the following manner:

The vesting period of the stock options granted shall be determined by the compensation committee of the board from time to time, subject to the SEBI guidelines and companies act, 1956, provided that the minimum vesting period shall be for 1 year and the maximum vesting period shall be of 4 years.

9.3 Exercise of Vested Options

- a) The Optionee is entitled to Exercise only the Vested Options. The Optionee shall Exercise the Vested Options within a period of five (5) years from the date of Vesting or such other period as may be

determined by the Compensation Committee at the Exercise Price by way of cash or cheque, drawn to the order of the Compensation Committee or in such other consideration as the Compensation Committee deems appropriate, including a combination of cash and such other consideration having a fair market value, as so determined, equal to the Exercise Price. The exercise price shall be determined by the Compensation Committee of the Board from time to time after considering the fair market value and the price of the Company's share price as listed on the stock exchange and prevalent at the time of making the grant. However, the specific Exercise Period for each category/class of Employee shall be stated in the relevant stock option agreement and the grant letter.

- b) The Compensation Committee shall have the full power and authority to extend the Exercise Period of any Option granted under this Plan as the Compensation Committee may deem appropriate provided the exercise period is not extended beyond 5 years from the date of the vesting.
- c) The Optionee may at his discretion Exercise all or any of the Vested Options, provided such Exercise is made in lots of such number of Shares or parts thereof as may be determined by the compensation committee from time to time and within the Exercise Period.
- d) In case of the Optionee ceasing to be Employee of the Company by reason of resignation, i.e., voluntary separation from the Company, the Optionee shall have the right to Exercise all the vested options at any time within a Period of one month from the date of his separation from the employment. In the event, that the Vested Options are not exercised within the aforesaid Period by such Optionee, the Vested Options shall lapse.
- e) Notwithstanding, anything to the contrary in this Plan, the Options shall lapse in their entirety immediately upon the Optionee's discharge from employment or other service relationship upon a Cause, regardless of whether the Options are vested or not. However, the Optionee may be allowed to exercise the Vested Options with the written approval of the Compensation Committee within ninety (90) days from such discharge in exceptional circumstances.
- f) In the event of death of an Optionee while in employment, all the Options (both vested and unvested) granted to the Optionee till such date shall be transferred to the legal heirs/nominee of the

deceased Optionee as Vested Options. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the legal heirs/nominee.

- g) In the event of Permanent Disability of an Optionee while in employment, all the Options (both vested and unvested) granted to the Optionee as on the date of the occurrence of Permanent Disability shall be transferred to the Optionee or nominee of the Optionee as Vested Options on that day as may be determined by the Compensation committee of the Board after considering the circumstances of each case. Such Vested Options would be exercisable by the Optionee or the nominee of the Optionee at any time within the Exercise Period. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the Optionee or the nominee of the Optionee.
- h) In the event of severance of employment of an Optionee from the Company as a part of reconstitution/amalgamation/sell-off or such other significant change in the Company's structure, the Optionee will have to Exercise the Vested Options within a date as predetermined by the agreement dealing with the reconstitution/amalgamation/sell-off or such other significant change in the Company's structure, from the date of severance. In the event that the Vested Options are not exercised within this period, the Options shall lapse. This condition shall be applicable notwithstanding that the normal Exercise Period may be longer than the period mentioned under the agreement dealing with the reconstitution/amalgamation, etc. of the Company.
- i) In the event of an Optionee being transferred to a Subsidiary at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. All Unvested Options shall vest in accordance with the relevant stock option agreement. The Vested Options can be exercised at any time within the Exercise Period.
- j) In the event of retirement of an Optionee from the Company at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime as specified under clause d) herein above. The above is applicable provided the Optionee does not enter into competition or is not employed by a competitor of the Company.

-
- k) In the event of the Company being taken-over or amalgamated or merged with another company, the Compensation Committee, at its sole discretion and in conjunction with the acquiring company, may decide to issue fresh Options which shall carry the option of conversion into Shares of the merged company on such terms and conditions as may be decided by the Compensation Committee. However, the same shall be at the discretion of the Compensation Committee, which may alternatively decide for lapse of the Options, which shall be purchased back by the Compensation Committee without issue of any fresh Options.
 - l) The Exercise of Vested Options is deemed to be completed when the Shares are allotted to the Optionee in response to his application and payments, if any, in accordance with the relevant stock option agreement and grant letter.
 - m) In the event of resignation or termination of employment of the Optionee, all Unvested Options shall lapse. However, the Optionee shall, subject to clause 9.3 (d) of the Plan, shall be entitled to retain all the Vested Options.
 - n) In case the Optionee does not Exercise the Vested Options within the Exercise Period, the said Options will lapse and no rights will accrue to the Optionee after that date.
 - o) In the event, the Optionee/legal heir/nominee is unable to Exercise the Vested Options within the Exercise Period, on the happening of any contingencies mentioned in this clause 9.3 of the Plan, then such an Optionee/legal heir/nominee shall have an obligation to notify the Compensation Committee in writing prior to the lapse of the Exercise Period indicating the contingencies and his consequent inability to Exercise the Vested Options. Such a written notification to the Compensation Committee shall be a pre-requisite in order for the Optionee/legal heir/nominee to be entitled to any refund of amounts paid towards the Exercise of the Options.
 - p) For the purpose of clarity, the Exercise of Options by the Optionee is a right granted to the said Optionee, and not an obligation, under the Plan, to apply for and be transferred the Shares of the Company at the Exercise Price, subject to the requirements of vesting detailed under the relevant stock option agreement and the grant letter.

9.4 Surrender of Options

An Optionee/legal heirs/nominee may surrender any or all of the Options to the Compensation Committee at any time, whether vested or not. The entitlement to such surrender shall be limited prior to the lapse of the Exercise Period.

9.6 Bonus / Rights Issue

- a) Notwithstanding any grant of Options made by the Company to the Employees in pursuance to this Plan and subject to the Guidelines, the Company is at full liberty to issue any further Shares at any price as it thinks fit to any class of persons, at any time at its discretion.
- b) The Compensation Committee shall intimate the Optionee in a written notice subsequent to a bonus/rights issue of Shares regarding the increase in the number of Options granted to the Employee under the grant and also the reduction in the Exercise Price.
- c) The issue of the bonus/rights Shares shall not change any of the rights or conditions under which the Options have been granted except the entitlement to an increase in the number of Shares which may be applied for and a reduction in the Exercise Price.
- d) In the event of an issue of bonus/rights Shares being made by the Company after the grant, the Optionee shall, with regard to all Options, whether vested or not, have the right to apply for the increased number of Shares upon the Options becoming Vested Options, equivalent to the ratio in which the bonus/rights Shares are issued. However, the eligibility of the Optionee for the above said bonus/rights Shares and the reduction in the Exercise Price and the length of the Exercise Period would be decided by the Compensation Committee.

9.7 Option for Conversion

The Optionee may opt for conversion of his Vested Options into Shares by applying to the Compensation Committee during the Exercise Period in a specified format.

9.8 Cancellation/Regrant/Buy-Back of Options

- a) The Compensation Committee shall have the authority to effect, at any time and from time to time, the cancellation of any or all outstanding Options under the Plan and grant in substitution new Options under the Plan covering the same or different numbers of Shares.
- b) The Compensation Committee shall consider, in case of each substitute grant, whether and the extent to which the vesting schedule related to the exercisability of the substitute Option should extend beyond the schedule for the cancelled Option.
- c) The Compensation Committee shall also consider setting up a vehicle as per the Applicable Laws to enable the Optionee to sell all or part of the Vested Options in the circumstances mentioned in clause 9.3 of the Plan and to enable the Compensation Committee to buy the Shares back from the Optionee.
- d) Options forfeited/lapsed can be regranted to employees from time to time by the Compensation Committee of the Board till all the options under the said plans are exercised and exhausted completely.

10. SHARES

10.1 Issue of Shares

- a) After the Options are converted into Shares, the Shares so converted shall be subject to the terms and conditions as mentioned below.
- b) The Shares shall not be subject to any lock in period from the date the Options are converted into Shares.

10.2 Ranking of Shares

- a) The Shares arising on the conversion of the Options shall, subject to the rights provided in the Memorandum of Association and Articles of Association of the Company, rank pari-passu with all the other Shares of the Company from the date of conversion of Options into Shares. Thus, any right attached to such Shares shall be with reference to the date of conversion of the Options into Shares.

-
- b) The Optionee shall not have any of the rights of a shareholder with respect to the Shares until such Shares have been issued to him upon the due Exercise of the Vested Options. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such Shares are issued.

11. RESTRICTIONS ON DISPOSITION

The Compensation committee may, subject to the requirements of SEBI Guidelines, determine any lock-in period for the options granted under this plan.

12. TAX LIABILITY

- a) In the event of any tax liability arising to the Optionee on account of the issue of the Options/conversion into Shares/transfer of Shares or on any other event, the liability shall be that of the Optionee alone.
- b) In the event of any tax liability arising on account of the Plan to the Company, the Company, on the advice of the Compensation Committee, shall have the right to cause the Shares issuable under this Plan to be sold or otherwise alienated or to have the Options nullified to meet the liability or to meet the liability on behalf of the Optionee in the event the Optionee fails to pay back such liability borne by the Company on the Optionee's behalf.

13. CONFIDENTIALITY

- a) The Optionee who holds any Options/Shares under the Plan shall not divulge the details of the Plan and his holding to any person except with the prior permission of the Company obtained in writing.
- b) The Optionee shall enter into such agreements, as the Company may desire, from time to time, to more fully and effectively implement the Plan.

14. CONTRACT OF EMPLOYMENT

- a) The Plan shall not form part of any contract of employment between the Company and the Employees. The rights and obligations of any individual Employee under the terms of his office or employment with the Company shall not be affected by his participation in the Plan or any right, which he may have to participate in it.

-
- b) Nothing in the Plan shall be construed as affording an Employee any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.
 - c) The Plan shall not confer on any person any legal or equitable rights against the Company either directly or indirectly or give rise to any cause of action in law or equity against the Company.
 - d) The Plan is purely at the discretion of the Company.

15. NO RIGHT TO CONTINUED EMPLOYMENT/SERVICE

- a) Neither the action of the Company in establishing the Plan nor any action taken by the Compensation Committee, nor any provision of the Plan shall be construed so as to grant the Optionee the right to remain in the employment or service of the Company, for any period of specific duration.
- b) The Company shall have full right to terminate the Optionee's employment or services at any time for any reason, with or without Cause. In the event the Company chooses to terminate the services of the Optionee without a Cause then the Company shall provide the Optionee with sufficient notice and validate the reasons for termination of the Optionee through a due process. If the reasons for termination are determined to be justifiable under the due process then the Employee shall be liable to forfeit all his Options, whether vested or unvested, in favour of the Compensation Committee, on the date of termination. For termination for Cause, clause 9.3(e) of this Plan shall be applicable to all Options, both vested and unvested.

16. APPOINTMENT OF NOMINEE

- a) In the event of circumstances detailed in clause 9.3 (f) and (g) of this Plan, an Optionee may appoint a person as his nominee(s) for the purpose of exercising the rights, subject to the obligations, in terms of the Plan. Such Optionee shall appoint a nominee(s) by submitting a letter in the form specified in *Annexure 1* to the Plan. The Optionee has the right to revoke such nomination at any time and a fresh nomination may be made on such revocation. Notwithstanding the appointment of a nominee and exercise of rights under this Plan by the said nominee, the Company or the Compensation Committee shall not be liable in relation to any rights and obligations amongst the legal heirs of the Optionee concerned.
- b) If the Optionee fails to make a nomination, in the event of his inability/incapacity to hold the Shares under clause 9.3 (f) and (g) of this Plan, the

same shall revert back to the name and sole custody of the Compensation Committee, to be dealt with in a fair and reasonable manner.

17. AMENDMENT OF THE PLAN

The Compensation Committee may cancel any or all outstanding Options under the Plan and grant in substitution, new Options under the Plan covering same or different numbers of Shares but having an Exercise Price as mentioned in the relevant stock option agreement and the grant letter. The Compensation Committee shall not vary the terms of the Plan in any manner, which may be detrimental to the interests of the employees.

ANNEXURE 1

NOMINATION

Date: _____

To: The Compensation Committee

OnMobile Global Limited

Dear Sirs,

In respect of the rights to be exercised by me under the **Employees Stock Option Plan - I, 2010 (“Plan”)**, I hereby appoint _____ (*please specify nature of relationship*) viz., Mr/Mrs/Miss _____, aged _____ years, residing at _____ as my nominee in accordance with clause 17 of the Plan.

Yours faithfully

Witnessed by:

1. Signature:

Name :

Address :

2. Signature:

Name :

Address :

EMPLOYEES STOCK OPTION PLAN - IV, 2008

SHORT TITLE, EXTENT AND COMMENCEMENT

This plan may be called the “**OnMobile Employees Stock Option Plan - IV, 2008**” (hereinafter referred to as the “**Plan**”).

It applies only to the bonafide confirmed Employees of the subsidiary (ies) of **OnMobile Global Limited**, who are in employment of such subsidiary and understood in accordance with Rules of the OnMobile Stock Option Scheme for Employees in France (“French – Sub-Plan”), to the extent such French sub-plan is not inconsistent with the SEBI (Employee Stock Option Scheme (ESOP) & Employee Stock Purchase Scheme (ESPS)) Guidelines, 1999 and this ESOP Plan.

It shall be deemed to have come into force on October 31, 2008.

1. OBJECT

The object of the Plan is to create a sense of ownership and to reward Employees of the Subsidiary Company for ongoing performance and motivate them to drive the Company value. The Plan has been adopted by a Board resolution of the Company. The object of the Plan is to grant Options, at the discretion of the Company, to the Employees of the Company’s Subsidiary who are eligible and qualify under the Plan. Such Options shall be convertible to Shares of the Company and Employees holding such Options shall be allotted Shares of the Company on Exercise of such Options. This Plan shall be approved by a Special resolution of the members of the Company by postal ballot on October 31, 2008 , and modified vide members resolution dated August 01, 2009 and July 24, 2010. . The Company will as required under the **SEBI (Employee Stock Option Scheme (ESOP) & Employee Stock Purchase. Scheme (ESPS)) Guidelines, 1999**, disclose appropriately, any impact of fair value of these options on Company’s profits and Earning per Share (EPS), to the shareholders.

2. DEFINITIONS

In this Plan, unless the context otherwise requires,

- a) “**Applicable Laws**” shall mean the legal requirements relating to stock option plans, including, without limitation, the tax, securities or corporate laws of India, which are applicable to the Company.
- b) “**Board**” shall mean the Board of Directors of the Company as a whole or a majority of them or any committee of the board exclusively constituted for purpose of administering the Plan.

-
- c) **“Cause”** shall mean conduct, as determined by the Board involving the commission of an act of theft, embezzlement, fraud, dishonesty or moral turpitude, the deliberate disregard of the rules of the Company or on such other disciplinary grounds which resulted in or on the Board’s determination may result in loss, damage or injury to the Company, the unauthorized disclosure of any trade secret or confidential information of the Company, or the commission of an act which constitutes unfair competition.
- d) **“Company”** shall mean OnMobile Global Limited
- e) **“Compensation Committee”** shall mean the compensation committee constituted by the Board for administration and superintendence of this Plan and comprising a majority of Independent Directors or such other composition as may be required under the Applicable Law.
- f) **“Director”** shall mean a director of the Company whether whole time or not and shall include an Independent Director.
- g) **“Employee”** shall mean:
- (i) an employee of a Subsidiary in a foreign country;
- but shall not include (a) an employee who is a Promoter or who belongs to the Promoter Group; (b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.
- h) **“Exercise”** is the act of a written application being made by the Optionee to the Company to have the Vested Options converted and issued as Shares upon payment of the Exercise Price and applicable taxes, if any, in accordance with this Plan and the relevant stock option agreement.
- i) **“Exercise Period”** shall mean the period commencing 24 months after the date on which the Options are granted in accordance with the relevant stock option agreement and terminating on such date as may be specified under the said agreement, within which period the Optionee shall have the right to Exercise his Vested Options. Provided that in no event shall the Exercise Period exceed five (5) years from the date the Options become Vested Options.
- j) **“Exercise Price”** shall mean the price at which Vested Options held by the Optionee may be exercised or purchased. The price for the Options granted under this plan shall be as determined by the Compensation Committee in accordance with the applicable guidelines from time to time

considering the fair market value and the trading price of the Company's equity shares on the stock exchanges, the exercise price shall not be less than the par value.

- k) compliance with the provisions of the Guidelines, in particular those in relation to the accounting policies.
- l) **"Grant"** means issue of Options to the Employees under this Plan and the relevant stock option agreement.
- m) **"Guidelines"** means Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
- n) **"Independent Director"** shall mean a Director of the Company, not being a whole time Director and who is neither a Promoter nor belongs to the Promoter Group.
- o) **"Option"** shall mean a stock option granted by the Company to the Employees pursuant to this Plan, which Option upon becoming a Vested Option, would be convertible into Shares in accordance with the relevant stock option agreement.
- p) **"Optionee"** shall mean an Employee of the subsidiary (ies) of the Company who holds Options granted by the Company pursuant to this Plan and who has duly executed a stock option agreement with the Company.
- q) **"Plan"** shall mean this OnMobile Employee Stock Option Plan - IV, 2008.
- r) **"Promoter"** means:
 - (i) the person or persons who are in overall control of the Company;
 - (ii) the person or persons who were instrumental in the formation of the Company or programme pursuant to which the shares were offered to the public;
 - (iii) the persons or persons named in the offer document as promoter(s). 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; and

Explanation: Where a promoter of a company is a body corporate, the promoters of that body corporate shall also be deemed to be promoters of the company.

- s) **“Promoter Group”** shall mean:
- (i) an immediate relative of a Promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and
 - (ii) those persons whose shareholding is aggregated for the purpose of disclosing in the offer document as “shareholding of the promoter group”, at any time after the listing of the Company.
- t) **“Permanent Disablement”** shall mean such disablement, which incapacitates an Employee for all work that he was capable of performing at the time of the accident resulting in such disablement.
- u) **“Share”** shall mean an equity share of the Company having a nominal value of Rs. 10/- (Rupees Ten Only).
- v) **“Subsidiary”** shall mean a subsidiary company of the Company in which the Company holds more than half of nominal value of the aggregate equity share capital.
- w) **“Unvested Option”** shall mean an Option, which has not vested in the Optionee in accordance with the relevant stock option agreement. For the purpose of clarity, unvested option is an Option in respect of which the relevant Vesting Period has not been completed.
- x) **“Vesting”** means earning by the Optionee, of the right to apply for Shares against the Options granted to him in pursuance of this Plan and the relevant stock option agreement.
- y) **“Vested Option”** shall mean an Option, which has duly vested in the Optionee by reason of the Vesting Period being completed in accordance with the relevant stock option agreement.
- z) **“Vesting Period”** shall mean the period during which the vesting of the Options, granted to the Optionee in pursuance of the Plan and the relevant stock option agreement, is effected. The vesting period shall be for a period of one (1) year from the date of the Grant as applicable under this Stock Option Plan.

Words not specifically defined herein shall have the meaning attributed to them under the Companies Act, 1956, the Guidelines and the Central Board of Direct

Taxes Guidelines on Employees Stock Option Plans, as the case may be.

3. ESTABLISHMENT OF THE COMPENSATION COMMITTEE

The Board shall, as soon as may be possible, constitute a Compensation Committee in accordance with the Guidelines consisting of a majority of Independent Directors of the Company. Currently, the Board has formulated a Compensation Committee which administers and implements the ESOP Plans. The Committee shall consist of two independent Directors and one Non-Executive Director.

4. ADMINISTRATION AND IMPLEMENTATION OF THE PLAN

- a) The Plan shall be administered by the Compensation Committee. In this regard, the Compensation Committee shall frame the guidelines for the administration and management of the Plan.
- b) The Shares that are set-aside under the Plan shall be transferred from time to time to the Optionee in pursuance of the Plan and subject to the conditions under the relevant stock option agreement duly executed by the said Optionee.
- c) Under the Plan, a total of 173,953 (One lakh seventy three thousand nine hundred and fifty three) Shares shall be made available for grant to the Employees.
- d) In the event of any change to the capital of the Company or any capital reconstruction, re-capitalization or capital infusion by reason of split, capitalization including issue of Bonus Shares, consolidation, exchange or other changes affecting the capital as a class without receipt of consideration by the Company, appropriate adjustments shall be made to the maximum number of Shares under the Plan to ensure there is no dilution in the shareholding and the percentage of Shares allotted under this Plan.
- e) The Pricing Formula, in order to calculate the Exercise Price shall be a percentage of the fair value of the Shares, as determined by the Compensation Committee from time to time. Notwithstanding, anything contained above, the Exercise Price shall not be less than the nominal value of the Shares.
- f) Subject to the provisions of the Plan and approval of the Board, the Compensation Committee shall have the authority to do the following:

-
- (i) determine the number of Options to be granted to each class/category of Optionees and in aggregate;
 - (ii) determine the Exercise Price of the Options granted to each class/category of Optionees in accordance with the Guidelines;
 - (iii) approve grant letters to be provided to the each class/category of Optionees and other forms of agreement which are required to be executed by the Optionees pursuant to the Plan;
 - (iv) determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option granted hereunder;
 - (v) construe and interpret the terms of the Plan and Options granted pursuant to the Plan and the relevant stock option agreements;
 - (vi) determine the Vesting Period and Exercise Period of the Options granted to the each class/category of Optionees; and
 - (vii) adopt the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others in accordance with the Guidelines.
 - (viii) determine the conditions under which Options vested in Employees may lapse in case of termination of employment for misconduct.
 - (ix) the Grant, Vesting and Exercise of Options in case of Employees who are on long leave.
 - (x) the procedure for cashless exercise of Options.
- g) All decisions, determinations and interpretations of the Compensation Committee shall be final and binding on all Optionees.
- h) The Compensation Committee shall frame suitable policies to ensure that there is no violation of the Securities and Exchange Board of India (Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.

5. GOVERNMENTAL REGULATIONS

The Plan shall be subject to and governed by all Applicable Laws. The transfer/grant of Shares/Options under this Plan shall entitle the Company to require the Optionee to comply with such conditions of law as may be necessary in the opinion of the Company.

6. GENERAL RISKS

Participation in the Plan 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 is that of the Optionee alone. The Optionee is encouraged to make considered judgement and seek adequate information /clarifications essential for appropriate decision.

7. CONDITIONS FOR ISSUE OF GRANT LETTERS

- a) The grant letter and the relevant stock option agreement will set out the terms and conditions of issue of Options to the Employee. If the Employee does not wish to accept the grant made by the Compensation Committee, then he shall communicate his non-acceptance to the Compensation Committee within fifteen (15) days from the date of the grant. If a letter of non-acceptance is not received within fifteen (15) days from the date of grant, the grant will be considered to have been accepted. The acceptance of the grant by the Employee shall not, in any manner, be construed to compel the Employee to Exercise his Option upon the Option becoming a Vested Option in the said Employee.
- b) The grant letter shall, besides other terms and conditions, specify the number of Options granted, the Vesting Period, the vesting schedule, the Exercise Price, the Exercise Period, etc.
- c) The grant letter confirms the right of Exercise by the Optionee during the Exercise Period and at the Exercise Price, to apply for and be allotted the Shares of the Company upon Options becoming Vested Options.
- d) The grant is not transferable by the Optionee till the Options become Vested Options and are exercised by the Optionee and Shares issued in this regard. Therefore, for the purposes of clarity, only the Shares issued upon conversion of the Vested Options are transferable by the Optionee and Options (whether vested or unvested) are not transferable by the Optionee. Further, only the Optionee named in the grant letter shall be entitled to the rights thereof except in exceptional circumstances as stated in the Plan. The Optionee is not entitled to pledge, hypothecate, charge,

mortgage or in any manner alienate or dispose of the grant or Options (whether vested or unvested) to any other person.

8. LIMITATIONS FOR GRANT OF OPTIONS

Notwithstanding anything contained in this Plan, the face value of Shares allotted under this Plan to the class of Employees falling within the Definition of “Director(s)” as per the SEBI (ESOPS **SEBI (Employee Stock Option** shall not exceed 5 % of the total paid up Share capital of the Company as on date of the grant of Options or any other such percentage as may be notified under the provisions of the Foreign Exchange Management Act, 1999 from time to time.

9. OPTIONS

9.1 Issue of Options

- a) The Options shall be issued to the Optionees by the Compensation Committee for such Exercise Price and in such numbers as may be determined by the Compensation Committee from time to time, in accordance with the Guidelines.
- b) The issue of Options under the Plan shall in no way affect the right of the Company to adjust, re-classify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

9.2 Vesting Period

The Options granted under the Plan shall vest in the Optionee(s) during the vesting period in the following manner or as may otherwise be specified by the Compensation Committee of the Board, subject to the requirements, if any, under the SEBI Guidelines:

- i. 100% of the aggregate Options granted to the Optionee shall become Vested Options at the end of one year from the date of grant of the Options to the Optionee.

9.3 Exercise of Vested Options

- a) The Optionee is entitled to Exercise only the Vested Options. The Optionee shall Exercise the Vested Options only after the expiry of two years from the date of grant or such period as may be determined by the Compensation committee of the Board, but within a maximum period of five (5) years from the date of vesting.

-
- b) Further, subject to the clause 9.3 (a) above, the exercise shall be made within a maximum period of five (5) years from the date of Vesting at the Exercise Price by way of cash or cheque, drawn to the order of the Compensation Committee or in such other consideration as the Compensation Committee deems appropriate, including a combination of cash and such other consideration having a fair market value, as so determined, equal to the Exercise Price. The exercise price shall be determined by the Compensation Committee of the Board from time to time after considering the fair market value and the price of the Company's share price as listed on the stock exchange and prevalent at the time of making the grant. However, the specific Exercise Period for each category/class of Employee shall be stated in the relevant stock option agreement and the grant letter.
 - b) The Compensation Committee shall have the full power and authority to extend the Exercise Period of any Option granted under this Plan as the Compensation Committee may deem appropriate.
 - c) The Optionee may at his discretion Exercise all or any of the Vested Options, provided such Exercise is made in lots of such number of Shares or parts thereof as may be determined by the compensation committee from time to time and within the Exercise Period.
 - d) In case of the Optionee ceasing to be Employee of the Company's subsidiary (ies) by reason of resignation, i.e., voluntary separation from the subsidiary, the Optionee shall have the right to Exercise all the vested options at any time within the Exercise Period. In the event, that the Vested Options are not exercised within the Exercise Period by such Optionee, the Vested Options shall lapse.
 - e) Notwithstanding, anything to the contrary in this Plan, the Options shall lapse in their entirety immediately upon the Optionee's discharge from employment or other service relationship upon a Cause, regardless of whether the Options are vested or not. However, the Optionee may be allowed to exercise the Vested Options with the written approval of the Compensation Committee within ninety (90) days from such discharge in exceptional circumstances.
 - f) In the event of death of an Optionee while in employment, all the Options (both vested and unvested) granted to the Optionee till such date shall be transferred to the legal heirs/nominee of the

deceased Optionee as Vested Options.. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the legal heirs/nominee.

- g) In the event of Permanent Disability of an Optionee while in employment, all the Options (both vested and unvested) granted to the Optionee as on the date of the occurrence of Permanent Disability shall be transferred to the Optionee or nominee of the Optionee as Vested Options on that day as may be determined by the Compensation committee of the Board after considering the circumstances of each case. Such Vested Options would be exercisable by the Optionee or the nominee of the Optionee at any time within the Exercise Period. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the Optionee or the nominee of the Optionee.
- h) In the event of severance of employment of an Optionee from the subsidiary as a part of reconstitution/amalgamation/sell-off or such other significant change in the Company's or the subsidiary's structure, the Optionee will have to Exercise the Vested Options within a date as predetermined by the agreement dealing with the reconstitution/ amalgamation/sell-off or such other significant change in the subsidiary's or Company's structure, from the date of severance. In the event that the Vested Options are not exercised within this period, the Options shall lapse. This condition shall be applicable notwithstanding that the normal Exercise Period may be longer than the period mentioned under the agreement dealing with the reconstitution/amalgamation, etc. of the subsidiary or the Company.
- i) In the event of an Optionee being transferred to another Subsidiary at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. All Unvested Options shall vest in accordance with the relevant stock option agreement. The Vested Options can be exercised at any time within the Exercise Period.
- j) In the event of retirement of an Optionee from the subsidiary of the Company at the instance of or with consent of the subsidiary, the Optionee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. The above is applicable

provided the Optionee does not enter into competition or is not employed by a competitor of the Company.

- k) In the event of the Company or the subsidiary being taken-over or amalgamated or merged with another company, the Compensation Committee, at its sole discretion and in conjunction with the acquiring company, may decide to issue fresh Options which shall carry the option of conversion into Shares of the merged company on such terms and conditions as may be decided by the Compensation Committee. However, the same shall be at the discretion of the Compensation Committee, which may alternatively decide for lapse of the Options, which shall be purchased back by the Compensation Committee without issue of any fresh Options.
- l) The Exercise of Vested Options is deemed to be completed when the Shares are allotted to the Optionee in response to his application and payments, if any, in accordance with the relevant stock option agreement and grant letter.
- m) In the event of resignation or termination of employment of the Optionee, all Unvested Options shall lapse. However, the Optionee shall, subject to clause 9.3 (e) of the Plan, shall be entitled to retain all the Vested Options.
- n) In case the Optionee does not Exercise the Vested Options within the Exercise Period, the said Options will lapse and no rights will accrue to the Optionee after that date.
- o) In the event, the Optionee/legal heir/nominee is unable to Exercise the Vested Options within the Exercise Period, on the happening of any contingencies mentioned in this clause 9.3 of the Plan, then such an Optionee/legal heir/nominee shall have an obligation to notify the Compensation Committee in writing prior to the lapse of the Exercise Period indicating the contingencies and his consequent inability to Exercise the Vested Options. Such a written notification to the Compensation Committee shall be a pre-requisite in order for the Optionee/legal heir/nominee to be entitled to any refund of amounts paid towards the Exercise of the Options.
- p) For the purpose of clarity, the Exercise of Options by the Optionee is a right granted to the said Optionee, and not an obligation, under the Plan, to apply for and be transferred the Shares of the Company at the Exercise Price, subject to the requirements of vesting

detailed under the relevant stock option agreement and the grant letter.

9.4 Surrender of Options

An Optionee/legal heirs/nominee may surrender any or all of the Options to the Compensation Committee at any time, whether vested or not. The entitlement to such surrender shall be limited prior to the lapse of the Exercise Period.

9.5 Bonus / Rights Issue

- a) Notwithstanding any grant of Options made by the Company to the Employees in pursuance to this Plan and subject to the Guidelines, the Company is at full liberty to issue any further Shares at any price as it thinks fit to any class of persons, at any time at its discretion.
- c) The Compensation Committee shall intimate the Optionee in a written notice subsequent to a bonus/rights issue of Shares regarding the increase in the number of Options granted to the Employee under the grant and also the reduction in the Exercise Price.
- d) The issue of the bonus/rights Shares shall not change any of the rights or conditions under which the Options have been granted except the entitlement to an increase in the number of Shares which may be applied for and a reduction in the Exercise Price.
- e) In the event of an issue of bonus/rights Shares being made by the Company after the grant, the Optionee shall, with regard to all Options, whether vested or not, have the right to apply for the increased number of Shares upon the Options becoming Vested Options, equivalent to the ratio in which the bonus/rights Shares are issued. However, the eligibility of the Optionee for the above said bonus/rights Shares and the reduction in the Exercise Price and the length of the Exercise Period would be decided by the Compensation Committee.

9.6 Option for Conversion

The Optionee may opt for conversion of his Vested Options into Shares by applying to the Compensation Committee during the Exercise Period in a specified format.

9.7 Cancellation/Regrant/Buy-Back of Options

- a) The Compensation Committee shall have the authority to effect, at any time and from time to time, the cancellation of any or all outstanding Options under the Plan and grant in substitution new Options under the Plan covering the same or different numbers of Shares.
- b) The Compensation Committee shall consider, in case of each substitute grant, whether and the extent to which the vesting schedule related to the exercisability of the substitute Option should extend beyond the schedule for the cancelled Option.
- c) The Compensation Committee shall also consider setting up a vehicle as per the Applicable Laws to enable the Optionee to sell all or part of the Vested Options in the circumstances mentioned in clause 9.3 of the Plan and to enable the Compensation Committee to buy the Shares back from the Optionee.
- d) Options forfeited/lapsed can be regranted to employees from time to time by the Compensation Committee of the Board till all the options under the said plans are exercised and exhausted completely.

10. SHARES

10.1 Issue of Shares

- a) After the Options are converted into Shares, the Shares so converted shall be subject to the terms and conditions as mentioned below.
- b) The Shares shall not be subject to any lock in period from the date the Options are converted into Shares.

10.2 Ranking of Shares

- a) The Shares arising on the conversion of the Options shall, subject to the rights provided in the Memorandum of Association and Articles of Association of the Company, rank pari-passu with all the other Shares of the Company from the date of conversion of Options into Shares. Thus, any right attached to such Shares shall be with reference to the date of conversion of the Options into Shares.
- b) The Optionee shall not have any of the rights of a shareholder with respect to the Shares until such Shares have been issued to him

upon the due Exercise of the Vested Options. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such Shares are issued.

11. RESTRICTIONS ON DISPOSITION

The Compensation committee may, subject to the requirements of SEBI Guidelines, determine any lock-in period for the options granted under this plan.

12. TAX LIABILITY

- a) In the event of any tax liability arising to the Optionee on account of the issue of the Options/conversion into Shares/transfer of Shares or on any other event, the liability shall be that of the Optionee alone.
- b) In the event of any tax liability arising on account of the Plan to the Company, the Company, on the advice of the Compensation Committee, shall have the right to cause the Shares issuable under this Plan to be sold or otherwise alienated or to have the Options nullified to meet the liability or to meet the liability on behalf of the Optionee in the event the Optionee fails to pay back such liability borne by the Company on the Optionee's behalf.

13. CONFIDENTIALITY

- a) The Optionee who holds any Options/Shares under the Plan shall not divulge the details of the Plan and his holding to any person except with the prior permission of the Company obtained in writing.
- b) The Optionee shall enter into such agreements, as the Company may desire, from time to time, to more fully and effectively implement the Plan.

14. CONTRACT OF EMPLOYMENT

- a) The Plan shall not form part of any contract of employment between the Company and the Employees. The rights and obligations of any individual Employee under the terms of his office or employment with the subsidiary shall not be affected by his participation in the Plan or any right, which he may have to participate in it.
- b) Nothing in the Plan shall be construed as affording an Optionee any additional rights as to compensation or damages in consequence of the

termination of his office or employment with the subsidiary for any reason.

- c) The Plan shall not confer on any person any legal or equitable rights against the Company either directly or indirectly or give rise to any cause of action in law or equity against the Company.
- d) The Plan is purely at the discretion of the Company.

15. NO RIGHT TO CONTINUED EMPLOYMENT/SERVICE

- a) Neither the action of the Company in establishing the Plan nor any action taken by the Compensation Committee, nor any provision of the Plan shall be construed so as to grant the Optionee the right to remain in the employment or service of the subsidiary of the Company or the Company, for any period of specific duration.
- b) The subsidiary of the Company shall have full right to terminate the Optionee's employment or services at any time for any reason, with or without Cause. In the event the subsidiary of the Company chooses to terminate the services of the Optionee without a Cause then the subsidiary of the Company shall provide the Optionee with sufficient notice and validate the reasons for termination of the Optionee through a due process. If the reasons for termination are determined to be justifiable under the due process then the Optionee shall be liable to forfeit all his Options, whether vested or unvested, in favour of the Compensation Committee, on the date of termination. For termination for Cause, clause 9.3(e) of this Plan shall be applicable to all Options, both vested and unvested.

16. APPOINTMENT OF NOMINEE

- a) In the event of circumstances detailed in clause 9.3 (f) and (g) of this Plan, an Optionee may appoint a person as his nominee(s) for the purpose of exercising the rights, subject to the obligations, in terms of the Plan. Such Optionee shall appoint a nominee(s) by submitting a letter in the form specified in ***Annexure 1*** to the Plan. The Optionee has the right to revoke such nomination at any time and a fresh nomination may be made on such revocation. Notwithstanding the appointment of a nominee and exercise of rights under this Plan by the said nominee, the Company or the Compensation Committee shall not be liable in relation to any rights and obligations amongst the legal heirs of the Optionee concerned.

-
- b) If the Optionee fails to make a nomination, in the event of his inability/incapacity to hold the Shares under clause 9.3 (f) and (g) of this Plan, the same shall revert back to the name and sole custody of the Compensation Committee, to be dealt with in a fair and reasonable manner.

17. AMENDMENT OF THE PLAN

The Compensation Committee may cancel any or all outstanding Options under the Plan and grant in substitution, new Options under the Plan covering same or different numbers of Shares but having an Exercise Price as mentioned in the relevant stock option agreement and the grant letter. The Compensation Committee shall not vary the terms of the Plan in any manner, which may be detrimental to the interests of the employees.

ANNEXURE 1

NOMINATION

Date: _____

To: The Compensation Committee

[OnMobile Global Limited]

Dear Sirs,

In respect of the rights to be exercised by me under the **Employees Stock Option Plan-IV, 2008 (“Plan”)**, I hereby appoint _____ (*please specify nature of relationship*) viz., Mr/Mrs/Miss _____, aged _____ years, residing at _____ as my nominee in accordance with clause 17 of the Plan.

Yours faithfully

Witnessed by:

1. Signature:

Name :

Address :

2. Signature:

Name :

Address :

EMPLOYEES STOCK OPTION PLAN III, 2008

SHORT TITLE, EXTENT AND COMMENCEMENT

This plan may be called the **“OnMobile Employees Stock Option Plan - III, 2008”** (hereinafter referred to as the **“Plan”**).

It applies only to the bonafide confirmed Employees of OnMobile Global Limited, who are in employment of the Company. At the discretion of the Compensation Committee, Employees of Subsidiaries and holding companies, now or hereinafter existing, may also be covered. In the event the employee is transferred to any of the Company’s subsidiary, then the options granted to the employee shall continue to vest in him.¹

It shall be deemed to have come into force on 1st day of August, 2008 and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all the options available for issuance under the ESOP III (2008) have been issued and exercised.

1. OBJECT

The object of the Plan is to create a sense of ownership within the organization, to reward Employees for ongoing performance and motivate them to drive the Company value. The Plan has been adopted by a Board resolution of the Company. The object of the Plan is to grant Options, at the discretion of the Company, to the Employees of the Company who are eligible and qualify under the Plan. Such Options shall be convertible to Shares of the Company and Employees holding such Options shall be allotted Shares of the Company on Exercise of such Options. This Plan has been approved by a special resolution of the present members of the Company at the general meeting held on August 01, 2008. The Company will as required under the **SEBI (Employee Stock Option Scheme (ESOP) & Employee Stock Purchase Scheme (ESPS)) Guidelines, 1999**, disclose appropriately, any impact of fair value of these options on Company’s profits and Earning per Share (EPS), to the shareholders.

2. DEFINITIONS

In this Plan, unless the context otherwise requires,

- a) **“Applicable Laws”** shall mean the legal requirements relating to stock option plans, including, without limitation, the tax, securities or corporate laws of India, which are applicable to the Company.

¹Amended vide Resolution of the Shareholders dated August 01, 2009

-
- b) **“Board”** shall mean the Board of Directors of the Company as a whole or a majority of them or any committee of the board exclusively constituted for purpose of administering the Plan.
- c) **“Cause”** shall mean conduct, as determined by the Board involving the commission of an act of theft, embezzlement, fraud, dishonesty or moral turpitude, the deliberate disregard of the rules of the Company or on such other disciplinary grounds which resulted in or on the Board’s determination may result in loss, damage or injury to the Company, the unauthorized disclosure of any trade secret or confidential information of the Company, or the commission of an act which constitutes unfair competition.
- d) **“Company”** shall mean OnMobile Global Limited.
- e) **“Compensation Committee”** shall mean the compensation committee constituted by the Board for administration and superintendence of this Plan and comprising a majority of Independent Directors or such other composition as may be required under the Applicable Law.
- f) **“Director”** shall mean a director of the Company whether whole time or not and shall include an Independent Director.
- g) **“Employee”** shall mean²:
- (i) a permanent employee of the Company working in India;
 - (ii) a permanent employee of the Company or any of its Subsidiary who is a person resident outside India as defined in the Foreign Exchange Management Act, 1999 or an employee of a Company or its Subsidiary who is a foreign national or any other employee of any of its Subsidiary;
 - (iii) the Directors of the Company whether whole-time or not;
- but shall not include (a) an employee who is a Promoter or who belongs to the Promoter Group; (b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.
- h) **“Exercise”** is the act of a written application being made by the Optionee to the Company to have the Vested Options converted and issued as Shares upon payment of the Exercise Price and applicable taxes, if any, in accordance with this Plan and the relevant stock option agreement.

² Amended vide Resolution of the Shareholders dated August 01, 2009

-
- i) **“Exercise Period”** shall mean the period commencing from the date on which the Options become Vested Options vis-à-vis the Optionee in accordance with the relevant stock option agreement and terminating on such date as may be specified under the said agreement, within which period the Optionee shall have the right to Exercise his Vested Options. Provided that in no event shall the Exercise Period exceed five (5) years from the date the Options become Vested Options.
- j) **“Exercise Price”** shall mean the price at which Vested Options held by the Optionee may be exercised or purchased. The price shall be determined by the Compensation Committee under the relevant stock option agreement subject to compliance with the provisions if the Guidelines, in particular those in relation to the accounting policies.
- k) **“Grant”** means issue of Options to the Employees under this Plan and the relevant stock option agreement.
- l) **“Guidelines”** means Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.
- m) **“Independent Director”** shall mean a Director of the Company, not being a whole time Director and who is neither a Promoter nor belongs to the Promoter Group.
- n) **“Option”** shall mean a stock option granted by the Company to the Employees pursuant to this Plan, which Option upon becoming a Vested Option, would be convertible into Shares in accordance with the relevant stock option agreement.
- o) **“Optionee”** shall mean an Employee of the Company who holds Options granted by the Company pursuant to this Plan and who has duly executed a stock option agreement with the Company.
- p) **“Plan”** shall mean this OnMobile Employee Stock Option Plan III, 2008.
- q) **“Promoter”** means:
- (i) the person or persons who are in overall control of the Company;
 - (ii) the person or persons who were instrumental in the formation of the Company or programme pursuant to which the shares were offered to the public;

-
- (iii) the persons or persons named in the offer document as promoter(s). 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; and

Explanation: Where a promoter of a company is a body corporate, the promoters of that body corporate shall also be deemed to be promoters of the company.

- r) **“Promoter Group”** shall mean:
- (i) an immediate relative of a Promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and
- (ii) those persons whose shareholding is aggregated for the purpose of disclosing in the offer document as “shareholding of the promoter group”, at any time after the listing of the Company.
- s) **“Permanent Disablement”** shall mean such disablement, which incapacitates an Employee for all work that he was capable of performing at the time of the accident resulting in such disablement.
- t) **“Share”** shall mean an equity share of the Company having a nominal value of Rs. 10/- (Rupees Ten Only).
- u) **“Subsidiary”** shall mean a subsidiary company of the Company in which the Company holds more than half of nominal value of the aggregate equity share capital either directly or indirectly and includes any number of step-down Subsidiaries and includes any Subsidiary within or outside India.³
- v) **“Unvested Option”** shall mean an Option, which has not vested in the Optionee in accordance with the relevant stock option agreement. For the purpose of clarity, unvested option is an Option in respect of which the relevant Vesting Period has not been completed.
- w) **“Vesting”** means earning by the Optionee, of the right to apply for Shares against the Options granted to him in pursuance of this Plan and the relevant stock option agreement.
- x) **“Vested Option”** shall mean an Option, which has duly vested in the Optionee by reason of the Vesting Period being completed in accordance with the relevant stock option agreement.

³Amended vide Resolution of the Shareholders dated August 01, 2009

-
- y) **“Vesting Period”** shall mean the period during which the vesting of the Options, granted to the Optionee in pursuance of the Plan and the relevant stock option agreement, is effected. The vesting period shall be for a maximum of four (4) years from the date the Optionee becomes an Employee of the Company or from the date of the Grant as applicable under this Stock Option Plan.

Words not specifically defined herein shall have the meaning attributed to them under the Companies Act, 1956, the Guidelines and the Central Board of Direct Taxes Guidelines on Employees Stock Option Plans, as the case may be.

3. ESTABLISHMENT OF THE COMPENSATION COMMITTEE

The Board shall, as soon as may be possible, constitute a Compensation Committee in accordance with the Guidelines consisting of a majority of Independent Directors of the Company. Currently, the Board has formulated a Compensation Committee which administers and implements the ESOP Plans. The Committee consists of two independent Directors and one Non-Executive Director.

4. ADMINISTRATION AND IMPLEMENTATION OF THE PLAN

- a) The Plan shall be administered by the Compensation Committee. In this regard, the Compensation Committee shall frame the guidelines for the administration and management of the Plan.
- b) The Shares that are set-aside under the Plan shall be transferred from time to time to the Optionee in pursuance of the Plan and subject to the conditions under the relevant stock option agreement duly executed by the said Optionee.
- c) Under the Plan, a total of 1,150,000 (eleven lakhs and fifty thousand) equity shares shall be made available for grant to the Employees.
- d) In the event of any change to the capital of the Company or any capital reconstruction, re-capitalization or capital infusion by reason of split, capitalization, consolidation, exchange or other changes affecting the capital as a class without receipt of consideration by the Company, appropriate adjustments shall be made to the maximum number of Shares under the Plan to ensure there is no dilution in the shareholding and the percentage of Shares allotted under this Plan.
- e) The Pricing Formula, in order to calculate the Exercise Price shall be a percentage of the fair value of the Shares, as determined by the Compensation Committee from time to time. Notwithstanding, anything

contained above, the Exercise Price shall not be less than the nominal value of the Shares.

- f) Subject to the provisions of the Plan and approval of the Board, the Compensation Committee shall have the authority to do the following:
- (i) determine the number of Options to be granted to each class/category of Optionees and in aggregate;
 - (ii) determine the Exercise Price of the Options granted to each class/category of Optionees in accordance with the Guidelines;
 - (iii) approve grant letters to be provided to the each class/category of Optionees and other forms of agreement which are required to be executed by the Optionees pursuant to the Plan;
 - (iv) determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option granted hereunder;
 - (v) construe and interpret the terms of the Plan and Options granted pursuant to the Plan and the relevant stock option agreements;
 - (vi) determine the Vesting Period and Exercise Period of the Options granted to the each class/category of Optionees; and
 - (vii) adopt the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others in accordance with the Guidelines.
 - (viii) determine the conditions under which Options vested in Employees may lapse in case of termination of employment for misconduct.
 - (ix) the Grant, Vesting and Exercise of Options in case of Employees who are on long leave.
 - (x) the procedure for cashless exercise of Options.
- g) All decisions, determinations and interpretations of the Compensation Committee shall be final and binding on all Optionees.
- h) The Compensation Committee shall frame suitable policies to ensure that there is no violation of the Securities and Exchange Board of India (Insider Trading) Regulations, 1992 and the Securities and Exchange

5. GOVERNMENTAL REGULATIONS

The Plan shall be subject to and governed by all Applicable Laws. The transfer/grant of Shares/Options under this Plan shall entitle the Company to require the Optionee to comply with such conditions of law as may be necessary in the opinion of the Company.

6. GENERAL RISKS

Participation in the Plan 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 is that of the Optionee alone. The Optionee is encouraged to make considered judgement and seek adequate information /clarifications essential for appropriate decision.

7. CONDITIONS FOR ISSUE OF GRANT LETTERS

- a) The grant letter and the relevant stock option agreement will set out the terms and conditions of issue of Options to the Employee. If the Employee does not wish to accept the grant made by the Compensation Committee, then he shall communicate his non-acceptance to the Compensation Committee within fifteen (15) days from the date of the grant. If a letter of non-acceptance is not received within fifteen (15) days from the date of grant, the grant will be considered to have been accepted. The acceptance of the grant by the Employee shall not, in any manner, be construed to compel the Employee to Exercise his Option upon the Option becoming a Vested Option in the said Employee.
- b) The grant letter shall, besides other terms and conditions, specify the number of Options granted, the Vesting Period, the vesting schedule, the Exercise Price, the Exercise Period, etc.
- c) The grant letter confirms the right of Exercise by the Optionee during the Exercise Period and at the Exercise Price, to apply for and be allotted the Shares of the Company upon Options becoming Vested Options.
- d) The grant is not transferable by the Optionee till the Options become Vested Options and are exercised by the Optionee and Shares issued in this regard. Therefore, for the purposes of clarity, only the Shares issued upon conversion of the Vested Options are transferable by the Optionee and Options (whether vested or unvested) are not transferable by the

Optionee. Further, only the Optionee named in the grant letter shall be entitled to the rights thereof except in exceptional circumstances as stated in the Plan. The Optionee is not entitled to pledge, hypothecate, charge, mortgage or in any manner alienate or dispose of the grant or Options (whether vested or unvested) to any other person.

8. LIMITATIONS FOR GRANT OF OPTIONS

Notwithstanding anything contained in this Plan, the face value of Shares allotted under this Plan to the class of Employees falling within clause 2(g) (ii) of this Plan shall not exceed 5 % of the total paid up Share capital of the Company as on date of the grant of Options or any other such percentage as may be notified under the provisions of the Foreign Exchange Management Act, 1999 from time to time.

9. OPTIONS

9.1 Issue of Options

- a) The Options shall be issued to the Optionees by the Compensation Committee for such Exercise Price and in such numbers as may be determined by the Compensation Committee from time to time, in accordance with the Guidelines.
- b) The issue of Options under the Plan shall in no way affect the right of the Company to adjust, re-classify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

9.2 Vesting Period ⁴

The Options granted under the Plan shall vest in the Optionee(s) during the vesting period in the following manner:

For options granted up to August 01, 2009:

- i. 25% of the aggregate Options granted to the Optionee shall become Vested Options at the end of twelve (12) months from the Date of Grant of the Options.
- ii. the remaining 75% of the aggregate Options shall vest from the 13th month after the date of Grant of the Options at a rate of 1/36th per month for the next thirty six (36) months of the Vesting Period or such other

⁴ Amended vide resolution of the Shareholders dated August 01, 2009

vesting period as may be determined by the Compensation committee or the Board.

For options granted after August 01, 2009:

“The options shall vest over a period of four years from the date of grant at the rate of 25% of the Options vesting at the end of every one year during the said four year period or such other vesting period as may be determined by the Board of Directors or any committees of the Board from time to time.”

Example as below or as may be determined by the Board or any committees of the Board from time to time:

Period	Vesting Proportion
At the end of year 1 from the date of Grant	25%
At the end of year 2 from the date of Grant	25%
At the end of year 3 from the date of Grant	25%
At the end of year 4 from the date of Grant	25%

9.3 Exercise of Vested Options

- a) The Optionee is entitled to Exercise only the Vested Options. The Optionee shall Exercise the Vested Options within a period of five (5) years from the date of Vesting at the Exercise Price by way of cash or cheque, drawn to the order of the Compensation Committee or in such other consideration as the Compensation Committee deems appropriate, including a combination of cash and such other consideration having a fair market value, as so determined, equal to the Exercise Price. The exercise price shall be determined by the Compensation Committee of the Board from time to time after considering the fair market value and the price of the Company's share price as listed on the stock exchange and prevalent at the time of making the grant. However, the specific Exercise Period for each category/class of Employee shall be stated in the relevant stock option agreement and the grant letter.
- b) The Compensation Committee shall have the full power and authority to extend the Exercise Period of any Option granted under this Plan as the Compensation Committee may deem appropriate provided the exercise period is not extended beyond 5 years from the date of the grant.
- c) The Optionee may at his discretion Exercise all or any of the Vested Options, provided such Exercise is made in lots of such

number of Shares or parts thereof as may be determined by the compensation committee from time to time and within the Exercise Period.

- d) In case of the Optionee ceasing to be Employee of the Company by reason of resignation, i.e., voluntary separation from the Company, the Optionee shall have the right to Exercise all the vested options at any time within a Period of one month from the date of his separation from the employment. In the event, that the Vested Options are not exercised within the Exercise Period by such Optionee, the Vested Options shall lapse.
- e) Notwithstanding, anything to the contrary in this Plan, the Options shall lapse in their entirety immediately upon the Optionee's discharge from employment or other service relationship upon a Cause, regardless of whether the Options are vested or not. However, the Optionee may be allowed to exercise the Vested Options with the written approval of the Compensation Committee within ninety (90) days from such discharge in exceptional circumstances.
- f) In the event of death of an Optionee while in employment, all the Options (both vested and unvested) granted to the Optionee till such date shall be transferred to the legal heirs/nominee of the deceased Optionee as Vested Options.. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the legal heirs/nominee.
- g) In the event of Permanent Disability of an Optionee while in employment, all the Options (both vested and unvested) granted to the Optionee as on the date of the occurrence of Permanent Disability shall be transferred to the Optionee or nominee of the Optionee as Vested Options on that day as may be determined by the Compensation committee of the Board after considering the circumstances of each case. Such Vested Options would be exercisable by the Optionee or the nominee of the Optionee at any time within the Exercise Period. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the Optionee or the nominee of the Optionee.
- h) In the event of severance of employment of an Optionee from the Company as a part of reconstitution/amalgamation/sell-off or such

other significant change in the Company's structure, the Optionee will have to Exercise the Vested Options within a date as predetermined by the agreement dealing with the reconstitution/amalgamation/sell-off or such other significant change in the Company's structure, from the date of severance. In the event that the Vested Options are not exercised within this period, the Options shall lapse. This condition shall be applicable notwithstanding that the normal Exercise Period may be longer than the period mentioned under the agreement dealing with the reconstitution/amalgamation, etc. of the Company.

- i) In the event of an Optionee being transferred to a Subsidiary at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. All Unvested Options shall vest in accordance with the relevant stock option agreement. The Vested Options can be exercised at any time within the Exercise Period.
- j) In the event of retirement of an Optionee from the Company at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. The above is applicable provided the Optionee does not enter into competition or is not employed by a competitor of the Company.
- k) In the event of the Company being taken-over or amalgamated or merged with another company, the Compensation Committee, at its sole discretion and in conjunction with the acquiring company, may decide to issue fresh Options which shall carry the option of conversion into Shares of the merged company on such terms and conditions as may be decided by the Compensation Committee. However, the same shall be at the discretion of the Compensation Committee, which may alternatively decide for lapse of the Options, which shall be purchased back by the Compensation Committee without issue of any fresh Options.
- l) The Exercise of Vested Options is deemed to be completed when the Shares are allotted to the Optionee in response to his application and payments, if any, in accordance with the relevant stock option agreement and grant letter.
- m) In the event of resignation or termination of employment of the Optionee, all Unvested Options shall lapse. However, the Optionee shall, subject to clause 9.3 (e) of the Plan, shall be entitled to retain all the Vested Options.

-
- n) In case the Optionee does not Exercise the Vested Options within the Exercise Period, the said Options will lapse and no rights will accrue to the Optionee after that date.
 - o) In the event, the Optionee/legal heir/nominee is unable to Exercise the Vested Options within the Exercise Period, on the happening of any contingencies mentioned in this clause 9.3 of the Plan, then such an Optionee/legal heir/nominee shall have an obligation to notify the Compensation Committee in writing prior to the lapse of the Exercise Period indicating the contingencies and his consequent inability to Exercise the Vested Options. Such a written notification to the Compensation Committee shall be a pre-requisite in order for the Optionee/legal heir/nominee to be entitled to any refund of amounts paid towards the Exercise of the Options.
 - p) For the purpose of clarity, the Exercise of Options by the Optionee is a right granted to the said Optionee, and not an obligation, under the Plan, to apply for and be transferred the Shares of the Company at the Exercise Price, subject to the requirements of vesting detailed under the relevant stock option agreement and the grant letter.

9.4 Surrender of Options

An Optionee/legal heirs/nominee may surrender any or all of the Options to the Compensation Committee at any time, whether vested or not. The entitlement to such surrender shall be limited prior to the lapse of the Exercise Period.

9.5 Bonus / Rights Issue

- a) Notwithstanding any grant of Options made by the Company to the Employees in pursuance to this Plan and subject to the Guidelines, the Company is at full liberty to issue any further Shares at any price as it thinks fit to any class of persons, at any time at its discretion.
- b) The Compensation Committee shall intimate the Optionee in a written notice subsequent to a bonus/rights issue of Shares regarding the increase in the number of Options granted to the Employee under the grant and also the reduction in the Exercise Price.
- c) The issue of the bonus/rights Shares shall not change any of the rights or conditions under which the Options have been granted

except the entitlement to an increase in the number of Shares which may be applied for and a reduction in the Exercise Price.

- d) In the event of an issue of bonus/rights Shares being made by the Company after the grant, the Optionee shall, with regard to all Options, whether vested or not, have the right to apply for the increased number of Shares upon the Options becoming Vested Options, equivalent to the ratio in which the bonus/rights Shares are issued. However, the eligibility of the Optionee for the above said bonus/rights Shares and the reduction in the Exercise Price and the length of the Exercise Period would be decided by the Compensation Committee.

9.6 Option for Conversion

The Optionee may opt for conversion of his Vested Options into Shares by applying to the Compensation Committee during the Exercise Period in a specified format.

9.7 Cancellation/Regrant/Buy-Back of Options

- a) The Compensation Committee shall have the authority to effect, at any time and from time to time, the cancellation of any or all outstanding Options under the Plan and grant in substitution new Options under the Plan covering the same or different numbers of Shares.
- b) The Compensation Committee shall consider, in case of each substitute grant, whether and the extent to which the vesting schedule related to the exercisability of the substitute Option should extend beyond the schedule for the cancelled Option.
- c) The Compensation Committee shall also consider setting up a vehicle as per the Applicable Laws to enable the Optionee to sell all or part of the Vested Options in the circumstances mentioned in clause 9.3 of the Plan and to enable the Compensation Committee to buy the Shares back from the Optionee.

10. SHARES

10.1 Issue of Shares

- a) After the Options are converted into Shares, the Shares so converted shall be subject to the terms and conditions as mentioned below.

-
- b) The Shares shall not be subject to any lock in period from the date the Options are converted into Shares.

10.2 Ranking of Shares

- a) The Shares arising on the conversion of the Options shall, subject to the rights provided in the Memorandum of Association and Articles of Association of the Company, rank pari-passu with all the other Shares of the Company from the date of conversion of Options into Shares. Thus, any right attached to such Shares shall be with reference to the date of conversion of the Options into Shares.
- b) The Optionee shall not have any of the rights of a shareholder with respect to the Shares until such Shares have been issued to him upon the due Exercise of the Vested Options. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such Shares are issued.

11. RESTRICTIONS ON DISPOSITION

The Compensation committee may, subject to the requirements of SEBI Guidelines, determine any lock-in period for the options granted under this plan.

12. TAX LIABILITY

- a) In the event of any tax liability arising to the Optionee on account of the issue of the Options/conversion into Shares/transfer of Shares or on any other event, the liability shall be that of the Optionee alone.
- b) In the event of any tax liability arising on account of the Plan to the Company, the Company, on the advice of the Compensation Committee, shall have the right to cause the Shares issuable under this Plan to be sold or otherwise alienated or to have the Options nullified to meet the liability or to meet the liability on behalf of the Optionee in the event the Optionee fails to pay back such liability borne by the Company on the Optionee's behalf.

13. CONFIDENTIALITY

- a) The Optionee who holds any Options/Shares under the Plan shall not divulge the details of the Plan and his holding to any person except with the prior permission of the Company obtained in writing.

-
- b) The Optionee shall enter into such agreements, as the Company may desire, from time to time, to more fully and effectively implement the Plan.

14. CONTRACT OF EMPLOYMENT

- a) The Plan shall not form part of any contract of employment between the Company and the Employees. The rights and obligations of any individual Employee under the terms of his office or employment with the Company shall not be affected by his participation in the Plan or any right, which he may have to participate in it.
- b) Nothing in the Plan shall be construed as affording an Employee any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.
- c) The Plan shall not confer on any person any legal or equitable rights against the Company either directly or indirectly or give rise to any cause of action in law or equity against the Company.
- d) The Plan is purely at the discretion of the Company.

15. NO RIGHT TO CONTINUED EMPLOYMENT/SERVICE

- a) Neither the action of the Company in establishing the Plan nor any action taken by the Compensation Committee, nor any provision of the Plan shall be construed so as to grant the Optionee the right to remain in the employment or service of the Company, for any period of specific duration.
- b) The Company shall have full right to terminate the Optionee's employment or services at any time for any reason, with or without Cause. In the event the Company chooses to terminate the services of the Optionee without a Cause then the Company shall provide the Optionee with sufficient notice and validate the reasons for termination of the Optionee through a due process. If the reasons for termination are determined to be justifiable under the due process then the Employee shall be liable to forfeit all his Options, whether vested or unvested, in favour of the Compensation Committee, on the date of termination. For termination for Cause, clause 9.3(e) of this Plan shall be applicable to all Options, both vested and unvested.

16. APPOINTMENT OF NOMINEE

- a) In the event of circumstances detailed in clause 9.3 (f) and (g) of this Plan, an Optionee may appoint a person as his nominee(s) for the purpose of exercising the rights, subject to the obligations, in terms of the Plan. Such Optionee shall appoint a nominee(s) by submitting a letter in the form specified in *Annexure 1* to the Plan. The Optionee has the right to revoke such nomination at any time and a fresh nomination may be made on such revocation. Notwithstanding the appointment of a nominee and exercise of rights under this Plan by the said nominee, the Company or the Compensation Committee shall not be liable in relation to any rights and obligations amongst the legal heirs of the Optionee concerned.
- b) If the Optionee fails to make a nomination, in the event of his inability/incapacity to hold the Shares under clause 9.3 (f) and (g) of this Plan, the same shall revert back to the name and sole custody of the Compensation Committee, to be dealt with in a fair and reasonable manner.

17. AMENDMENT OF THE PLAN

The Compensation Committee may cancel any or all outstanding Options under the Plan and grant in substitution, new Options under the Plan covering same or different numbers of Shares but having an Exercise Price as mentioned in the relevant stock option agreement and the grant letter. The Compensation Committee shall not vary the terms of the Plan in any manner, which may be detrimental to the interests of the employees.

ANNEXURE 1

NOMINATION

Date: _____

To: The Compensation Committee

OnMobile Global Limited

Dear Sirs,

In respect of the rights to be exercised by me under the **Employees Stock Option Plan - III, 2008 (“Plan”)**, I hereby appoint _____ (*please specify nature of relationship*) viz., Mr/Mrs/Miss _____, aged _____ years, residing at _____ as my nominee in accordance with clause 17 of the Plan.

Yours faithfully

Witnessed by:

1. Signature:

Name :

Address :

2. Signature:

Name :

Address :

EMPLOYEES STOCK OPTION PLAN - II, 2008

SHORT TITLE, EXTENT AND COMMENCEMENT

This plan may be called the “**OnMobile Employees Stock Option Plan - II, 2008**” (hereinafter referred to as the “**Plan**”).

It applies only to the bonafide confirmed Employees of the subsidiary (ies) of **OnMobile Global Limited**, who are in employment of such subsidiary and understood in accordance with Rules of the OnMobile Stock Option Scheme for Employees in France (“French – Sub-Plan”), to the extent such French sub-plan is not inconsistent with the SEBI (Employee Stock Option Scheme (ESOP) & Employee Stock Purchase Scheme (ESPS)) Guidelines, 1999 and this ESOP Plan.

It shall be deemed to have come into force on August 01, 2008.

1. OBJECT

The object of the Plan is to create a sense of ownership within the organization, to reward Employees for ongoing performance and motivate them to drive the Company value. The Plan has been adopted by a Board resolution of the Company. The object of the Plan is to grant Options, at the discretion of the Company, to the Employees of the Company’s subsidiary who are eligible and qualify under the Plan. Such Options shall be convertible to Shares of the Company and Employees of the subsidiary holding such Options shall be allotted Shares of the Company on Exercise of such Options. This Plan was approved by a Special resolution of the members of the Company on August 01, 2008, and modified vide members resolution dated August 01, 2009 and July 24, 2010. The Company will as required under the **SEBI (Employee Stock Option Scheme (ESOP) & Employee Stock Purchase Scheme (ESPS)) Guidelines, 1999**, disclose appropriately, any impact of fair value of these options on Company’s profits and Earning per Share (EPS), to the shareholders.

2. DEFINITIONS

In this Plan, unless the context otherwise requires,

- a) “**Applicable Laws**” shall mean the legal requirements relating to stock option plans, including, without limitation, the tax, securities or corporate laws of India, which are applicable to the Company.
- b) “**Board**” shall mean the Board of Directors of the Company as a whole or a majority of them or any committee of the board exclusively constituted for purpose of administering the Plan.

-
- c) **“Cause”** shall mean conduct, as determined by the Board involving the commission of an act of theft, embezzlement, fraud, dishonesty or moral turpitude, the deliberate disregard of the rules of the Company or on such other disciplinary grounds which resulted in or on the Board’s determination may result in loss, damage or injury to the Company, the unauthorized disclosure of any trade secret or confidential information of the Company, or the commission of an act which constitutes unfair competition.
- d) **“Company”** shall mean OnMobile Global Limited
- e) **“Compensation Committee”** shall mean the compensation committee constituted by the Board for administration and superintendence of this Plan and comprising a majority of Independent Directors or such other composition as may be required under the Applicable Law.
- f) **“Director”** shall mean a director of the Company whether whole time or not and shall include an Independent Director.
- g) **“Employee”** shall mean:
- (i) an employee of Telisma S A;
- but shall not include (a) an employee who is a Promoter or who belongs to the Promoter Group; (b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.
- h) **“Exercise”** is the act of a written application being made by the Optionee to the Company to have the Vested Options converted and issued as Shares upon payment of the Exercise Price and applicable taxes, if any, in accordance with this Plan and the relevant stock option agreement.
- i) **“Exercise Period”** shall mean the period commencing 24 months after the date on which the Options are granted in accordance with the relevant stock option agreement and terminating on such date as may be specified under the said agreement, within which period the Optionee shall have the right to Exercise his Vested Options. Provided that in no event shall the Exercise Period exceed five (5) years from the date the Options become Vested Options.
- j) **“Exercise Price”** shall mean the price at which Vested Options held by the Optionee may be exercised or purchased. The price for the Options granted under this plan shall be as determined by the Compensation Committee in accordance with the applicable guidelines from time to time

considering the fair market value and the trading price of the Company's equity shares on the stock exchanges, the exercise price shall not be less than the par value.

- k) compliance with the provisions of the Guidelines, in particular those in relation to the accounting policies.
- l) **“Grant”** means issue of Options to the Employees under this Plan and the relevant stock option agreement.
- m) **“Guidelines”** means Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
- n) **“Independent Director”** shall mean a Director of the Company, not being a whole time Director and who is neither a Promoter nor belongs to the Promoter Group.
- o) **“Option”** shall mean a stock option granted by the Company to the Employees pursuant to this Plan, which Option upon becoming a Vested Option, would be convertible into Shares in accordance with the relevant stock option agreement.
- p) **“Optionee”** shall mean an Employee of the subsidiary (ies) of the Company who holds Options granted by the Company pursuant to this Plan and who has duly executed a stock option agreement with the Company.
- q) **“Plan”** shall mean this OnMobile Employee Stock Option Plan - II, 2008.
- r) **“Promoter”** means:
 - (i) the person or persons who are in overall control of the Company;
 - (ii) the person or persons who were instrumental in the formation of the Company or programme pursuant to which the shares were offered to the public;
 - (iii) the persons or persons named in the offer document as promoter(s). 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; and
- s) **“Promoter Group”** shall mean:

-
- (i) an immediate relative of a Promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and
 - (ii) those persons whose shareholding is aggregated for the purpose of disclosing in the offer document as “shareholding of the promoter group”, at any time after the listing of the Company.
- t) **“Permanent Disablement”** shall mean such disablement, which incapacitates an Employee for all work that he was capable of performing at the time of the accident resulting in such disablement.
 - u) **“Share”** shall mean an equity share of the Company having a nominal value of Rs. 10/- (Rupees Ten Only).
 - v) **“Subsidiary”** shall mean a subsidiary company of the Company in which the Company holds more than half of nominal value of the aggregate equity share capital.
 - w) **“Unvested Option”** shall mean an Option, which has not vested in the Optionee in accordance with the relevant stock option agreement. For the purpose of clarity, unvested option is an Option in respect of which the relevant Vesting Period has not been completed.
 - x) **“Vesting”** means earning by the Optionee, of the right to apply for Shares against the Options granted to him in pursuance of this Plan and the relevant stock option agreement.
 - y) **“Vested Option”** shall mean an Option, which has duly vested in the Optionee by reason of the Vesting Period being completed in accordance with the relevant stock option agreement.
 - z) **“Vesting Period”** shall mean the period during which the vesting of the Options, granted to the Optionee in pursuance of the Plan and the relevant stock option agreement, is effected. 100% of the options shall vest at the end of two (2) years from the date of the grant.

Words not specifically defined herein shall have the meaning attributed to them under the Companies Act, 1956, the Guidelines and the Central Board of Direct Taxes Guidelines on Employees Stock Option Plans, as the case may be.

3. ESTABLISHMENT OF THE COMPENSATION COMMITTEE

The Board shall, as soon as may be possible, constitute a Compensation Committee in accordance with the Guidelines consisting of a majority of Independent Directors of the Company. Currently, the Board has formulated a Compensation Committee which administers and implements the ESOP Plans. The Committee consists of two independent Directors and one Non-Executive Director.

4. ADMINISTRATION AND IMPLEMENTATION OF THE PLAN

- a) The Plan shall be administered by the Compensation Committee. In this regard, the Compensation Committee shall frame the guidelines for the administration and management of the Plan.
- b) The Shares that are set-aside under the Plan shall be transferred from time to time to the Optionee in pursuance of the Plan and subject to the conditions under the relevant stock option agreement duly executed by the said Optionee.
- c) Under the Plan, a total of 100,000 (one lakh) Shares shall be made available for grant to the Employees.
- d) In the event of any change to the capital of the Company or any capital reconstruction, re-capitalization or capital infusion by reason of split, capitalization including issue of Bonus Shares, consolidation, exchange or other changes affecting the capital as a class without receipt of consideration by the Company, appropriate adjustments shall be made to the maximum number of Shares under the Plan to ensure there is no dilution in the shareholding and the percentage of Shares allotted under this Plan.
- e) The Pricing Formula, in order to calculate the Exercise Price shall be a percentage of the fair value of the Shares, as determined by the Compensation Committee from time to time. Notwithstanding, anything contained above, the Exercise Price shall not be less than the nominal value of the Shares.
- f) Subject to the provisions of the Plan and approval of the Board, the Compensation Committee shall have the authority to do the following:
 - (i) determine the number of Options to be granted to each class/category of Optionees and in aggregate;

-
- (ii) determine the Exercise Price of the Options granted to each class/category of Optionees in accordance with the Guidelines;
 - (iii) approve grant letters to be provided to the each class/category of Optionees and other forms of agreement which are required to be executed by the Optionees pursuant to the Plan;
 - (iv) determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option granted hereunder;
 - (v) construe and interpret the terms of the Plan and Options granted pursuant to the Plan and the relevant stock option agreements;
 - (vi) determine the Vesting Period and Exercise Period of the Options granted to the each class/category of Optionees; and
 - (vii) adopt the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others in accordance with the Guidelines.
 - (viii) determine the conditions under which Options vested in Employees may lapse in case of termination of employment for misconduct.
 - (ix) the Grant, Vesting and Exercise of Options in case of Employees who are on long leave.
 - (x) the procedure for cashless exercise of Options.
- g) All decisions, determinations and interpretations of the Compensation Committee shall be final and binding on all Optionees.
 - h) The Compensation Committee shall frame suitable policies to ensure that there is no violation of the Securities and Exchange Board of India (Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.

5. GOVERNMENTAL REGULATIONS

The Plan shall be subject to and governed by all Applicable Laws. The transfer/grant of Shares/Options under this Plan shall entitle the Company to require the Optionee to comply with such conditions of law as may be necessary in the opinion of the Company.

6. GENERAL RISKS

Participation in the Plan 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 is that of the Optionee alone. The Optionee is encouraged to make considered judgement and seek adequate information /clarifications essential for appropriate decision.

7. CONDITIONS FOR ISSUE OF GRANT LETTERS

- a) The grant letter and the relevant stock option agreement will set out the terms and conditions of issue of Options to the Employee. If the Employee does not wish to accept the grant made by the Compensation Committee, then he shall communicate his non-acceptance to the Compensation Committee within fifteen (15) days from the date of the grant. If a letter of non-acceptance is not received within fifteen (15) days from the date of grant, the grant will be considered to have been accepted. The acceptance of the grant by the Employee shall not, in any manner, be construed to compel the Employee to Exercise his Option upon the Option becoming a Vested Option in the said Employee.
- b) The grant letter shall, besides other terms and conditions, specify the number of Options granted, the Vesting Period, the vesting schedule, the Exercise Price, the Exercise Period, etc.
- c) The grant letter confirms the right of Exercise by the Optionee during the Exercise Period and at the Exercise Price, to apply for and be allotted the Shares of the Company upon Options becoming Vested Options.
- d) The grant is not transferable by the Optionee till the Options become Vested Options and are exercised by the Optionee and Shares issued in this regard. Therefore, for the purposes of clarity, only the Shares issued upon conversion of the Vested Options are transferable by the Optionee and Options (whether vested or unvested) are not transferable by the Optionee. Further, only the Optionee named in the grant letter shall be entitled to the rights thereof except in exceptional circumstances as stated in the Plan. The Optionee is not entitled to pledge, hypothecate, charge, mortgage or in any manner alienate or dispose of the grant or Options (whether vested or unvested) to any other person.

8. LIMITATIONS FOR GRANT OF OPTIONS

Notwithstanding anything contained in this Plan, the face value of Shares allotted under this Plan to the class of Employees falling within the Definition of “Director(s)” as per the SEBI (ESOPS **SEBI (Employee Stock Option** shall not exceed 5 % of the total paid up Share capital of the Company as on date of the grant of Options or any other such percentage as may be notified under the provisions of the Foreign Exchange Management Act, 1999 from time to time.

9. OPTIONS

9.1 Issue of Options

- a) The Options shall be issued to the Optionees by the Compensation Committee for such Exercise Price and in such numbers as may be determined by the Compensation Committee from time to time, in accordance with the Guidelines.
- b) The issue of Options under the Plan shall in no way affect the right of the Company to adjust, re-classify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

9.2 Vesting Period

The Options granted under the Plan shall vest in the Optionee(s) during the vesting period in the following manner or as may otherwise be specified by the Compensation Committee of the Board, subject to the requirements, if any, under the SEBI Guidelines:

- i. 100% of the aggregate Options granted to the Optionee shall become Vested Options at the end of twenty four months (24) months from the date of grant of the Options to the Optionee.

9.3 Exercise of Vested Options

The Options granted under the Plan shall vest in the Optionee(s) during the vesting period in the following manner:

- a) The Optionee is entitled to Exercise only the Vested Options. The Optionee shall Exercise the Vested Options only after the expiry of two years from the date of grant or such period as may be determined by the Compensation committee of the Board, but within a maximum period of five (5) years from the date of vesting.
- b) Further, subject to the clause 9.3 (a) above, the exercise shall be made within a maximum period of five (5) years from the date of

Vesting at the Exercise Price by way of cash or cheque, drawn to the order of the Compensation Committee or in such other consideration as the Compensation Committee deems appropriate, including a combination of cash and such other consideration having a fair market value, as so determined, equal to the Exercise Price. The exercise price shall be determined by the Compensation Committee of the Board from time to time after considering the fair market value and the price of the Company's share price as listed on the stock exchange and prevalent at the time of making the grant. However, the specific Exercise Period for each category/class of Employee shall be stated in the relevant stock option agreement and the grant letter.

- b) The Compensation Committee shall have the full power and authority to extend the Exercise Period of any Option granted under this Plan as the Compensation Committee may deem appropriate.
- c) The Optionee may at his discretion Exercise all or any of the Vested Options, provided such Exercise is made in lots of such number of Shares or parts thereof as may be determined by the compensation committee from time to time and within the Exercise Period.
- d) In case of the Optionee ceasing to be Employee of the Company's subsidiary (ies) by reason of resignation, i.e., voluntary separation from the subsidiary, the Optionee shall have the right to Exercise all the vested options at any time within the Exercise Period. In the event, that the Vested Options are not exercised within the Exercise Period by such Optionee, the Vested Options shall lapse.
- e) Notwithstanding, anything to the contrary in this Plan, the Options shall lapse in their entirety immediately upon the Optionee's discharge from employment or other service relationship upon a Cause, regardless of whether the Options are vested or not. However, the Optionee may be allowed to exercise the Vested Options with the written approval of the Compensation Committee within ninety (90) days from such discharge in exceptional circumstances.
- f) In the event of death of an Optionee while in employment, all the Options (both vested and unvested) granted to the Optionee till such date shall be transferred to the legal heirs/nominee of the deceased Optionee as Vested Options.. In case the said Options are not exercised within the Exercise Period the Options shall lapse

and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the legal heirs/nominee.

- g) In the event of Permanent Disability of an Optionee while in employment, all the Options (both vested and unvested) granted to the Optionee as on the date of the occurrence of Permanent Disability shall be transferred to the Optionee or nominee of the Optionee as Vested Options on that day as may be determined by the Compensation committee of the Board after considering the circumstances of each case. Such Vested Options would be exercisable by the Optionee or the nominee of the Optionee at any time within the Exercise Period. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the Optionee or the nominee of the Optionee.
- h) In the event of severance of employment of an Optionee from the subsidiary as a part of reconstitution/amalgamation/sell-off or such other significant change in the Company's or the subsidiary's structure, the Optionee will have to Exercise the Vested Options within a date as predetermined by the agreement dealing with the reconstitution/ amalgamation/sell-off or such other significant change in the subsidiary's or Company's structure, from the date of severance. In the event that the Vested Options are not exercised within this period, the Options shall lapse. This condition shall be applicable notwithstanding that the normal Exercise Period may be longer than the period mentioned under the agreement dealing with the reconstitution/amalgamation, etc. of the subsidiary or the Company.
- i) In the event of an Optionee being transferred to another Subsidiary at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. All Unvested Options shall vest in accordance with the relevant stock option agreement. The Vested Options can be exercised at any time within the Exercise Period.
- j) In the event of retirement of an Optionee from the subsidiary of the Company at the instance of or with consent of the subsidiary, the Optionee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. The above is applicable provided the Optionee does not enter into competition or is not employed by a competitor of the Company.

-
- k) In the event of the Company or the subsidiary being taken-over or amalgamated or merged with another company, the Compensation Committee, at its sole discretion and in conjunction with the acquiring company, may decide to issue fresh Options which shall carry the option of conversion into Shares of the merged company on such terms and conditions as may be decided by the Compensation Committee. However, the same shall be at the discretion of the Compensation Committee, which may alternatively decide for lapse of the Options, which shall be purchased back by the Compensation Committee without issue of any fresh Options.
 - l) The Exercise of Vested Options is deemed to be completed when the Shares are allotted to the Optionee in response to his application and payments, if any, in accordance with the relevant stock option agreement and grant letter.
 - m) In the event of resignation or termination of employment of the Optionee, all Unvested Options shall lapse. However, the Optionee shall, subject to clause 9.3 (e) of the Plan, shall be entitled to retain all the Vested Options.
 - n) In case the Optionee does not Exercise the Vested Options within the Exercise Period, the said Options will lapse and no rights will accrue to the Optionee after that date.
 - o) In the event, the Optionee/legal heir/nominee is unable to Exercise the Vested Options within the Exercise Period, on the happening of any contingencies mentioned in this clause 9.3 of the Plan, then such an Optionee/legal heir/nominee shall have an obligation to notify the Compensation Committee in writing prior to the lapse of the Exercise Period indicating the contingencies and his consequent inability to Exercise the Vested Options. Such a written notification to the Compensation Committee shall be a pre-requisite in order for the Optionee/legal heir/nominee to be entitled to any refund of amounts paid towards the Exercise of the Options.
 - p) For the purpose of clarity, the Exercise of Options by the Optionee is a right granted to the said Optionee, and not an obligation, under the Plan, to apply for and be transferred the Shares of the Company at the Exercise Price, subject to the requirements of vesting detailed under the relevant stock option agreement and the grant letter.

9.4 Surrender of Options

An Optionee/legal heirs/nominee may surrender any or all of the Options to the Compensation Committee at any time, whether vested or not. The entitlement to such surrender shall be limited prior to the lapse of the Exercise Period.

9.5 Bonus / Rights Issue

- a) Notwithstanding any grant of Options made by the Company to the Employees in pursuance to this Plan and subject to the Guidelines, the Company is at full liberty to issue any further Shares at any price as it thinks fit to any class of persons, at any time at its discretion.
- c) The Compensation Committee shall intimate the Optionee in a written notice subsequent to a bonus/rights issue of Shares regarding the increase in the number of Options granted to the Employee under the grant and also the reduction in the Exercise Price.
- d) The issue of the bonus/rights Shares shall not change any of the rights or conditions under which the Options have been granted except the entitlement to an increase in the number of Shares which may be applied for and a reduction in the Exercise Price.
- e) In the event of an issue of bonus/rights Shares being made by the Company after the grant, the Optionee shall, with regard to all Options, whether vested or not, have the right to apply for the increased number of Shares upon the Options becoming Vested Options, equivalent to the ratio in which the bonus/rights Shares are issued. However, the eligibility of the Optionee for the above said bonus/rights Shares and the reduction in the Exercise Price and the length of the Exercise Period would be decided by the Compensation Committee.

9.6 Option for Conversion

The Optionee may opt for conversion of his Vested Options into Shares by applying to the Compensation Committee during the Exercise Period in a specified format.

9.7 Cancellation/Regrant/Buy-Back of Options

-
- a) The Compensation Committee shall have the authority to effect, at any time and from time to time, the cancellation of any or all outstanding Options under the Plan and grant in substitution new Options under the Plan covering the same or different numbers of Shares.
 - b) The Compensation Committee shall consider, in case of each substitute grant, whether and the extent to which the vesting schedule related to the exercisability of the substitute Option should extend beyond the schedule for the cancelled Option.
 - c) The Compensation Committee shall also consider setting up a vehicle as per the Applicable Laws to enable the Optionee to sell all or part of the Vested Options in the circumstances mentioned in clause 9.3 of the Plan and to enable the Compensation Committee to buy the Shares back from the Optionee.
 - d) Options forfeited/lapsed can be regranted to employees from time to time by the Compensation Committee of the Board till all the options under the said plans are exercised and exhausted completely.

10. SHARES

10.1 Issue of Shares

- a) After the Options are converted into Shares, the Shares so converted shall be subject to the terms and conditions as mentioned below.
- b) The Shares shall not be subject to any lock in period from the date the Options are converted into Shares.

10.2 Ranking of Shares

- a) The Shares arising on the conversion of the Options shall, subject to the rights provided in the Memorandum of Association and Articles of Association of the Company, rank pari-passu with all the other Shares of the Company from the date of conversion of Options into Shares. Thus, any right attached to such Shares shall be with reference to the date of conversion of the Options into Shares.

-
- b) The Optionee shall not have any of the rights of a shareholder with respect to the Shares until such Shares have been issued to him upon the due Exercise of the Vested Options. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such Shares are issued.

11. RESTRICTIONS ON DISPOSITION

The Compensation committee may, subject to the requirements of SEBI Guidelines, determine any lock-in period for the options granted under this plan.

12. TAX LIABILITY

- a) In the event of any tax liability arising to the Optionee on account of the issue of the Options/conversion into Shares/transfer of Shares or on any other event, the liability shall be that of the Optionee alone.
- b) In the event of any tax liability arising on account of the Plan to the Company, the Company, on the advice of the Compensation Committee, shall have the right to cause the Shares issuable under this Plan to be sold or otherwise alienated or to have the Options nullified to meet the liability or to meet the liability on behalf of the Optionee in the event the Optionee fails to pay back such liability borne by the Company on the Optionee's behalf.

13. CONFIDENTIALITY

- a) The Optionee who holds any Options/Shares under the Plan shall not divulge the details of the Plan and his holding to any person except with the prior permission of the Company obtained in writing.
- b) The Optionee shall enter into such agreements, as the Company may desire, from time to time, to more fully and effectively implement the Plan.

14. CONTRACT OF EMPLOYMENT

- a) The Plan shall not form part of any contract of employment between the Company and the Employees. The rights and obligations of any individual Employee under the terms of his office or employment with the subsidiary shall not be affected by his participation in the Plan or any right, which he may have to participate in it.
- b) Nothing in the Plan shall be construed as affording an Optionee any additional rights as to compensation or damages in consequence of the

termination of his office or employment with the subsidiary for any reason.

- c) The Plan shall not confer on any person any legal or equitable rights against the Company either directly or indirectly or give rise to any cause of action in law or equity against the Company.
- d) The Plan is purely at the discretion of the Company.

15. NO RIGHT TO CONTINUED EMPLOYMENT/SERVICE

- a) Neither the action of the Company in establishing the Plan nor any action taken by the Compensation Committee, nor any provision of the Plan shall be construed so as to grant the Optionee the right to remain in the employment or service of the subsidiary of the Company or the Company, for any period of specific duration.
- b) The subsidiary of the Company shall have full right to terminate the Optionee's employment or services at any time for any reason, with or without Cause. In the event the subsidiary of the Company chooses to terminate the services of the Optionee without a Cause then the subsidiary of the Company shall provide the Optionee with sufficient notice and validate the reasons for termination of the Optionee through a due process. If the reasons for termination are determined to be justifiable under the due process then the Optionee shall be liable to forfeit all his Options, whether vested or unvested, in favour of the Compensation Committee, on the date of termination. For termination for Cause, clause 9.3(e) of this Plan shall be applicable to all Options, both vested and unvested.

16. APPOINTMENT OF NOMINEE

- a) In the event of circumstances detailed in clause 9.3 (f) and (g) of this Plan, an Optionee may appoint a person as his nominee(s) for the purpose of exercising the rights, subject to the obligations, in terms of the Plan. Such Optionee shall appoint a nominee(s) by submitting a letter in the form specified in ***Annexure 1*** to the Plan. The Optionee has the right to revoke such nomination at any time and a fresh nomination may be made on such revocation. Notwithstanding the appointment of a nominee and exercise of rights under this Plan by the said nominee, the Company or the Compensation Committee shall not be liable in relation to any rights and obligations amongst the legal heirs of the Optionee concerned.

-
- b) If the Optionee fails to make a nomination, in the event of his inability/incapacity to hold the Shares under clause 9.3 (f) and (g) of this Plan, the same shall revert back to the name and sole custody of the Compensation Committee, to be dealt with in a fair and reasonable manner.

17. AMENDMENT OF THE PLAN

The Compensation Committee may cancel any or all outstanding Options under the Plan and grant in substitution, new Options under the Plan covering same or different numbers of Shares but having an Exercise Price as mentioned in the relevant stock option agreement and the grant letter. The Compensation Committee shall not vary the terms of the Plan in any manner, which may be detrimental to the interests of the employees.

ANNEXURE 1

NOMINATION

Date: _____

To: The Compensation Committee

[OnMobile Global Limited]

Dear Sirs,

In respect of the rights to be exercised by me under the **Employees Stock Option Plan-II, 2008 (“Plan”)**, I hereby appoint _____ (*please specify nature of relationship*) viz., Mr/Mrs/Miss _____, aged _____ years, residing at _____ as my nominee in accordance with clause 17 of the Plan.

Yours faithfully

Witnessed by:

1. Signature:

Name :

Address :

2. Signature:

Name :

Address :

EMPLOYEES STOCK OPTION PLAN, 2007

SHORT TITLE, EXTENT AND COMMENCEMENT

This plan may be called the “OnMobile Employees Stock Option Plan - I, 2007” (hereinafter referred to as the “Plan”).

It applies only to the bonafide confirmed Employees of OnMobile Global Limited, who are in employment of the Company. At the discretion of the Compensation Committee, Employees of Subsidiaries and holding companies, now or hereinafter existing, may also be covered.

It shall be deemed to have come into force on 17th day of August, 2007.

1. OBJECT

2. The object of the Plan is to create a sense of ownership within the organization, to reward Employees for ongoing performance and motivate them to drive the Company value. The Plan has been adopted by a Board resolution of the Company. The object of the Plan is to grant Options, at the discretion of the Company, to the Employees of the Company who are eligible and qualify under the Plan. Such Options shall be convertible to Shares of the Company and Employees holding such Options shall be allotted Shares of the Company on Exercise of such Options. This Plan has been approved by a special resolution of the present members of the Company at the general meeting held on August 17, 2007. The Company will as required under the **SEBI (Employee Stock Option Scheme (ESOP) & Employee Stock Purchase Scheme (ESPS)) Guidelines, 1999**, disclose appropriately, any impact of fair value of these options on Company's profits and Earning per Share (EPS), to the shareholders.

3. DEFINITIONS

In this Plan, unless the context otherwise requires,

- a) “**Applicable Laws**” shall mean the legal requirements relating to stock option plans, including, without limitation, the tax, securities or corporate laws of India, which are applicable to the Company.
- b) “**Board**” shall mean the Board of Directors of the Company as a whole or a majority of them or any committee of the board exclusively constituted for purpose of administering the Plan.
- c) “**Cause**” shall mean conduct, as determined by the Board involving the commission of an act of theft, embezzlement, fraud, dishonesty or moral turpitude, the deliberate disregard of the rules of the Company or on such other disciplinary grounds which resulted in or on the Board's

determination may result in loss, damage or injury to the Company, the unauthorized disclosure of any trade secret or confidential information of the Company, or the commission of an act which constitutes unfair competition.

- d) **"Company"** shall mean OnMobile Global Limited.
- e) **"Compensation Committee"** shall mean the compensation committee constituted by the Board for administration and superintendence of this Plan and comprising a majority of Independent Directors or such other composition as may be required under the Applicable Law.
- f) **"Director"** shall mean a director of the Company whether whole time or not and shall include an Independent Director.
- g) **"Employee"** shall mean:
 - (i) a permanent employee of the Company working in India;
 - (ii) a permanent employee of the Company who is a person resident outside India as defined in the Foreign Exchange Management Act, 1999 or an employee who is a foreign national or an employee of a Subsidiary in a foreign country;
 - (iii) the Directors of the Company whether whole-time or not;

but shall not include (a) an employee who is a Promoter or who belongs to the Promoter Group; (b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.

- h) **"Exercise"** is the act of a written application being made by the Optionee to the Company to have the Vested Options converted and issued as Shares upon payment of the Exercise Price and applicable taxes, if any, in accordance with this Plan and the relevant stock option agreement.
- i) **"Exercise Period"** shall mean the period commencing from the date on which the Options become Vested Options vis-à-vis the Optionee in accordance with the relevant stock option agreement and terminating on such date as may be specified under the said agreement, within which period the Optionee shall have the right to Exercise his Vested Options. Provided that in no event shall the Exercise Period exceed five (5) years from the date the Options become Vested Options.

-
- j) **"Exercise Price"** shall mean the price at which Vested Options held by the Optionee may be exercised or purchased. The price shall be determined by the Compensation Committee under the relevant stock option agreement subject to compliance with the provisions of the Guidelines, in particular those in relation to the accounting policies.
- k) **"Grant"** means issue of Options to the Employees under this Plan and the relevant stock option agreement.
- l) **"Guidelines"** means Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
- m) **"Independent Director"** shall mean a Director of the Company, not being a whole time Director and who is neither a Promoter nor belongs to the Promoter Group.
- n) **"Option"** shall mean a stock option granted by the Company to the Employees pursuant to this Plan, which Option upon becoming a Vested Option, would be convertible into Shares in accordance with the relevant stock option agreement.
- o) **"Optionee"** shall mean an Employee of the Company who holds Options granted by the Company pursuant to this Plan and who has duly executed a stock option agreement with the Company.
- p) **"Plan"** shall mean this OnMobile Employee Stock Option Plan I, 2007.
- q) **"Promoter"** shall mean:
- 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 persons or persons named in the offer document as promoter(s).
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.

Explanation: Where a promoter of a company is a body corporate, the promoters of that body corporate shall also be deemed to be promoters of the Company.

- r) **"Promoter Group"** shall mean:

Page 3 of 16
Certified True Copy

[Signature]
Company Secretary
For OnMobile Global Limited

-
- (i) an immediate relative of a Promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and
 - (ii) those persons whose shareholding is aggregated for the purpose of disclosing in the offer document as "shareholding of the promoter group", at any time after the listing of the Company.
- s) **"Permanent Disablement"** shall mean such disablement, which incapacitates an Employee for all work that he was capable of performing at the time of the accident resulting in such disablement.
 - t) **"Share"** shall mean an equity share of the Company having a nominal value of Rs. 10/- (Rupees Ten Only).
 - u) **"Subsidiary"** shall mean a subsidiary company of OnMobile Global Limited where in which the Company holds more than half of nominal value of the aggregate equity share capital.
 - v) **"Unvested Option"** shall mean an Option, which has not vested in the Optionee in accordance with the relevant stock option agreement. For the purpose of clarity, unvested option is an Option in respect of which the relevant Vesting Period has not been completed.
 - w) **"Vesting"** means earning by the Optionee, of the right to apply for Shares against the Options granted to him in pursuance of this Plan and the relevant stock option agreement.
 - x) **"Vested Option"** shall mean an Option, which has duly vested in the Optionee by reason of the Vesting Period being completed in accordance with the relevant stock option agreement.
 - y) **"Vesting Period"** shall mean the period during which the vesting of the Options, granted to the Optionee in pursuance of the Plan and the relevant stock option agreement, is effected. The vesting period shall be for a maximum of four (4) years from the date the Optionee becomes an Employee of the Company or from the date of the Grant as applicable under this Stock Option Plan.

Words not specifically defined herein shall have the meaning attributed to them under the Companies Act, 1956, the Guidelines and the Central Board of Direct Taxes Guidelines on Employees Stock Option Plans, as the case may be.

4. ESTABLISHMENT OF THE COMPENSATION COMMITTEE

"Compensation Committee" means a Committee constituted by the Board of Directors from time to time to administer the ESOP Plan III (2008)

5. ADMINISTRATION AND IMPLEMENTATION OF THE PLAN

- a) The Plan shall be administered by the Compensation Committee. In this regard, the Compensation Committee shall frame the guidelines for the administration and management of the Plan.
- b) The Shares that are set-aside under the Plan shall be transferred from time to time to the Optionee in pursuance of the Plan and subject to the conditions under the relevant stock option agreement duly executed by the said Optionee.
- c) Under the Plan, a total of 169,650 (pre-Bonus) equity shares or 975,000 (post-bonus) equity shares (the bonus ratio for equity shares as approved by the Shareholders in their Annual General Meeting held on August 17, 2007) shall be made available for grant to the Employees.
- d) In the event of any change to the capital of the Company or any capital reconstruction, re-capitalization or capital infusion by reason of split, capitalization, consolidation, exchange or other changes affecting the capital as a class without receipt of consideration by the Company, appropriate adjustments shall be made to the maximum number of Shares under the Plan to ensure there is no dilution in the shareholding and the percentage of Shares allotted under this Plan.
- e) The Pricing Formula, in order to calculate the Exercise Price shall be a percentage of the fair value of the Shares, as determined by the Compensation Committee from time to time. Notwithstanding, anything contained above, the Exercise Price shall not be less than the nominal value of the Shares.
- f) Subject to the provisions of the Plan and approval of the Board, the Compensation Committee shall have the authority to do the following:
 - (i) determine the number of Options to be granted to each class/category of Optionees and in aggregate;
 - (ii) determine the Exercise Price of the Options granted to each class/category of Optionees in accordance with the Guidelines;

-
- (iii) approve grant letters to be provided to the each class/category of Optionees and other forms of agreement which are required to be executed by the Optionees pursuant to the Plan;
 - (iv) determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option granted hereunder;
 - (v) construe and interpret the terms of the Plan and Options granted pursuant to the Plan and the relevant stock option agreements;
 - (vi) determine the Vesting Period and Exercise Period of the Options granted to the each class/category of Optionees; and
 - (vii) adopt the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others in accordance with the Guidelines.
 - (viii) determine the conditions under which Options vested in Employees may lapse in case of termination of employment for misconduct.
 - (ix) the Grant, Vesting and Exercise of Options in case of Employees who are on long leave.
 - (x) the procedure for cashless exercise of Options.
- g) All decisions, determinations and interpretations of the Compensation Committee shall be final and binding on all Optionees.
- h) The Compensation Committee shall frame suitable policies to ensure that there is no violation of the Securities and Exchange Board of India (Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.

6. GOVERNMENTAL REGULATIONS

The Plan shall be subject to and governed by all Applicable Laws. The transfer/grant of Shares/Options under this Plan shall entitle the Company to require the Optionee to comply with such conditions of law as may be necessary in the opinion of the Company.

7. GENERAL RISKS

Participation in the Plan 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 is that of the Optionee alone. The Optionee is encouraged to make considered judgement and seek adequate information /clarifications essential for appropriate decision.

8. CONDITIONS FOR ISSUE OF GRANT LETTERS

- a) The grant letter and the relevant stock option agreement will set out the terms and conditions of issue of Options to the Employee. If the Employee does not wish to accept the grant made by the Compensation Committee, then he shall communicate his non-acceptance to the Compensation Committee within fifteen (15) days from the date of the grant. If a letter of non-acceptance is not received within fifteen (15) days from the date of grant, the grant will be considered to have been accepted. The acceptance of the grant by the Employee shall not, in any manner, be construed to compel the Employee to Exercise his Option upon the Option becoming a Vested Option in the said Employee.
- b) The grant letter shall, besides other terms and conditions, specify the number of Options granted, the Vesting Period, the vesting schedule, the Exercise Price, the Exercise Period, etc.
- c) The grant letter confirms the right of Exercise by the Optionee during the Exercise Period and at the Exercise Price, to apply for and be allotted the Shares of the Company upon Options becoming Vested Options.
- d) The grant is not transferable by the Optionee till the Options become Vested Options and are exercised by the Optionee and Shares issued in this regard. Therefore, for the purposes of clarity, only the Shares issued upon conversion of the Vested Options are transferable by the Optionee and Options (whether vested or unvested) are not transferable by the Optionee. Further, only the Optionee named in the grant letter shall be entitled to the rights thereof except in exceptional circumstances as stated in the Plan. The Optionee is not entitled to pledge, hypothecate, charge, mortgage or in any manner alienate or dispose of the grant or Options (whether vested or unvested) to any other person.

8. LIMITATIONS FOR GRANT OF OPTIONS

Notwithstanding anything contained in this Plan, the face value of Shares allotted under this Plan to the class of Employees falling within clause 2(g) (ii) of this Plan shall not exceed 5 % of the total paid up Share capital of the Company as on

date of the grant of Options or any other such percentage as may be notified under the provisions of the Foreign Exchange Management Act, 1999 from time to time.

9. OPTIONS

9.1 Issue of Options

- a) The Options shall be issued to the Optionees by the Compensation Committee for such Exercise Price and in such numbers as may be determined by the Compensation Committee from time to time, in accordance with the Guidelines.
- b) The issue of Options under the Plan shall in no way affect the right of the Company to adjust, re-classify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

9.2 Vesting Period

The Options granted under the Plan shall vest in the Optionee(s) during the vesting period in the following manner:

- i. 25% of the aggregate Options granted to the Optionee shall become Vested Options at the end of twelve (12) months from the Date of Grant of the Options.
- ii. the remaining 75% of the aggregate Options shall vest from the 13th month after the date of Grant of the Options at a rate of 1/36th per month for the next thirty six (36) months of the Vesting Period.

9.3 Exercise of Vested Options

- a) The Optionee is entitled to Exercise only the Vested Options. The Optionee shall Exercise the Vested Options within a period of five (5) years from the date of Vesting at the Exercise Price by way of cash or cheque, drawn to the order of the Compensation Committee or in such other consideration as the Compensation Committee deems appropriate, including a combination of cash and such other consideration having a fair market value, as so determined, equal to the Exercise Price. However, the specific Exercise Period for each category/class of Employee shall be stated in the relevant stock option agreement and the grant letter.

-
- b) The Compensation Committee shall have the full power and authority to extend the Exercise Period of any Option granted under this Plan as the Compensation Committee may deem appropriate, subject to the limits approved by the shareholders.
- c) The Optionee may at his discretion Exercise all or any of the Vested Options, provided such Exercise is made in lots of such number of Shares or parts thereof as may be determined by the compensation committee from time to time and within the Exercise Period.
- d) In case of the Optionee ceasing to be Employee of the Company by reason of resignation, i.e., voluntary separation from the Company, the Optionee shall have the right to Exercise all the vested options at any time within one (1) month from the date of his separation from his employment. In the event, that the Vested Options are not exercised within the Exercise Period by such Optionee, the Vested Options shall lapse.
- e) Notwithstanding, anything to the contrary in this Plan, the Options shall lapse in their entirety immediately upon the Optionee's discharge from employment or other service relationship upon a Cause, regardless of whether the Options are vested or not. However, the Optionee may be allowed to exercise the Vested Options with the written approval of the Compensation Committee within ninety (90) days from such discharge in exceptional circumstances.
- f) In the event of death of an Optionee while in employment, all the Options (both vested and unvested) granted to the Optionee till such date shall be transferred to the legal heirs/nominee of the deceased Optionee as Vested Options.. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the legal heirs/nominee.
- g) In the event of Permanent Disability of an Optionee while in employment, all the Options (both vested and unvested) granted to the Optionee as on the date of the occurrence of Permanent Disability shall be transferred to the Optionee or nominee of the Optionee as Vested Options on that day. Such Vested Options would be exercisable by the Optionee or the nominee of the Optionee at any time within the Exercise Period. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be

refunded by the Compensation Committee to the Optionee or the nominee of the Optionee.

Provided that the nominee of optionee, is entitled only for such instances of permanent incapacity where the Optionee is not in a position to exercise his rights.

- h) In the event of severance of employment of an Optionee from the Company as a part of reconstitution/amalgamation/sell-off or such other significant change in the Company's structure, the Optionee will have to Exercise the Vested Options within a date as predetermined by the agreement dealing with the reconstitution/amalgamation/sell-off or such other significant change in the Company's structure, from the date of severance. In the event that the Vested Options are not exercised within this period, the Options shall lapse. This condition shall be applicable notwithstanding that the normal Exercise Period may be longer than the period mentioned under the agreement dealing with the reconstitution/amalgamation, etc. of the Company.
- i) In the event of an Optionee being transferred to a Subsidiary at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. All Unvested Options shall vest in accordance with the relevant stock option agreement. The Vested Options can be exercised at any time within the Exercise Period.
- j) In the event of retirement of an Optionee from the Company at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. The above is applicable provided the Optionee does not enter into competition or is not employed by a competitor of the Company.
- k) In the event of the Company being taken-over or amalgamated or merged with another company, the Compensation Committee, at its sole discretion and in conjunction with the acquiring company, may decide to issue fresh Options which shall carry the option of conversion into Shares of the merged company on such terms and conditions as may be decided by the Compensation Committee. However, the same shall be at the discretion of the Compensation Committee, which may alternatively decide for lapse of the Options, which shall be purchased back by the Compensation Committee without issue of any fresh Options.

-
- b) The Compensation Committee shall intimate the Optionee in a written notice subsequent to a bonus/rights issue of Shares regarding the increase in the number of Options granted to the Employee under the grant and also the reduction in the Exercise Price.
 - c) The issue of the bonus/rights Shares shall not change any of the rights or conditions under which the Options have been granted except the entitlement to an increase in the number of Shares which may be applied for and a reduction in the Exercise Price.
 - d) In the event of an issue of bonus/rights Shares being made by the Company after the grant, the Optionee shall, with regard to all Options, whether vested or not, have the right to apply for the increased number of Shares upon the Options becoming Vested Options, equivalent to the ratio in which the bonus/rights Shares are issued. However, the eligibility of the Optionee for the above said bonus/rights Shares and the reduction in the Exercise Price and the length of the Exercise Period would be decided by the Compensation Committee.

9.6 Option for Conversion

The Optionee may opt for conversion of his Vested Options into Shares by applying to the Compensation Committee during the Exercise Period in a specified format.

9.7 Cancellation/Regrant/Buy-Back of Options

- a) The Compensation Committee shall have the authority to effect, at any time and from time to time, the cancellation of any or all outstanding Options under the Plan and grant in substitution new Options under the Plan covering the same or different numbers of Shares.
- b) The Compensation Committee shall consider, in case of each substitute grant, whether and the extent to which the vesting schedule related to the exercisability of the substitute Option should extend beyond the schedule for the cancelled Option.
- c) The Compensation Committee shall also consider setting up a vehicle as per the Applicable Laws to enable the Optionee to sell all or part of the Vested Options in the circumstances mentioned in

-
- l) The Exercise of Vested Options is deemed to be completed when the Shares are allotted to the Optionee in response to his application and payments, if any, in accordance with the relevant stock option agreement and grant letter.
 - m) In the event of resignation or termination of employment of the Optionee, all Unvested Options shall lapse. However, the Optionee shall, subject to clause 9.3 (e) of the Plan, shall be entitled to retain all the Vested Options.
 - n) In case the Optionee does not Exercise the Vested Options within the Exercise Period, the said Options will lapse and no rights will accrue to the Optionee after that date.
 - o) In the event, the Optionee/legal heir/nominee is unable to Exercise the Vested Options within the Exercise Period, on the happening of any contingencies mentioned in this clause 9.3 of the Plan, then such an Optionee/legal heir/nominee shall have an obligation to notify the Compensation Committee in writing prior to the lapse of the Exercise Period indicating the contingencies and his consequent inability to Exercise the Vested Options. Such a written notification to the Compensation Committee shall be a prerequisite in order for the Optionee/legal heir/nominee to be entitled to any refund of amounts paid towards the Exercise of the Options.
 - p) For the purpose of clarity, the Exercise of Options by the Optionee is a right granted to the said Optionee, and not an obligation, under the Plan, to apply for and be transferred the Shares of the Company at the Exercise Price, subject to the requirements of vesting detailed under the relevant stock option agreement and the grant letter.

9.4 Surrender of Options

An Optionee/legal heirs/nominee may surrender any or all of the Options to the Compensation Committee at any time, whether vested or not. The entitlement to such surrender shall be limited prior to the lapse of the Exercise Period.

9.5 Bonus / Rights Issue

- a) Notwithstanding any grant of Options made by the Company to the Employees in pursuance to this Plan and subject to the Guidelines, the Company is at full liberty to issue any further Shares at any price as it thinks fit to any class of persons, at any time at its discretion.

clause 9.3 of the Plan and to enable the Compensation Committee to buy the Shares back from the Optionee.

10. SHARES

10.1 Issue of Shares

- a) After the Options are converted into Shares, the Shares so converted shall be subject to the terms and conditions as mentioned below.
- b) The Shares shall not be subject to any lock in period from the date the Options are converted into Shares.

10.2 Ranking of Shares

- a) The Shares arising on the conversion of the Options shall, subject to the rights provided in the Memorandum of Association and Articles of Association of the Company, rank pari-passu with all the other Shares of the Company from the date of conversion of Options into Shares. Thus, any right attached to such Shares shall be with reference to the date of conversion of the Options into Shares.
- b) The Optionee shall not have any of the rights of a shareholder with respect to the Shares until such Shares have been issued to him upon the due Exercise of the Vested Options. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such Shares are issued.

12. TAX LIABILITY

- a) In the event of any tax liability arising to the Optionee on account of the issue of the Options/conversion into Shares/transfer of Shares or on any other event, the liability shall be that of the Optionee alone.
- b) In the event of any tax liability arising on account of the Plan to the Company, the Company, on the advice of the Compensation Committee, shall have the right to cause the Shares issuable under this Plan to be sold or otherwise alienated or to have the Options nullified to meet the liability or to meet the liability on behalf of the Optionee in the event the Optionee

fails to pay back such liability borne by the Company on the Optionee's behalf.

13. CONFIDENTIALITY

- a) The Optionee who holds any Options/Shares under the Plan shall not divulge the details of the Plan and his holding to any person except with the prior permission of the Company obtained in writing.
- b) The Optionee shall enter into such agreements, as the Company may desire, from time to time, to more fully and effectively implement the Plan.

14. CONTRACT OF EMPLOYMENT

- a) The Plan shall not form part of any contract of employment between the Company and the Employees. The rights and obligations of any individual Employee under the terms of his office or employment with the Company shall not be affected by his participation in the Plan or any right, which he may have to participate in it.
- b) Nothing in the Plan shall be construed as affording an Employee any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.
- c) The Plan shall not confer on any person any legal or equitable rights against the Company either directly or indirectly or give rise to any cause of action in law or equity against the Company.
- d) The Plan is purely at the discretion of the Company.

15. NO RIGHT TO CONTINUED EMPLOYMENT/SERVICE

- a) Neither the action of the Company in establishing the Plan nor any action taken by the Compensation Committee, nor any provision of the Plan shall be construed so as to grant the Optionee the right to remain in the employment or service of the Company, for any period of specific duration.
- b) The Company shall have full right to terminate the Optionee's employment or services at any time for any reason, with or without Cause. In the event the Company chooses to terminate the services of the Optionee without a Cause then the Company shall provide the Optionee with sufficient notice and validate the reasons for termination of the Optionee through a due process. If the reasons for termination are

determined to be justifiable under the due process then the Employee shall be liable to forfeit all his Options, whether vested or unvested, in favour of the Compensation Committee, on the date of termination. For termination for Cause, clause 9.3(e) of this Plan shall be applicable to all Options, both vested and unvested.

16. APPOINTMENT OF NOMINEE

- a) In the event of circumstances detailed in clause 9.3 (f) and (g) of this Plan, an Optionee may appoint a person as his nominee(s) for the purpose of exercising the rights, subject to the obligations, in terms of the Plan. Such Optionee shall appoint a nominee(s) by submitting a letter in the form specified in *Annexure 1* to the Plan. The Optionee has the right to revoke such nomination at any time and a fresh nomination may be made on such revocation. Notwithstanding the appointment of a nominee and exercise of rights under this Plan by the said nominee, the Company or the Compensation Committee shall not be liable in relation to any rights and obligations amongst the legal heirs of the Optionee concerned.
- b) If the Optionee fails to make a nomination, in the event of his inability/incapacity to hold the Shares under clause 9.3 (f) and (g) of this Plan, the same shall revert back to the name and sole custody of the Compensation Committee, to be dealt with in a fair and reasonable manner.

17. AMENDMENT OF THE PLAN

The Compensation Committee may cancel any or all outstanding Options under the Plan and grant in substitution, new Options under the Plan covering same or different numbers of Shares but having an Exercise Price as mentioned in the relevant stock option agreement and the grant letter. The Compensation Committee shall not vary the terms of the Plan in any manner, which may be detrimental to the interests of the employees.

Certified True Copy
Page 15 of 16


Company Secretary
For OnMobile Global Limited

EMPLOYEES STOCK OPTION PLAN- III, 2006

SHORT TITLE, EXTENT AND COMMENCEMENT

This plan may be called the “**OnMobile Employees Stock Option Plan -III, 2006**” (hereinafter referred to as the “**Plan**”).

It applies only to the bonafide confirmed Employees of OnMobile Asia Pacific Private Limited, who are in employment of the Company. At the discretion of the Compensation Committee, Employees of Subsidiaries and holding companies, now or hereinafter existing, may also be covered.

It shall be deemed to have come into force on 24th day of July, 2006.

1. OBJECT

The object of the Plan is to create a sense of ownership within the organization, to reward Employees for ongoing performance and motivate them to drive the Company value. The Plan has been adopted by a Board resolution of the Company. The object of the Plan is to grant Options, at the discretion of the Company, to the Employees of the Company who are eligible and qualify under the Plan. Such Options shall be convertible to Shares of the Company and Employees holding such Options shall be allotted Shares of the Company on Exercise of such Options. This Plan shall be approved by a special resolution of the present members of the Company at the general meeting to be held on July 24, 2006.

2. DEFINITIONS

In this Plan, unless the context otherwise requires,

- a) “**Applicable Laws**” shall mean the legal requirements relating to stock option plans, including, without limitation, the tax, securities or corporate laws of India, which are applicable to the Company.
- b) “**Board**” shall mean the Board of Directors of the Company as a whole or a majority of them or any committee of the board exclusively constituted for purpose of administering the Plan.
- c) “**Cause**” shall mean conduct, as determined by the Board involving the commission of an act of theft, embezzlement, fraud, dishonesty or moral turpitude, the deliberate disregard of the rules of the Company or on such other disciplinary grounds which resulted in or on the Board’s determination may result in loss, damage or injury to the Company, the unauthorized disclosure of any trade secret or confidential information of

the Company, or the commission of an act which constitutes unfair competition.

- d) **“Company”** shall mean OnMobile Asia Pacific Private Limited, its holding companies and its Subsidiaries.
- e) **“Compensation Committee”** shall mean the compensation committee constituted by the Board.
- f) **“Director”** shall mean a director of the Company whether whole time or not and shall include an Independent Director.
- g) **“Employee”** shall mean:
 - (i) a permanent employee of the Company working in India;
 - (ii) an employee who is a person resident outside India as defined in the Foreign Exchange Management Act, 1999 or an employee who is a foreign national or an employee of a Subsidiary in a foreign country;
 - (iii) the Directors of the Company whether whole-time or not;but shall not include an employee who is a Promoter or who belongs to the Promoter Group.
- h) **“Exercise”** is the act of a written application being made by the Optionee to the Company to have the Vested Options converted and issued as Shares upon payment of the Exercise Price and applicable taxes, if any, in accordance with this Plan and the relevant stock option agreement.
- i) **“Exercise Period”** shall mean the period commencing from the date on which the Options become Vested Options vis-à-vis the Optionee in accordance with the relevant stock option agreement and terminating on such date as may be specified under the said agreement, within which period the Optionee shall have the right to Exercise his Vested Options. Provided that in no event shall the Exercise Period exceed five (5) years from the date the Options become Vested Options.
- j) **“Exercise Price”** shall mean the price at which Vested Options held by the Optionee may be exercised or purchased. The price shall be determined by the Compensation Committee under the relevant stock option agreement.

-
- k) **"Founder Director(s)"** shall mean, jointly or severally, Mr. Arvind Rao and/or Mr. Chandramouli Janakiraman.
- l) **"Independent Director"** shall mean a Director of the Company, not being a whole time Director and who is neither a Promoter nor belongs to the Promoter Group.
- m) **"Option"** shall mean a stock option granted by the Company to the Employees pursuant to this Plan, which Option upon becoming a Vested Option, would be convertible into Shares in accordance with the relevant stock option agreement.
- n) **"Optionee"** shall mean an Employee of the Company who holds Options granted by the Company pursuant to this Plan and who has duly executed a stock option agreement with the Company.
- o) **"Plan"** shall mean this Employee Stock Option Plan -I, 2003.
- p) **"Promoter"** shall mean:
- (i) the person or persons who are in overall control of the Company;
 - (ii) the person or persons who were instrumental in the formation of the Company;
 - (iii) at any time after the listing of the Company, the person or persons named in the offer document as Promoter. 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; and
 - (iv) where a Promoter is a body corporate, the promoters of that body corporate.
- q) **"Promoter Group"** shall mean:
- (i) an immediate relative of a Promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and
 - (ii) those persons whose shareholding is aggregated for the purpose of disclosing in the offer document as "shareholding of the promoter group", at any time after the listing of the Company.

-
- r) **“Permanent Disablement”** shall mean such disablement, which incapacitates an Employee for all work that he was capable of performing at the time of the accident resulting in such disablement.
 - s) **“Share”** shall mean an equity share of the Company having a nominal value of Rs. 10/- (Rupees Ten Only).
 - t) **“Subsidiary”** shall mean a subsidiary company of OnMobile Asia Pacific Private Limited in which the Company holds more than half of nominal value of the aggregate equity share capital.
 - u) **“Unvested Option”** shall mean an Option, which has not vested in the Optionee in accordance with the relevant stock option agreement. For the purpose of clarity, unvested option is an Option in respect of which the relevant Vesting Period has not been completed.
 - v) **“Vested Option”** shall mean an Option, which has duly vested in the Optionee by reason of the Vesting Period being completed in accordance with the relevant stock option agreement.
 - w) **“Vesting Period”** shall mean the period during which the vesting of the Options, granted to the Optionee in pursuance of the Plan and the relevant stock option agreement, is effected. The vesting period shall be for a maximum of four (4) years from the date the Optionee becomes an Employee of the Company or from the date of the Grant as applicable under this Stock Option Plan.

Words not specifically defined herein shall have the meaning attributed to them under the Companies Act, 1956, the Guidelines and the Central Board of Direct Taxes Guidelines on Employees Stock Option Plans, as the case may be.

3. **ESTABLISHMENT OF THE COMPENSATION COMMITTEE**

The Board shall, as soon as may be possible, constitute a Compensation Committee consisting of Directors of the Company.

4. **ADMINISTRATION AND IMPLEMENTATION OF THE PLAN**

- a) The Plan shall be administered by the Compensation Committee. In this regard, the Compensation Committee shall frame the guidelines for the administration and management of the Plan.
- b) The Shares that are set-aside under the Plan shall be transferred from time to time to the Optionee in pursuance of the Plan and subject to the

conditions under the relevant stock option agreement duly executed by the said Optionee.

- c) Under the Plan, a total of 61,567 (sixty one thousand five hundred and sixty seven) Shares shall be made available for grant to the Employees. This represents 0.124 % of the total authorized share capital of the Company.
- d) In the event of any change to the capital of the Company or any capital reconstruction, re-capitalization or capital infusion by reason of split, capitalization, consolidation, exchange or other changes affecting the capital as a class without receipt of consideration by the Company, appropriate adjustments shall be made to the maximum number of Shares under the Plan to ensure there is no dilution in the shareholding and the percentage of Shares allotted under this Plan.
- e) The Pricing Formula, in order to calculate the Exercise Price shall be a percentage of the fair value of the shares, as determined by the Compensation Committee from time to time. Notwithstanding, anything contained above, the Exercise Price shall not be less than the nominal value of the shares.
- f) Subject to the provisions of the Plan and approval of the Board, the Compensation Committee shall have the authority to do the following:
 - (i) determine the number of Options to be granted to each class/category of Optionees;
 - (ii) determine the Exercise Price of the Options granted to each class/category of Optionees in accordance with the Guidelines;
 - (iii) approve grant letters to be provided to the each class/category of Optionees and other forms of agreement which are required to be executed by the Optionees pursuant to the Plan;
 - (iv) determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option granted hereunder;
 - (v) construe and interpret the terms of the Plan and Options granted pursuant to the Plan and the relevant stock option agreements;
 - (vi) determine the Vesting Period and Exercise Period of the Options granted to the each class/category of Optionees; and

-
- (vii) adopt the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others in accordance with the Guidelines.

- g) All decisions, determinations and interpretations of the Compensation Committee shall be final and binding on all Optionees.

5. GOVERNMENTAL REGULATIONS

The Plan shall be subject to and governed by all Applicable Laws. The transfer/grant of Shares/Options under this Plan shall entitle the Company to require the Optionee to comply with such conditions of law as may be necessary in the opinion of the Company.

6. GENERAL RISKS

Participation in the Plan 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 is that of the Optionee alone. The Optionee is encouraged to make considered judgement and seek adequate information /clarifications essential for appropriate decision.

7. CONDITIONS FOR ISSUE OF GRANT LETTERS

- a) The grant letter and the relevant stock option agreement will set out the terms and conditions of issue of Options to the Employee. If the Employee does not wish to accept the grant made by the Compensation Committee, then he shall communicate his non-acceptance to the Compensation Committee within fifteen (15) days from the date of the grant. If a letter of non-acceptance is not received within fifteen (15) days from the date of grant, the grant will be considered to have been accepted. The acceptance of the grant by the Employee shall not, in any manner, be construed to compel the Employee to Exercise his Option upon the Option becoming a Vested Option in the said Employee.
- b) The grant letter shall, besides other terms and conditions, specify the number of Options granted, the Vesting Period, the vesting schedule, the Exercise Price, the Exercise Period, etc.
- c) The grant letter confirms the right of Exercise by the Optionee during the Exercise Period and at the Exercise Price, to apply for and be allotted the Shares of the Company upon Options becoming Vested Options.

-
- d) The grant is not transferable by the Optionee till the Options become Vested Options and are exercised by the Optionee and Shares issued in this regard. Therefore, for the purposes of clarity, only the Shares issued upon conversion of the Vested Options are transferable by the Optionee and Options (whether vested or unvested) are not transferable by the Optionee. Further, only the Optionee named in the grant letter shall be entitled to the rights thereof except in exceptional circumstances as stated in the Plan. The Optionee is not entitled to pledge, hypothecate, charge, mortgage or in any manner alienate or dispose of the grant or Options (whether vested or unvested) to any other person.

8. LIMITATIONS FOR GRANT OF OPTIONS

Notwithstanding anything contained in this Plan, the value of Shares allotted under this Plan to the class of Employees falling within clause 2(g) (ii) of this Plan shall not exceed 5 % of the total paid up share capital of the Company as on date of the grant of Options or any other such percentage as may be notified under the provisions of the Foreign Exchange Management Act, 1999 from time to time.

9. OPTIONS

9.1 Issue of Options

- a) The Options shall be issued to the Optionees by the Compensation Committee for such Exercise Price and in such numbers as may be determined by the Compensation Committee from time to time, in accordance with the Guidelines.
- b) The issue of Options under the Plan shall in no way affect the right of the Company to adjust, re-classify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

9.2 Vesting Period

The Options granted under the Plan shall vest in the Optionee(s) during the vesting period in the following manner:

- A. In case of the Options granted to any Optionee of the Company for the First time:
- i. 25% of the aggregate Options granted to the Optionee shall become Vested Options at the end of twelve (12) months from the Date of employment or engagement of the Optionee with the Company.

-
- ii. the remaining 75% of the aggregate Options shall vest from the 13th month (from the date the Optionee becomes an employee of the Company) at a rate of 1/36th per month for the next thirty six (36) months of the Vesting Period.
- B. In case of the Options granted to an Optionee, other than the Founder Director of the Company for a second or subsequent time under the Plan:
- i. 25% of the aggregate Options granted to the Optionee shall become Vested Options at the end of twelve (12) months from the Date of Grant of the Options.
 - ii. the remaining 75% of the aggregate Options shall vest from the 13th month after the Date of Grant of the Options at a rate of 1/36th per month for the next thirty six (36) months of the Vesting Period.

9.3 Exercise of Vested Options

- a) The Optionee is entitled to Exercise only the Vested Options. The Optionee shall Exercise the Vested Options within a period of five (5) years from the date of vesting at the Exercise Price by way of cash or cheque, drawn to the order of the Compensation Committee or in such other consideration as the Compensation Committee deems appropriate, including a combination of cash and such other consideration having a fair market value, as so determined, equal to the Exercise Price. However, the specific Exercise Period for each category/class of Employee shall be stated in the relevant stock option agreement and the grant letter.
- b) The Compensation Committee shall have the full power and authority to extend the Exercise Period of any Option granted under this Plan as the Compensation Committee may deem appropriate.
- c) The Optionee may at his discretion Exercise all or any of the Vested Options, provided such Exercise is made in lots of hundred (100) Shares or parts thereof and within the Exercise Period.
- d) In case of the Optionee ceasing to be Employee of the Company by reason of resignation, i.e., voluntary separation from the Company, the Optionee shall have the right to Exercise all the Vested Options within thirty (30) days from the date of such resignation or termination of services. In the event, that the Options are not exercised within thirty (30) days from the date of such resignation or termination of services, as mentioned above, the vested options

shall lapse and such vested options shall be forfeited by the Optionee. Without prejudice to the foregoing, upon resignation or termination of services, the Optionee who is an Employee under clause 2 g (ii) of the Plan, shall have the right to Exercise all the vested options at any time within the Exercise Period. In the event, that the Vested Options are not exercised within the Exercise Period by such Optionee, the Vested Options shall lapse.

- e) Notwithstanding, anything to the contrary in this Plan, the Options shall lapse in their entirety immediately upon the Optionee's discharge from employment or other service relationship upon a Cause, regardless of whether the Options are vested or not. However, the Optionee may be allowed to exercise the Vested Options with the written approval of the Compensation Committee within ninety (90) days from such discharge in exceptional circumstances.
- f) In the event of death of an Optionee while in employment, all Vested Options granted to the Optionee shall be transferred to the legal heirs/nominee of the Optionee. Without prejudice to the foregoing, all the Options (both vested and unvested) granted to the Optionee who is an Employee under clause 2 (g) (ii) of the Plan shall be transferred to the legal heirs/nominees at any time within the Exercise Period. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the legal heirs/nominee.
- g) In the event of Permanent Disability of an Optionee, all Vested Options granted to the Optionee shall be transferred to the Optionee or nominee of the Optionee. Without prejudice to the foregoing, all the Options (both vested and unvested) granted to the Optionee who is an Employee under clause 2 (g) (ii) of the Plan shall be transferred to the Optionee or nominee of the Optionee as Vested Options upon the Permanent Disability of such an Optionee. Such Vested Options would be exercisable by the Optionee or the nominee of the Optionee at any time within the Exercise Period. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the Optionee or the nominee of the Optionee.
- h) In the event of severance of employment of an Optionee from the Company as a part of reconstitution/amalgamation/sell-off or such other significant change in the Company's structure, the Optionee

will have to Exercise the Vested Options within a date as predetermined by the agreement dealing with the reconstitution/amalgamation/sell-off or such other significant change in the Company's structure, from the date of severance. In the event that the Vested Options are not exercised within this period, the Options shall lapse. This condition shall be applicable notwithstanding that the normal Exercise Period may be longer than the period mentioned under the agreement dealing with the reconstitution/amalgamation, etc. of the Company.

- i) In the event of an Optionee being transferred to a Subsidiary at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. All Unvested Options shall vest in accordance with the relevant stock option agreement. The Vested Options can be exercised at any time within the Exercise Period.
- j) In the event of retirement of an Optionee from the Company at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. The above is applicable provided the Optionee does not enter into competition or is not employed by a competitor of the Company.
- k) In the event of the Company being taken-over or amalgamated or merged with another company, the Compensation Committee, at its sole discretion and in conjunction with the acquiring company, may decide to issue fresh Options which shall carry the option of conversion into Shares of the merged company on such terms and conditions as may be decided by the Compensation Committee. However, the same shall be at the discretion of the Compensation Committee, which may alternatively decide for lapse of the Options, which shall be purchased back by the Compensation Committee without issue of any fresh Options.
- l) The Exercise of Vested Options is deemed to be completed when the Shares are allotted to the Optionee in response to his application and payments, if any, in accordance with the relevant stock option agreement and grant letter.
- m) All Unvested Options shall lapse in case the Optionee resigns or retires, or otherwise either severs his relationship with the Company or is dismissed whether for a Cause or otherwise or is discharged due to Permanent Disability, either voluntarily or by law. Without prejudice to the foregoing, all the Unvested Options

of the Optionee who is an Employee under clause 2 (g) (ii) of the Plan shall forthwith become the Vested Options upon the death or Permanent Disability of such an Optionee.

- n) In case the Optionee does not Exercise the Vested Options within the Exercise Period, the said Options will lapse and no rights will accrue to the Optionee after that date.
- o) In the event, the Optionee/legal heir/nominee is unable to Exercise the Vested Options within the Exercise Period, on the happening of any contingencies mentioned in this clause 9.3 of the Plan, then such an Optionee/legal heir/nominee shall have an obligation to notify the Compensation Committee in writing prior to the lapse of the Exercise Period indicating the contingencies and his consequent inability to Exercise the Vested Options. Such a written notification to the Compensation Committee shall be a pre-requisite in order for the Optionee/legal heir/nominee to be entitled to any refund of amounts paid towards the Exercise of the Options.
- p) For the purpose of clarity, the Exercise of Options by the Optionee is a right granted to the said Optionee, and not an obligation, under the Plan, to apply for and be transferred the Shares of the Company at the Exercise Price, subject to the requirements of vesting detailed under the relevant stock option agreement and the grant letter.

9.4 Surrender of Options

An Optionee/legal heirs/nominee may surrender any or all of the Options to the Compensation Committee at any time, whether vested or not. The entitlement to such surrender shall be limited prior to the lapse of the Exercise Period.

9.5 Bonus / Rights Issue

- a) Notwithstanding any grant of Options made by the Company to the Employees in pursuance to this Plan and subject to the Guidelines, the Company is at full liberty to issue any further Shares at any price as it thinks fit to any class of persons, at any time at its discretion.
- b) The Compensation Committee shall intimate the Optionee in a written notice subsequent to a bonus/rights issue of Shares regarding the increase in the number of Options granted to the

Employee under the grant and also the reduction in the Exercise Price.

- c) The issue of the bonus/rights Shares shall not change any of the rights or conditions under which the Options have been granted except the entitlement to an increase in the number of Shares which may be applied for and a reduction in the Exercise Price.
- d) In the event of an issue of bonus/rights Shares being made by the Company after the grant, the Optionee shall, with regard to all Options, whether vested or not, have the right to apply for the increased number of Shares upon the Options becoming Vested Options, equivalent to the ratio in which the bonus/rights Shares are issued. However, the eligibility of the Optionee for the above said bonus/rights Shares and the reduction in the Exercise Price and the length of the Exercise Period would be decided by the Compensation Committee.

9.6 Option for Conversion

The Optionee may opt for conversion of his Vested Options into Shares by applying to the Compensation Committee during the Exercise Period in a specified format.

9.7 Cancellation/Regrant/Buy-Back of Options

- a) The Compensation Committee shall have the authority to effect, at any time and from time to time, the cancellation of any or all outstanding Options under the Plan and grant in substitution new Options under the Plan covering the same or different numbers of Shares.
- b) The Compensation Committee shall consider, in case of each substitute grant, whether and the extent to which the vesting schedule related to the exercisability of the substitute Option should extend beyond the schedule for the cancelled Option.
- c) The Compensation Committee shall also consider setting up a vehicle as per the applicable laws to enable the Optionee to sell all or part of the Vested Options in the circumstances mentioned in clause 9.3 of the Plan and to enable the Compensation Committee to buy the Shares back from the Optionee.

10. SHARES

10.1 Issue of Shares

- a) After the Options are converted into Shares, the Shares so converted shall be subject to the terms and conditions as mentioned below.
- b) The Shares shall not be subject to any lock in period from the date the Options are converted into Shares.

10.2 Ranking of Shares

- a) The Shares arising on the conversion of the Options shall, subject to the rights provided in the Memorandum of Association and Articles of Association of the Company, rank pari-passu with all the other Shares of the Company from the date of conversion of Options into Shares. Thus, any right attached to such Shares shall be with reference to the date of conversion of the Options into Shares.
- b) The Optionee shall not have any of the rights of a shareholder with respect to the Shares until such Shares have been issued to him upon the due Exercise of the Vested Options. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such Shares are issued.

11. RESTRICTIONS ON DISPOSITION

- a) The Optionee who is issued 10% or more Shares of the total number of Shares allotted under this Plan shall be entitled to sell upto 25% of the aggregate Shares held by the Optionee in one (1) financial year. In the event the Optionee intends to sell more than 25% of the aggregate Shares in one (1) financial year, he shall inform the Compensation Committee and such sale of excess Shares shall be effected only upon receipt of prior approval from the Compensation Committee.
- b) In the event the Optionee intends to sell any of the Shares issued to him upon his Exercise of the Vested Options, the Compensation Committee shall have the first right of refusal to purchase the Shares. In this regard, the Compensation Committee shall have the right to nominate a purchaser for purchasing the Shares and each stock certificate shall bear a legend to that effect.

-
- c) In addition to the above restriction on transferability of Shares, the Compensation Committee may determine such other restrictions on transfer of Shares by the Optionee provided that such restrictions are not more than the restrictions on the other Shares of the Company.

12. TAX LIABILITY

- a) In the event of any tax liability arising to the Optionee on account of the issue of the Options/conversion into Shares/transfer of Shares or on any other event, the liability shall be that of the Optionee alone.
- b) In the event of any tax liability arising on account of the Plan to the Company, the Company, on the advice of the Compensation Committee, shall have the right to cause the Shares issuable under this Plan to be sold or otherwise alienated or to have the Options nullified to meet the liability or to meet the liability on behalf of the Optionee in the event the Optionee fails to pay back such liability borne by the Company on the Optionee's behalf.

13. INITIAL PUBLIC OFFER

- a) It is the intention of the Company to make an initial public offer. However, the Company does not guarantee that it would make an initial public offer or any time frame for the same.
- b) In the event of such an initial public offer, the Company may be required to alter the Plan to meet the conditions of such offer and comply with all applicable laws for such issue. The Optionees shall be bound by such alterations, if any.

14. CONFIDENTIALITY

- a) The Optionee who holds any Options/Shares under the Plan shall not divulge the details of the Plan and his holding to any person except with the prior permission of the Company obtained in writing.
- b) The Optionee shall enter into such agreements, as the Company may desire, from time to time, to more fully and effectively implement the Plan.

15. CONTRACT OF EMPLOYMENT

- a) The Plan shall not form part of any contract of employment between the Company and the Employees. The rights and obligations of any individual Employee under the terms of his office or employment with the Company

shall not be affected by his participation in the Plan or any right, which he may have to participate in it.

- b) Nothing in the Plan shall be construed as affording an Employee any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.
- c) The Plan shall not confer on any person any legal or equitable rights against the Company either directly or indirectly or give rise to any cause of action in law or equity against the Company.
- d) The Plan is purely at the discretion of the Company.

16. NO RIGHT TO CONTINUED EMPLOYMENT/SERVICE

- a) Neither the action of the Company in establishing the Plan nor any action taken by the Compensation Committee, nor any provision of the Plan shall be construed so as to grant the Optionee the right to remain in the employment or service of the Company, for any period of specific duration.
- b) The Company shall have full right to terminate the Optionee's employment or services at any time for any reason, with or without Cause. In the event the Company chooses to terminate the services of the Optionee without a Cause then the Company shall provide the Optionee with sufficient notice and validate the reasons for termination of the Optionee through a due process. If the reasons for termination are determined to be justifiable under the due process then the Employee shall be liable to forfeit all his Options, whether vested or unvested, in favour of the Compensation Committee, on the date of termination. For termination for Cause, clause 9.3(e) of this Plan shall be applicable to all Options, both vested and unvested.

17. APPOINTMENT OF NOMINEE

- a) In the event of circumstances detailed in clause 9.3 (f) and (g) of this Plan, an Optionee may appoint a person as his nominee(s) for the purpose of exercising the rights, subject to the obligations, in terms of the Plan. Such Optionee shall appoint a nominee(s) by submitting a letter in the form specified in *Annexure I* to the Plan. The Optionee has the right to revoke such nomination at any time and a fresh nomination may be made on such revocation. Notwithstanding the appointment of a nominee and exercise of rights under this Plan by the said nominee, the Company or the Compensation Committee shall not be liable in relation to any rights and obligations amongst the legal heirs of the Optionee concerned.

-
- b) If the Optionee fails to make a nomination, in the event of his inability/incapacity to hold the Shares under clause 9.3 (f) and (g) of this Plan, the same shall revert back to the name and sole custody of the Compensation Committee, to be dealt with in a fair and reasonable manner.

18. AMENDMENT OF THE PLAN

The Compensation Committee may cancel any or all outstanding Options under the Plan and grant in substitution, new Options under the Plan covering same or different numbers of Shares but having an Exercise Price as mentioned in the relevant stock option agreement and the grant letter.

ANNEXURE 1

NOMINATION

Date: _____

To: The Compensation Committee
OnMobile Asia Pacific Private Limited

Dear Sirs,

In respect of the rights to be exercised by me under the **Employees Stock Option Plan - I, 2006 ("Plan")**, I hereby appoint _____ (*please specify nature of relationship*) viz., Mr/Mrs/Miss _____, aged _____ years, residing at _____ as my nominee in accordance with clause 17 of the Plan.

Yours faithfully

Witnessed by:

1. Signature:

Name :

Address :

2. Signature:

Name :

Address :

EMPLOYEES STOCK OPTION PLAN- II, 2003

SHORT TITLE, EXTENT AND COMMENCEMENT

This plan may be called the **“OnMobile Employees Stock Option Plan -II, 2003”** (hereinafter referred to as the **“Plan”**).

It applies only to the bonafide confirmed Employees of OnMobile Asia Pacific Private Limited, who are in employment of the Company. At the discretion of the Compensation Committee, Employees of Subsidiaries and holding companies, now or hereinafter existing, may also be covered.

It shall be deemed to have come into force on 30th day of December, 2003.

1. OBJECT

The object of the Plan is to create a sense of ownership within the organization, to reward Employees for ongoing performance and motivate them to drive the Company value. The Plan has been adopted by a Board resolution of the Company. The object of the Plan is to grant Options, at the discretion of the Company, to the Employees of the Company who are eligible and qualify under the Plan. Such Options shall be convertible to Shares of the Company and Employees holding such Options shall be allotted Shares of the Company on Exercise of such Options. This Plan shall be approved by a special resolution of the present members of the Company at the extra-ordinary general meeting to be held on December 30, 2003.

2. DEFINITIONS

In this Plan, unless the context otherwise requires,

- a) **“Applicable Laws”** shall mean the legal requirements relating to stock option plans, including, without limitation, the tax, securities or corporate laws of India, which are applicable to the Company.
- b) **“Board”** shall mean the Board of Directors of the Company as a whole or a majority of them or any committee of the board exclusively constituted for purpose of administering the Plan.
- c) **“Cause”** shall mean conduct, as determined by the Board involving the commission of an act of theft, embezzlement, fraud, dishonesty or moral turpitude, the deliberate disregard of the rules of the Company or on such other disciplinary grounds which resulted in or on the Board's determination may result in loss, damage or injury to the Company, the unauthorized disclosure of any trade secret or confidential information of

the Company, or the commission of an act which constitutes unfair competition.

- d) **"Company"** shall mean OnMobile Asia Pacific Private Limited, its holding companies and its Subsidiaries.
- e) **"Compensation Committee"** shall mean the compensation committee constituted by the Board.
- f) **"Director"** shall mean a director of the Company whether whole time or not and shall include an Independent Director.
- g) **"Employee"** shall mean:

- (i) a permanent employee of the Company working in India;
- (ii) an employee who is a person resident outside India as defined in the Foreign Exchange Management Act, 1999 or an employee who is a foreign national or an employee of a Subsidiary in a foreign country; and
- (iii) the Directors of the Company whether whole-time or not;

but shall not include an employee who is a Promoter or who belongs to the Promoter Group.

- h) **"Exercise"** is the act of a written application being made by the Optionee to the Company to have the Vested Options converted and issued as Shares upon payment of the Exercise Price and applicable taxes, if any, in accordance with this Plan and the relevant stock option agreement.
- i) **"Exercise Period"** shall mean the period commencing from the date on which the Options become Vested Options vis-à-vis the Optionee in accordance with the relevant stock option agreement and terminating on such date as may be specified under the said agreement, within which period the Optionee shall have the right to Exercise his Vested Options. Provided that in no event shall the Exercise Period exceed five (5) years from the date the Options become Vested Options.
- j) **"Exercise Price"** shall mean the price at which Vested Options held by the Optionee may be exercised or purchased. The price shall be determined by the Compensation Committee under the relevant stock option agreement.

- k) **"Independent Director"** shall mean a Director of the Company, not being a whole time Director and who is neither a Promoter nor belongs to the Promoter Group.
- l) **"Option"** shall mean a stock option granted by the Company to the Employees pursuant to this Plan, which Option upon becoming a Vested Option, would be convertible into Shares in accordance with the relevant stock option agreement.
- m) **"Optionee"** shall mean an Employee of the Company who holds Options granted by the Company pursuant to this Plan and who has duly executed a stock option agreement with the Company.
- n) **"Plan"** shall mean this Employee Stock Option Plan -II, 2003.
- o) **"Promoter"** shall mean:
 - (i) the person or persons who are in overall control of the Company;
 - (ii) the person or persons who were instrumental in the formation of the Company;
 - (iii) at any time after the listing of the Company, the person or persons named in the offer document as Promoter. 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; and
 - (iv) where a Promoter is a body corporate, the promoters of that body corporate.
- p) **"Promoter Group"** shall mean:
 - (i) an immediate relative of a Promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and
 - (ii) those persons whose shareholding is aggregated for the purpose of disclosing in the offer document as "shareholding of the promoter group", at any time after the listing of the Company.
- q) **"Permanent Disablement"** shall mean such disablement, which incapacitates an Employee for all work that he was capable of performing at the time of the accident resulting in such disablement.

- r) **"Share"** shall mean an equity share of the Company having a nominal value of Rs. 10/- (Rupees Ten Only).
- s) **"Subsidiary"** shall mean a subsidiary company of OnMobile Asia Pacific Private Limited in which the Company holds more than half of nominal value of the aggregate equity share capital.
- t) **"Unvested Option"** shall mean an Option, which has not vested in the Optionee in accordance with the relevant stock option agreement. For the purpose of clarity, unvested option is an Option in respect of which the relevant Vesting Period has not been completed.
- u) **"Vested Option"** shall mean an Option, which has duly vested in the Optionee by reason of the Vesting Period being completed in accordance with the relevant stock option agreement.
- v) **"Vesting Period"** shall mean the period during which the vesting of the Options, granted to the Optionee in pursuance of the Plan and the relevant stock option agreement, is effected. The vesting period shall be for a maximum of four (4) years from the date the Optionee becomes an Employee of the Company.

Words not specifically defined herein shall have the meaning attributed to them under the Companies Act, 1956 and the Central Board of Direct Taxes Guidelines on Employees Stock Option Plans, as the case may be.

3. ESTABLISHMENT OF THE COMPENSATION COMMITTEE

The Board shall, as soon as may be possible, constitute a Compensation Committee consisting of Directors of the Company.

4. ADMINISTRATION AND IMPLEMENTATION OF THE PLAN

- a) The Plan shall be administered by the Compensation Committee. In this regard, the Compensation Committee shall frame the guidelines for the administration and management of the Plan.
- b) **The Shares that are set-aside under the Plan shall be transferred from time to time to the Optionee in pursuance of the Plan and subject to the conditions under the relevant stock option agreement duly executed by the said Optionee.**
- c) Under the Plan, a total of 1,14,000 (One Lakh Fourteen Thousand Only) Shares shall be made available for grant to the Employees. This represents 2.28 % of the total authorized share capital of the Company.

- d) In the event of any change to the capital of the Company or any capital re-construction, re-capitalization or capital infusion by reason of split, capitalization, consolidation, exchange or other changes affecting the capital as a class without receipt of consideration by the Company, appropriate adjustments shall be made to the maximum number of Shares under the Plan to ensure there is no dilution in the shareholding and the percentage of Shares allotted under this Plan.
- e) The pricing formula, in order to calculate the Exercise Price, shall be a percentage of the fair value of the Shares, as determined by the Compensation Committee from time to time. Notwithstanding anything contained above, the Exercise Price shall not be less than the nominal value of the Shares.
- f) Subject to the provisions of the Plan and approval of the Board, the Compensation Committee shall have the authority to do the following:
 - (i) determine the number of Options to be granted to each class/category of Optionees;
 - (ii) determine the Exercise Price of the Options granted to each class/category of Optionees;
 - (iii) approve grant letters to be provided to the each class/category of Optionees and other forms of agreement which are required to be executed by the Optionees pursuant to the Plan;
 - (iv) determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option granted hereunder;
 - (v) construe and interpret the terms of the Plan and Options granted pursuant to the Plan and the relevant stock option agreements;
 - (vi) determine the Vesting Period and Exercise Period of the Options granted to the each class/category of Optionees; and
 - (vii) **adopt the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others.**
- g) All decisions, determinations and interpretations of the Compensation Committee shall be final and binding on all Optionees.

5. GOVERNMENTAL REGULATIONS

The Plan shall be subject to and governed by all Applicable Laws. The transfer/grant of Shares/Options under this Plan shall entitle the Company to require the Optionee to comply with such conditions of law as may be necessary in the opinion of the Company.

6. GENERAL RISKS

Participation in the Plan 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 is that of the Optionee alone. The Optionee is encouraged to make considered judgement and seek adequate information /clarifications essential for appropriate decision.

7. CONDITIONS FOR ISSUE OF GRANT LETTERS

- a) The grant letter and the relevant stock option agreement will set out the terms and conditions of issue of Options to the Employee. If the Employee does not wish to accept the grant made by the Compensation Committee, then he shall communicate his non-acceptance to the Compensation Committee within fifteen (15) days from the date of the grant. If a letter of non-acceptance is not received within fifteen (15) days from the date of grant, the grant will be considered to have been accepted. The acceptance of the grant by the Employee shall not, in any manner, be construed to compel the Employee to Exercise his Option upon the Option becoming a Vested Option in the said Employee.
- b) The grant letter and the relevant stock option agreement shall, besides other terms and conditions, specify the number of Options granted, the Vesting Period, the vesting schedule, the Exercise Price, the Exercise Period, etc.
- c) The grant letter confirms the right of Exercise by the Optionee during the Exercise Period and at the Exercise Price, to apply for and be allotted the Shares of the Company upon Options becoming Vested Options.
- d) The grant is not transferable by the Optionee till the Options become Vested Options and are exercised by the Optionee and Shares issued in this regard. Therefore, for the purposes of clarity, only the Shares issued upon conversion of the Vested Options are transferable by the Optionee and Options (whether vested or unvested) are not transferable by the Optionee. Further, only the Optionee named in the grant letter shall be entitled to the rights thereof except in exceptional circumstances as stated in the Plan. The Optionee is not entitled to pledge, hypothecate, charge,

mortgage or in any manner alienate or dispose of the grant or Options (whether vested or unvested) to any other person.

8. LIMITATIONS FOR GRANT OF OPTIONS

Notwithstanding anything contained in this Plan, the value of Shares allotted under this Plan to the class of Employees falling within clause 2(g) (ii) of this Plan shall not exceed 5 % of the total paid up share capital of the Company as on date of the grant of Options or any other such percentage as may be notified under the provisions of the Foreign Exchange Management Act, 1999 from time to time.

9. OPTIONS

9.1 Issue of Options

- a) The Options shall be issued to the Optionees by the Compensation Committee for such Exercise Price and in such numbers as may be determined by the Compensation Committee from time to time.
- b) The issue of Options under the Plan shall in no way affect the right of the Company to adjust, re-classify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

9.2 Vesting Period

- a) The Options issued pursuant to the Plan shall vest as detailed in clause 9.2 (b) and specified in the grant letter and the relevant stock option agreement.
- b) The Options granted pursuant to the Plan shall vest in the Optionee during the Vesting Period in the following manner:
 - (i) 25% of the aggregate Options granted to the Optionee shall become Vested Options at the end of twelve (12) months from the date the Optionee becomes an Employee of the Company;
 - (ii) the remaining 75% of the aggregate Options shall vest in the Optionee from the 13th month (from date of Optionee becoming an Employee of the Company) at a rate of 1/36th per month for the next thirty six (36) months of the Vesting Period.

- c) Vesting Period shall be frozen for such periods of unpaid leave of absence and shall resume upon the Optionee rejoining service, with the prior approval of the Company. Such Vesting Period shall be suitably extended by the period of approved leave of absence at the discretion of the Compensation Committee. This provision shall not be applicable to an Optionee who is an Employee under clause 2 (g) (ii) of the Plan.

9.3 Exercise of Vested Options

- a) The Optionee is entitled to Exercise only the Vested Options. The Optionee shall Exercise the Vested Options within a period of five (5) years from the date of vesting at the Exercise Price by way of cash or cheque, drawn to the order of the Compensation Committee or in such other consideration as the Compensation Committee deems appropriate, including a combination of cash and such other consideration having a fair market value, as so determined, equal to the Exercise Price. However, the specific Exercise Period for each category/class of Employee shall be stated in the relevant stock option agreement and the grant letter.
- b) The Compensation Committee shall have the full power and authority to extend the Exercise Period of any Option granted under this Plan as the Compensation Committee may deem appropriate.
- c) The Optionee may at his discretion Exercise all or any of the Vested Options, provided such Exercise is made in lots of hundred (100) Shares or parts thereof and within the Exercise Period.
- d) In case of the Optionee ceasing to be an Employee of the Company by reason of resignation or termination of services, i.e., voluntary separation from the Company, the Optionee shall have the right to Exercise all the Vested Options within thirty (30) days from the date of such resignation or termination of services. In the event, that the Options are not exercised within thirty (30) days from the date of such resignation or termination of services, as mentioned above, the Vested Options shall lapse and such Vested Options shall be forfeited by the Optionee. Without prejudice to the foregoing, upon resignation or termination of services, the Optionee who is an Employee under clause 2 g (ii) of the Plan, shall have the right to Exercise all the Vested Options at any time within the Exercise Period. In the event, that the Vested Options are not exercised within the Exercise Period by such Optionee, the Vested Options shall lapse.

- e) Notwithstanding, anything to the contrary in this Plan, the Options shall lapse in their entirety immediately upon the Optionee's discharge from employment or other service relationship upon a Cause, regardless of whether the Options are vested or not. However, the Optionee may be allowed to exercise the Vested Options with the written approval of the Compensation Committee within ninety (90) days from such discharge in exceptional circumstances.
- f) In the event of death of an Optionee, all Vested Options granted to the Optionee shall be transferred to the legal heirs/nominees of the Optionee. Without prejudice to the foregoing, all the Options (both vested and unvested) granted to the Optionee who is an Employee under clause 2 (g) (ii) of the Plan shall be transferred to the legal heirs/nominee of the Optionee as Vested Options upon the death of such an Optionee. Such Vested Options would be exercisable by the legal heirs/nominees at any time within the Exercise Period. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the legal heirs/nominees.
- g) In the event of Permanent Disability of an Optionee, all Vested Options granted to the Optionee shall be transferred to the Optionee or the nominee of the Optionee. Without prejudice to the foregoing, all the Options (both vested and unvested) granted to the Optionee who is an Employee under clause 2 (g) (ii) of the Plan shall be transferred to the Optionee or the nominee of the Optionee as Vested Options upon the Permanent Disability of such an Optionee. Such Vested Options would be exercisable by the Optionee or nominee of the Optionee at any time within the Exercise Period. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the Optionee or nominee.
- h) **In the event of severance of employment of an Optionee from the Company as a part of reconstitution/amalgamation/sell-off or such other significant change in the Company's structure, the Optionee will have to Exercise the Vested Options within a date as predetermined by the agreement dealing with the reconstitution/amalgamation/sell-off or such other significant change in the Company's structure, from the date of severance. In the event that the Vested Options are not exercised within this period, the**

Options shall lapse. This condition shall be applicable notwithstanding that the normal Exercise Period may be longer than the period mentioned under the agreement dealing with the reconstitution/amalgamation, etc. of the Company.

- i) In the event of an Optionee being transferred to a Subsidiary at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. All Unvested Options shall vest in accordance with the relevant stock option agreement. The Vested Options can be exercised at any time within the Exercise Period.
- j) In the event of retirement of an Optionee from the Company at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. The above is applicable provided the Optionee does not enter into competition or is not employed by a competitor of the Company.
- k) In the event of the Company being taken-over or amalgamated or merged with another company, the Compensation Committee, at its sole discretion and in conjunction with the acquiring company, may decide to issue fresh Options which shall carry the option of conversion into Shares of the merged company on such terms and conditions as may be decided by the Compensation Committee. However, the same shall be at the discretion of the Compensation Committee, which may alternatively decide for lapse of the Options, which shall be purchased back by the Compensation Committee without issue of any fresh Options.
- l) The Exercise of Vested Options is deemed to be completed when the Shares are allotted to the Optionee in response to his application and payments, if any, in accordance with the relevant stock option agreement and grant letter.
- m) All Unvested Options shall lapse in case the Optionee resigns or retires or otherwise either severs his relationship with the Company or is dismissed whether for a Cause or otherwise or dies or is discharged due to Permanent Disability, either voluntarily or by law. Without prejudice to the foregoing, all Unvested Options of an Optionee who is an Employee under clause 2(g) (ii) of the Plan shall forthwith become Vested Options upon the death or Permanent Disability of such an Optionee.

- n) In case the Optionee does not Exercise the Vested Options within the Exercise Period, the said Options will lapse and no rights will accrue to the Optionee after that date.
- o) In the event, the Optionee/legal heir/nominee is unable to Exercise the Vested Options within the Exercise Period, on the happening of any contingencies mentioned in this clause 9.3 of the Plan, then such an Optionee/legal heir/nominee shall have an obligation to notify the Compensation Committee in writing prior to the lapse of the Exercise Period indicating the contingencies and his consequent inability to Exercise the Vested Options. Such a written notification to the Compensation Committee shall be a prerequisite in order for the Optionee/legal heir/nominee to be entitled to any refund of amounts paid towards the Exercise of the Options.
- p) For the purpose of clarity, the Exercise of Options by the Optionee is a right granted to the said Optionee, and not an obligation, under the Plan, to apply for and be transferred the Shares of the Company at the Exercise Price, subject to the requirements of vesting detailed under the relevant stock option agreement and the grant letter.

9.4 Surrender of Options

An Optionee/legal heirs/nominee may surrender any or all of the Options to the Compensation Committee at any time, whether vested or not. The entitlement to such surrender shall be limited prior to the lapse of the Exercise Period.

9.5 Bonus / Rights Issue

- a) Notwithstanding any grant of Options made by the Company to the Employees in pursuance to this Plan, the Company is at full liberty to issue any further Shares at any price as it thinks fit to any class of persons, at any time at its discretion.
- b) The Compensation Committee shall intimate the Optionee in a **written notice subsequent to a bonus/rights issue of Shares** regarding the increase in the number of Options granted to the Employee under the grant and also the reduction in the Exercise Price.
- c) The issue of the bonus/rights Shares shall not change any of the **rights or conditions under which the Options have been granted**

except the entitlement to an increase in the number of Shares which may be applied for and a reduction in the Exercise Price.

- d) In the event of an issue of bonus/rights Shares being made by the Company after the grant, the Optionee shall, with regard to all Options, whether vested or not, have the right to apply for the increased number of Shares upon the Options becoming Vested Options, equivalent to the ratio in which the bonus/rights Shares are issued. However, the eligibility of the Optionee for the above said bonus/rights Shares and the reduction in the Exercise Price and the length of the Exercise Period would be decided by the Compensation Committee.

9.6 Option for Conversion

The Optionee may opt for conversion of his Vested Options into Shares by applying to the Compensation Committee during the Exercise Period in a specified format.

9.7 Cancellation/Regrant/Buy-Back of Options

- a) The Compensation Committee shall have the authority to effect, at any time and from time to time, the cancellation of any or all outstanding Options under the Plan and grant in substitution new Options under the Plan covering the same or different numbers of Shares.
- b) The Compensation Committee shall consider, in case of each substitute grant, whether and the extent to which the vesting schedule related to the exercisability of the substitute Option should extend beyond the schedule for the cancelled Option.
- c) The Compensation Committee shall also consider setting up a vehicle as per the applicable laws to enable the Optionee to sell all or part of the Vested Options in the circumstances mentioned in clause 9.3 of the Plan and to enable the Compensation Committee to buy the Shares back from the Optionee.

10. SHARES

10.1 Issue of Shares

- a) After the Options are converted into Shares, the Shares so converted shall be subject to the terms and conditions as mentioned below.

- b) The Shares shall not be subject to any lock in period from the date the Options are converted into Shares.

10.2 Ranking of Shares

- a) The Shares arising on the conversion of the Options shall, subject to the rights provided in the Memorandum of Association and Articles of Association of the Company, rank pari-passu with all the other Shares of the Company from the date of conversion of Options into Shares. Thus, any right attached to such Shares shall be with reference to the date of conversion of the Options into Shares.
- b) The Optionee shall not have any of the rights of a shareholder with respect to the Shares until such Shares have been issued to him upon the due Exercise of the Vested Options. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such Shares are issued.

11. RESTRICTIONS ON DISPOSITION

- a) The Optionee who is issued 10% or more Shares of the total number of Shares allotted under this Plan shall be entitled to sell up to 25% of the aggregate Shares held by the Optionee in one (1) financial year. In the event the Optionee intends to sell more than 25% of the aggregate Shares in one (1) financial year, he shall inform the Compensation Committee and such sale of excess Shares shall be effected only upon receipt of prior approval from the Compensation Committee.
- b) In the event the Optionee intends to sell any of the Shares issued to him upon his Exercise of the Vested Options, the Compensation Committee shall have the first right of refusal to purchase the Shares. In this regard, the Compensation Committee shall have the right to nominate a purchaser for purchasing the Shares and each stock certificate shall bear a legend to that effect.
- c) In addition to the above restriction on transferability of Shares, the Compensation Committee may determine such other restrictions on transfer of Shares by the Optionee provided that such restrictions are not more than the restrictions on the other Shares of the Company.

12. TAX LIABILITY

- a) In the event of any tax liability arising to the Optionee on account of the issue of the Options/conversion into Shares/transfer of Shares or on any other event, the liability shall be that of the Optionee alone.
- b) In the event of any tax liability arising on account of the Plan to the Company, the Company, on the advice of the Compensation Committee, shall have the right to cause the Shares issuable under this Plan to be sold or otherwise alienated or to have the Options nullified to meet the liability or to meet the liability on behalf of the Optionee in the event the Optionee fails to pay back such liability borne by the Company on the Optionee's behalf.

13. INITIAL PUBLIC OFFER

- a) It is the intention of the Company to make an initial public offer. However, the Company does not guarantee that it would make an initial public offer or any time frame for the same.
- b) In the event of such an initial public offer, the Company may be required to alter the Plan to meet the conditions of such offer and comply with all applicable laws for such issue. The Optionees shall be bound by such alterations, if any.

14. CONFIDENTIALITY

- a) The Optionee who holds any Options/Shares under the Plan shall not divulge the details of the Plan and his holding to any person except with the prior permission of the Company obtained in writing.
- b) The Optionee shall enter into such agreements, as the Company may desire, from time to time, to more fully and effectively implement the Plan.

15. CONTRACT OF EMPLOYMENT

- a) The Plan shall not form part of any contract of employment between the Company and the Employees. The rights and obligations of any individual Employee under the terms of his office or employment with the Company shall not be affected by his participation in the Plan or any right, which he may have to participate in it.

- b) Nothing in the Plan shall be construed as affording an Employee any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.
- c) The Plan shall not confer on any person any legal or equitable rights against the Company either directly or indirectly or give rise to any cause of action in law or equity against the Company.
- d) The Plan is purely at the discretion of the Company.

16. NO RIGHT TO CONTINUED EMPLOYMENT/SERVICE

- a) Neither the action of the Company in establishing the Plan nor any action taken by the Compensation Committee, nor any provision of the Plan shall be construed so as to grant the Optionee the right to remain in the employment or service of the Company, for any period of specific duration.
- b) The Company shall have full right to terminate the Optionee's employment or services at any time for any reason, with or without Cause. In the event the Company chooses to terminate the services of the Optionee without a Cause then the Company shall provide the Optionee with sufficient notice and validate the reasons for termination of the Optionee through a due process. If the reasons for termination are determined to be justifiable under the due process then the Employee shall be liable to forfeit all his Options, whether vested or unvested, in favour of the Compensation Committee, on the date of termination. For termination for Cause, clause 9.3(e) of this Plan shall be applicable to all Options, both vested and unvested.

17. APPOINTMENT OF NOMINEE

- a) In the event of circumstances detailed in clause 9.3 (f) and (g) of this Plan, an Optionee may appoint a person as his nominee(s) for the purpose of exercising the rights, subject to the obligations, in terms of the Plan. Such Optionee shall appoint a nominee(s) by submitting a letter in the form specified in *Annexure I* to the Plan. The Optionee has the right to revoke **such nomination at any time and a fresh nomination may be made on such revocation.** Notwithstanding the appointment of a nominee and exercise of rights under this Plan by the said nominee, the Company or the Compensation Committee shall not be liable in relation to any rights and obligations amongst the legal heirs of the Optionee concerned.
- b) If the Optionee fails to make a nomination, in the event of his inability/incapacity to hold the Shares under clause 9.3 (f) and (g) of this Plan, the

same shall revert back to the name and sole custody of the Compensation Committee, to be dealt with in a fair and reasonable manner.

18. AMENDMENT OF THE PLAN

The Compensation Committee may cancel any or all outstanding Options under the Plan and grant in substitution, new Options under the Plan covering same or different numbers of Shares but having an Exercise Price as mentioned in the relevant stock option agreement and the grant letter.

EMPLOYEES STOCK OPTION PLAN-I, 2003

SHORT TITLE, EXTENT AND COMMENCEMENT

This plan may be called the “OnMobile Employees Stock Option Plan -I, 2003” (hereinafter referred to as the “Plan”).

It applies only to the bonafide confirmed Employees of OnMobile Asia Pacific Private Limited, who are in employment of the Company. At the discretion of the Compensation Committee, Employees of Subsidiaries and holding companies, now or hereinafter existing, may also be covered.

It shall be deemed to have come into force on 29th day of November, 2003.

1. OBJECT

The object of the Plan is to create a sense of ownership within the organization, to reward Employees for ongoing performance and motivate them to drive the Company value. The Plan has been adopted by a Board resolution of the Company. The object of the Plan is to grant Options, at the discretion of the Company, to the Employees of the Company who are eligible and qualify under the Plan. Such Options shall be convertible to Shares of the Company and Employees holding such Options shall be allotted Shares of the Company on Exercise of such Options. This Plan shall be approved by a special resolution of the present members of the Company at the extra-ordinary general meeting to be held on November 29, 2003.

2. DEFINITIONS

In this Plan, unless the context otherwise requires,

- a) “**Applicable Laws**” shall mean the legal requirements relating to stock option plans, including, without limitation, the tax, securities or corporate laws of India, which are applicable to the Company.
- b) “**Board**” shall mean the Board of Directors of the Company as a whole or a majority of them or any committee of the board exclusively constituted for purpose of administering the Plan.
- c) “**Cause**” shall mean conduct, as determined by the Board involving the commission of an act of theft, embezzlement, fraud, dishonesty or moral turpitude, the deliberate disregard of the rules of the Company or on such other disciplinary grounds which resulted in or on the Board’s determination may result in loss, damage or injury to the Company, the unauthorized disclosure of any trade secret or confidential information of

the Company, or the commission of an act which constitutes unfair competition.

- d) **"Company"** shall mean OnMobile Asia Pacific Private Limited, its holding companies and its Subsidiaries.
- e) **"Compensation Committee"** shall mean the compensation committee constituted by the Board.
- f) **"Director"** shall mean a director of the Company whether whole time or not and shall include an Independent Director.
- g) **"Employee"** shall mean:
 - (i) a permanent employee of the Company working in India;
 - (ii) an employee who is a person resident outside India as defined in the Foreign Exchange Management Act, 1999 or an employee who is a foreign national or an employee of a Subsidiary in a foreign country; and
 - (iii) the Directors of the Company whether whole-time or not;but shall not include an employee who is a Promoter or who belongs to the Promoter Group.
- h) **"Exercise"** is the act of a written application being made by the Optionee to the Company to have the Vested Options converted and issued as Shares upon payment of the Exercise Price and applicable taxes, if any, in accordance with this Plan and the relevant stock option agreement.
- i) **"Exercise Period"** shall mean the period commencing from the date on which the Options become Vested Options vis-à-vis the Optionee in accordance with the relevant stock option agreement and terminating on such date as may be specified under the said agreement, within which period the Optionee shall have the right to Exercise his Vested Options. Provided that in no event shall the Exercise Period exceed five (5) years from the date the Options become Vested Options.
- j) **"Exercise Price"** shall mean the price at which Vested Options held by the Optionee may be exercised or purchased. The price shall be determined by the Compensation Committee under the relevant stock option agreement.

- k) **"Independent Director"** shall mean a Director of the Company, not being a whole time Director and who is neither a Promoter nor belongs to the Promoter Group.
- l) **"Option"** shall mean a stock option granted by the Company to the Employees pursuant to this Plan, which Option upon becoming a Vested Option, would be convertible into Shares in accordance with the relevant stock option agreement.
- m) **"Optionee"** shall mean an Employee of the Company who holds Options granted by the Company pursuant to this Plan and who has duly executed a stock option agreement with the Company.
- n) **"Plan"** shall mean this Employee Stock Option Plan -I, 2003.
- o) **"Promoter"** shall mean:
- (i) the person or persons who are in overall control of the Company;
 - (ii) the person or persons who were instrumental in the formation of the Company;
 - (iii) at any time after the listing of the Company, the person or persons named in the offer document as Promoter. 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; and
 - (iv) where a Promoter is a body corporate, the promoters of that body corporate.
- p) **"Promoter Group"** shall mean:
- (i) an immediate relative of a Promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and
 - (ii) those persons whose shareholding is aggregated for the purpose of disclosing in the offer document as "shareholding of the promoter group", at any time after the listing of the Company.
- q) **"Permanent Disablement"** shall mean such disablement, which incapacitates an Employee for all work that he was capable of performing at the time of the accident resulting in such disablement.

- r) **"Share"** shall mean an equity share of the Company having a nominal value of Rs. 10/- (Rupees Ten Only).
- s) **"Subsidiary"** shall mean a subsidiary company of OnMobile Asia Pacific Private Limited in which the Company holds more than half of nominal value of the aggregate equity share capital.
- t) **"Unvested Option"** shall mean an Option, which has not vested in the Optionee in accordance with the relevant stock option agreement. For the purpose of clarity, unvested option is an Option in respect of which the relevant Vesting Period has not been completed.
- u) **"Vested Option"** shall mean an Option, which has duly vested in the Optionee by reason of the Vesting Period being completed in accordance with the relevant stock option agreement.
- v) **"Vesting Period"** shall mean the period during which the vesting of the Options, granted to the Optionee in pursuance of the Plan and the relevant stock option agreement, is effected. The vesting period shall be for a maximum of four (4) years from the date the Optionee becomes an Employee of the Company.

Words not specifically defined herein shall have the meaning attributed to them under the Companies Act, 1956 and the Central Board of Direct Taxes Guidelines on Employees Stock Option Plans, as the case may be.

3. **ESTABLISHMENT OF THE COMPENSATION COMMITTEE**

The Board shall, as soon as may be possible, constitute a Compensation Committee consisting of Directors of the Company.

4. **ADMINISTRATION AND IMPLEMENTATION OF THE PLAN**

- a) The Plan shall be administered by the Compensation Committee. In this regard, the Compensation Committee shall frame the guidelines for the administration and management of the Plan.
- b) ~~The Shares that are set-aside under the Plan shall be transferred from time~~ to time to the Optionee in pursuance of the Plan and subject to the conditions under the relevant stock option agreement duly executed by the said Optionee.
- c) Under the Plan, a total of 10,26,000 (Ten Lakh Twenty Six Thousand Only) Shares shall be made available for grant to the Employees. This represents 20.52% of the total authorized share capital of the Company.

- d) In the event of any change to the capital of the Company or any capital reconstruction, re-capitalization or capital infusion by reason of split, capitalization, consolidation, exchange or other changes affecting the capital as a class without receipt of consideration by the Company, appropriate adjustments shall be made to the maximum number of Shares under the Plan to ensure there is no dilution in the shareholding and the percentage of Shares allotted under this Plan.
- e) The pricing formula, in order to calculate the Exercise Price shall be a percentage of the fair value of the Shares, as determined by the Compensation Committee from time to time. Notwithstanding anything contained above, the Exercise Price shall not be less than the nominal value of the Shares.
- f) Subject to the provisions of the Plan and approval of the Board, the Compensation Committee shall have the authority to do the following:
 - (i) determine the number of Options to be granted to each class/category of Optionees;
 - (ii) determine the Exercise Price of the Options granted to each class/category of Optionees;
 - (iii) approve grant letters to be provided to the each class/category of Optionees and other forms of agreement which are required to be executed by the Optionees pursuant to the Plan;
 - (iv) determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option granted hereunder;
 - (v) construe and interpret the terms of the Plan and Options granted pursuant to the Plan and the relevant stock option agreements;
 - (vi) determine the Vesting Period and Exercise Period of the Options granted to the each class/category of Optionees; and
 - (vii) ~~adopt the procedure for making a fair and reasonable adjustment to~~ the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others.
- g) All decisions, determinations and interpretations of the Compensation Committee shall be final and binding on all Optionees.

5. GOVERNMENTAL REGULATIONS

The Plan shall be subject to and governed by all Applicable Laws. The transfer/grant of Shares/Options under this Plan shall entitle the Company to require the Optionee to comply with such conditions of law as may be necessary in the opinion of the Company.

6. GENERAL RISKS

Participation in the Plan 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 is that of the Optionee alone. The Optionee is encouraged to make considered judgement and seek adequate information /clarifications essential for appropriate decision.

7. CONDITIONS FOR ISSUE OF GRANT LETTERS

- a) The grant letter and the relevant stock option agreement will set out the terms and conditions of issue of Options to the Employee. If the Employee does not wish to accept the grant made by the Compensation Committee, then he shall communicate his non-acceptance to the Compensation Committee within fifteen (15) days from the date of the grant. If a letter of non-acceptance is not received within fifteen (15) days from the date of grant, the grant will be considered to have been accepted. The acceptance of the grant by the Employee shall not, in any manner, be construed to compel the Employee to Exercise his Option upon the Option becoming a Vested Option in the said Employee.
- b) The grant letter and the relevant stock option agreement shall, besides other terms and conditions, specify the number of Options granted, the Vesting Period, the vesting schedule, the Exercise Price, the Exercise Period, etc.
- c) The grant letter confirms the right of Exercise by the Optionee during the Exercise Period and at the Exercise Price, to apply for and be allotted the Shares of the Company upon Options becoming Vested Options.
- d) The grant is not transferable by the Optionee till the Options become Vested Options and are exercised by the Optionee and Shares issued in this regard. Therefore, for the purposes of clarity, only the Shares issued upon conversion of the Vested Options are transferable by the Optionee and Options (whether vested or unvested) are not transferable by the Optionee. Further, only the Optionee named in the grant letter shall be entitled to the rights thereof except in exceptional circumstances as stated in the Plan. The Optionee is not entitled to pledge, hypothecate, charge,

mortgage or in any manner alienate or dispose of the grant or Options (whether vested or unvested) to any other person.

8. LIMITATIONS FOR GRANT OF OPTIONS

Notwithstanding anything contained in this Plan, the value of Shares allotted under this Plan to the class of Employees falling within clause 2(g) (ii) of this Plan shall not exceed 5 % of the total paid up share capital of the Company as on date of the grant of Options or any other such percentage as may be notified under the provisions of the Foreign Exchange Management Act, 1999 from time to time.

9. OPTIONS

9.1 Issue of Options

- a) The Options shall be issued to the Optionees by the Compensation Committee for such Exercise Price and in such numbers as may be determined by the Compensation Committee from time to time.
- b) The issue of Options under the Plan shall in no way affect the right of the Company to adjust, re-classify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

9.2 Vesting Period

- a) The Options issued pursuant to the Plan shall vest as detailed in clause 9.2 (b) and specified in the grant letter and the relevant stock option agreement.
- b) The Options granted pursuant to the Plan shall vest in the Optionee during the Vesting Period in the following manner:
 - (i) 25% of the aggregate Options granted to the Optionee shall become Vested Options at the end of twelve (12) months from the date the Optionee becomes an Employee of the Company;
 - (ii) the remaining 75% of the aggregate Options shall vest in the Optionee from the 13th month (from date of Optionee becoming an Employee of the Company) at a rate of 1/36th per month for the next thirty six (36) months of the Vesting Period.

- c) Vesting Period shall be frozen for such periods of unpaid leave of absence and shall resume upon the Optionee rejoining service, with the prior approval of the Company. Such Vesting Period shall be suitably extended by the period of approved leave of absence at the discretion of the Compensation Committee. This provision shall not be applicable to an Optionee who is an Employee under clause 2 (g) (ii) of the Plan.

9.3 Exercise of Vested Options

- a) The Optionee is entitled to Exercise only the Vested Options. The Optionee shall Exercise the Vested Options within a period of five (5) years from the date of vesting at the Exercise Price by way of cash or cheque, drawn to the order of the Compensation Committee or in such other consideration as the Compensation Committee deems appropriate, including a combination of cash and such other consideration having a fair market value, as so determined, equal to the Exercise Price. However, the specific Exercise Period for each category/class of Employee shall be stated in the relevant stock option agreement and the grant letter.
- b) The Compensation Committee shall have the full power and authority to extend the Exercise Period of any Option granted under this Plan as the Compensation Committee may deem appropriate.
- c) The Optionee may at his discretion Exercise all or any of the Vested Options, provided such Exercise is made in lots of hundred (100) Shares or parts thereof and within the Exercise Period.
- d) In case of the Optionee ceasing to be an Employee of the Company by reason of resignation or termination of services, i.e., voluntary separation from the Company, the Optionee shall have the right to Exercise all the Vested Options within thirty (30) days from the date of such resignation or termination of services. In the event, that the Options are not exercised within thirty (30) days from the date of such resignation or termination of services, as mentioned above, ~~the Vested Options shall lapse and such Vested Options~~ shall be forfeited by the Optionee. Without prejudice to the foregoing, upon resignation or termination of services, the Optionee who is an Employee under clause 2 g (ii) of the Plan, shall have the right to Exercise all the Vested Options at any time within the Exercise Period. In the event, that the Vested Options are not exercised within the Exercise Period by such Optionee, the Vested Options shall lapse.

- e) Notwithstanding, anything to the contrary in this Plan, the Options shall lapse in their entirety immediately upon the Optionee's discharge from employment or other service relationship upon a Cause, regardless of whether the Options are vested or not. However, the Optionee may be allowed to exercise the Vested Options with the written approval of the Compensation Committee within ninety (90) days from such discharge in exceptional circumstances.
- f) In the event of death of an Optionee, all Vested Options granted to the Optionee shall be transferred to the legal heirs/nominees of the Optionee. Without prejudice to the foregoing, all the Options (both vested and unvested) granted to the Optionee who is an Employee under clause 2 (g) (ii) of the Plan shall be transferred to the legal heirs/nominee of the Optionee as Vested Options upon the death of such an Optionee. Such Vested Options would be exercisable by the legal heirs/nominees at any time within the Exercise Period. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the legal heirs/nominees.
- g) In the event of Permanent Disability of an Optionee, all Vested Options granted to the Optionee shall be transferred to the Optionee or the nominee of the Optionee. Without prejudice to the foregoing, all the Options (both vested and unvested) granted to the Optionee who is an Employee under clause 2 (g) (ii) of the Plan shall be transferred to the Optionee or the nominee of the Optionee as Vested Options upon the Permanent Disability of such an Optionee. Such Vested Options would be exercisable by the Optionee or nominee of the Optionee at any time within the Exercise Period. In case the said Options are not exercised within the Exercise Period the Options shall lapse and the sum paid by the Optionee if any, will be refunded by the Compensation Committee to the Optionee or nominee.
- h) In the event of severance of employment of an Optionee from the Company as a part of reconstitution/amalgamation/sell-off or such other significant change in the Company's structure, the Optionee will have to Exercise the Vested Options within a date as predetermined by the agreement dealing with the reconstitution/amalgamation/sell-off or such other significant change in the Company's structure, from the date of severance. In the event that the Vested Options are not exercised within this period, the

Options shall lapse. This condition shall be applicable notwithstanding that the normal Exercise Period may be longer than the period mentioned under the agreement dealing with the reconstitution/amalgamation, etc. of the Company.

- i) In the event of an Optionee being transferred to a Subsidiary at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. All Unvested Options shall vest in accordance with the relevant stock option agreement. The Vested Options can be exercised at any time within the Exercise Period.
- j) In the event of retirement of an Optionee from the Company at the instance of or with consent of the Company, the Optionee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. The above is applicable provided the Optionee does not enter into competition or is not employed by a competitor of the Company.
- k) In the event of the Company being taken-over or amalgamated or merged with another company, the Compensation Committee, at its sole discretion and in conjunction with the acquiring company, may decide to issue fresh Options which shall carry the option of conversion into Shares of the merged company on such terms and conditions as may be decided by the Compensation Committee. However, the same shall be at the discretion of the Compensation Committee, which may alternatively decide for lapse of the Options, which shall be purchased back by the Compensation Committee without issue of any fresh Options.
- l) The Exercise of Vested Options is deemed to be completed when the Shares are allotted to the Optionee in response to his application and payments, if any, in accordance with the relevant stock option agreement and grant letter.
- m) All Unvested Options shall lapse in case the Optionee resigns or retires or otherwise either severs his relationship with the Company or is dismissed whether for a Cause or otherwise or dies or is discharged due to Permanent Disability, either voluntarily or by law. Without prejudice to the foregoing, all Unvested Options of an Optionee who is an Employee under clause 2(g) (ii) of the Plan shall forthwith become Vested Options upon the death or Permanent Disability of such an Optionee.

- n) In case the Optionee does not Exercise the Vested Options within the Exercise Period, the said Options will lapse and no rights will accrue to the Optionee after that date.
- o) In the event, the Optionee/legal heir/nominee is unable to Exercise the Vested Options within the Exercise Period, on the happening of any contingencies mentioned in this clause 9.3 of the Plan, then such an Optionee/legal heir/nominee shall have an obligation to notify the Compensation Committee in writing prior to the lapse of the Exercise Period indicating the contingencies and his consequent inability to Exercise the Vested Options. Such a written notification to the Compensation Committee shall be a prerequisite in order for the Optionee/legal heir/nominee to be entitled to any refund of amounts paid towards the Exercise of the Options.
- p) For the purpose of clarity, the Exercise of Options by the Optionee is a right granted to the said Optionee, and not an obligation, under the Plan, to apply for and be transferred the Shares of the Company at the Exercise Price, subject to the requirements of vesting detailed under the relevant stock option agreement and the grant letter.

9.4 Surrender of Options

An Optionee/legal heirs/nominee may surrender any or all of the Options to the Compensation Committee at any time, whether vested or not. The entitlement to such surrender shall be limited prior to the lapse of the Exercise Period.

9.5 Bonus / Rights Issue

- a) Notwithstanding any grant of Options made by the Company to the Employees in pursuance to this Plan, the Company is at full liberty to issue any further Shares at any price as it thinks fit to any class of persons, at any time at its discretion.
- b) The Compensation Committee shall intimate the Optionee in a written notice subsequent to a bonus/rights issue of Shares regarding the increase in the number of Options granted to the Employee under the grant and also the reduction in the Exercise Price.
- c) The issue of the bonus/rights Shares shall not change any of the rights or conditions under which the Options have been granted

except the entitlement to an increase in the number of Shares which may be applied for and a reduction in the Exercise Price.

- d) In the event of an issue of bonus/rights Shares being made by the Company after the grant, the Optionee shall, with regard to all Options, whether vested or not, have the right to apply for the increased number of Shares upon the Options becoming Vested Options, equivalent to the ratio in which the bonus/rights Shares are issued. However, the eligibility of the Optionee for the above said bonus/rights Shares and the reduction in the Exercise Price and the length of the Exercise Period would be decided by the Compensation Committee.

9.6 Option for Conversion

The Optionee may opt for conversion of his Vested Options into Shares by applying to the Compensation Committee during the Exercise Period in a specified format.

9.7 Cancellation/Regrant/Buy-Back of Options

- a) The Compensation Committee shall have the authority to effect, at any time and from time to time, the cancellation of any or all outstanding Options under the Plan and grant in substitution new Options under the Plan covering the same or different numbers of Shares.
- b) The Compensation Committee shall consider, in case of each substitute grant, whether and the extent to which the vesting schedule related to the exercisability of the substitute Option should extend beyond the schedule for the cancelled Option.
- c) The Compensation Committee shall also consider setting up a vehicle as per the applicable laws to enable the Optionee to sell all or part of the Vested Options in the circumstances mentioned in clause 9.3 of the Plan and to enable the Compensation Committee to buy the Shares back from the Optionee.

10. SHARES

10.1 Issue of Shares

- a) After the Options are converted into Shares, the Shares so converted shall be subject to the terms and conditions as mentioned below.

- b) The Shares shall be not be subject to any lock in period from the date the Options are converted into Shares.

10.2 Ranking of Shares

- a) The Shares arising on the conversion of the Options shall, subject to the rights provided in the Memorandum of Association and Articles of Association of the Company, rank pari-passu with all the other Shares of the Company from the date of conversion of Options into Shares. Thus, any right attached to such Shares shall be with reference to the date of conversion of the Options into Shares.
- b) The Optionee shall not have any of the rights of a shareholder with respect to the Shares until such Shares have been issued to him upon the due Exercise of the Vested Options. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such Shares are issued.

11. RESTRICTIONS ON DISPOSITION

- a) The Optionee who is issued 10% or more Shares of the total number of Shares allotted under this Plan shall be entitled to sell upto 25% of the aggregate Shares held by the Optionee in one (1) financial year. In the event the Optionee intends to sell more than 25% of the aggregate Shares in one (1) financial year, he shall inform the Compensation Committee and such sale of excess Shares shall be effected only upon receipt of prior approval from the Compensation Committee.
- b) In the event the Optionee intends to sell any of the Shares issued to him upon his Exercise of the Vested Options, the Compensation Committee shall have the first right of refusal to purchase the Shares. In this regard, the Compensation Committee shall have the right to nominate a purchaser for purchasing the Shares and each stock certificate shall bear a legend to that effect.
- c) ~~In addition to the above restriction on transferability of Shares,~~ the Compensation Committee may determine such other restrictions on transfer of Shares by the Optionee provided that such restrictions are not more than the restrictions on the other Shares of the Company.

12. TAX LIABILITY

- a) In the event of any tax liability arising to the Optionee on account of the issue of the Options/conversion into Shares/transfer of Shares or on any other event, the liability shall be that of the Optionee alone.
- b) In the event of any tax liability arising on account of the Plan to the Company, the Company, on the advice of the Compensation Committee, shall have the right to cause the Shares issuable under this Plan to be sold or otherwise alienated or to have the Options nullified to meet the liability or to meet the liability on behalf of the Optionee in the event the Optionee fails to pay back such liability borne by the Company on the Optionee's behalf.

13. INITIAL PUBLIC OFFER

- a) It is the intention of the Company to make an initial public offer. However, the Company does not guarantee that it would make an initial public offer or any time frame for the same.
- b) In the event of such an initial public offer, the Company may be required to alter the Plan to meet the conditions of such offer and comply with all applicable laws for such issue. The Optionees shall be bound by such alterations, if any.

14. CONFIDENTIALITY

- a) The Optionee who holds any Options/Shares under the Plan shall not divulge the details of the Plan and his holding to any person except with the prior permission of the Company obtained in writing.
- b) The Optionee shall enter into such agreements, as the Company may desire, from time to time, to more fully and effectively implement the Plan.

15. CONTRACT OF EMPLOYMENT

- a) The Plan shall not form part of any contract of employment between the Company and the Employees. The rights and obligations of any individual Employee under the terms of his office or employment with the Company shall not be affected by his participation in the Plan or any right, which he may have to participate in it.

- b) Nothing in the Plan shall be construed as affording an Employee any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.
- c) The Plan shall not confer on any person any legal or equitable rights against the Company either directly or indirectly or give rise to any cause of action in law or equity against the Company.
- d) The Plan is purely at the discretion of the Company.

16. NO RIGHT TO CONTINUED EMPLOYMENT/SERVICE

- a) Neither the action of the Company in establishing the Plan nor any action taken by the Compensation Committee, nor any provision of the Plan shall be construed so as to grant the Optionee the right to remain in the employment or service of the Company, for any period of specific duration.
- b) The Company shall have full right to terminate the Optionee's employment or services at any time for any reason, with or without Cause. In the event the Company chooses to terminate the services of the Optionee without a Cause then the Company shall provide the Optionee with sufficient notice and validate the reasons for termination of the Optionee through a due process. If the reasons for termination are determined to be justifiable under the due process then the Employee shall be liable to forfeit all his Options, whether vested or unvested, in favour of the Compensation Committee, on the date of termination. For termination for Cause, clause 9.3(e) of this Plan shall be applicable to all Options, both vested and unvested.

17. APPOINTMENT OF NOMINEE

- a) In the event of circumstances detailed in clause 9.3 (f) and (g) of this Plan, an Optionee may appoint a person as his nominee(s) for the purpose of exercising the rights, subject to the obligations, in terms of the Plan. Such Optionee shall appoint a nominee(s) by submitting a letter in the form specified in *Annexure I* to the Plan. The Optionee has the right to revoke such nomination at any time and a fresh nomination may be made on such revocation. Notwithstanding the appointment of a nominee and exercise of rights under this Plan by the said nominee, the Company or the Compensation Committee shall not be liable in relation to any rights and obligations amongst the legal heirs of the Optionee concerned.
- b) If the Optionee fails to make a nomination, in the event of his inability/incapacity to hold the Shares under clause 9.3 (f) and (g) of this Plan, the

same shall revert back to the name and sole custody of the Compensation Committee, to be dealt with in a fair and reasonable manner.

18. AMENDMENT OF THE PLAN

The Compensation Committee may cancel any or all outstanding Options under the Plan and grant in substitution, new Options under the Plan covering same or different numbers of Shares but having an Exercise Price as mentioned in the relevant stock option agreement and the grant letter.

ANNEXURE I

NOMINATION

Date: _____

To: The Compensation Committee
OnMobile Asia Pacific Private Limited

Dear Sirs,

In respect of the rights to be exercised by me under the **Employees Stock Option Plan - I, 2003 ("Plan")**, I hereby appoint _____ (*please specify nature of relationship*) viz.,
Mr/Mrs/Miss _____, aged _____ years, residing at
_____ as my nominee in accordance with clause 17 of the
Plan.

Yours faithfully

Witnessed by:

1. Signature:

Name :

Address :

2. Signature:

Name :

Address :