

**ASSOCIATE STOCK OPTION PLAN
(ASOP 2003)**

INTELLECT DESIGN ARENA LIMITED
"Polaris House", 244, Anna Salai, Chennai – 600 006

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For Intellect Design Arena Limited



V.V. NARESH
Vice President - Company Secretary & Compliance Officer

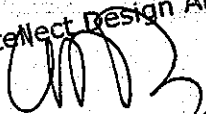
INTELLECT ASSOCIATE STOCK OPTION PLAN - 2003 (ASOP 2003)

ASSOCIATE STOCK OPTION SCHEME – 2003 (ASOP 2003)

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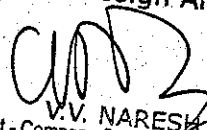
INTELLECT DESIGN ARENA LIMITED
ASSOCIATE STOCK OPTION PLAN - 2003 (ASOP 2003)

1. INTRODUCTION

- 1.1 In accordance with the scheme of arrangement cum demerger sanctioned by the High Court of Judicature, Madras in respect of Polaris Consulting & Services Ltd vide its order dated 15th September 2014 the product business of the demerged company got demerged to INTELLECT DESIGN ARENA LIMITED and the services business of the demerged Company continued to exist with the demerged Company. The effective date of the scheme is 25th September 2014. In accordance with the scheme clause 8. 2 the option holders of the demerged Company are to be allotted options in the resultant company. In accordance with the same this ASOP 2003 has been formulated. The cut off date for determining the associates eligible for options under ASOP 2003 is 8th October 2014.
- 1.2 One of the prime objectives of INTELLECT DESIGN ARENA LIMITED [INTELLECT] has always been to bring about Associate participation in the growth and prospects of the company and to give effect to the Scheme of Arrangement cum Demerger approved by the Hon'ble High Court vide its order dated 15th September 2014.
- 1.3 The objective of this ASOP 2003 is to encourage ownership of INTELLECT equity by its associates on an ongoing basis. The ASOP 2003 is intended to reward the associates for their contribution to the successful operation of INTELLECT and to provide an incentive to continue contributing to the success of the company. It is envisaged that the ASOP 2003 will enable INTELLECT to attract and retain the best available talent by making them partners in business and its growth.
- 1.4 This document sets out the features of the ASOP 2003, the benefits accruing to the associates under this new Scheme, the duties and responsibilities of the beneficiaries as also the procedures to be followed. The document shall serve as a reference for the administration of ASOP 2003. This document should be carefully read and understood and the procedures prescribed diligently observed for availing the benefits under ASOP 2003.
- 1.5 This ASOP 2003 will come into effect from 9th October 2014

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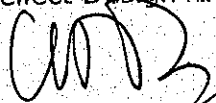
2. DEFINITIONS

Unless the context otherwise requires,

- 2.1 **"Associates"** means any person employed on a permanent basis by INTELLECT in India or outside India and or its subsidiary company(ies) or employed by POLARIS or its subsidiaries/associate companies and shall include all its directors, whether whole-time or not, but shall exclude:
- (i) An associate who is a promoter or belongs to the promoter group
 - (ii) a director who either by himself or through his relative or through any body-corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company and
 - (iii) an associate as defined in (i) & (ii) above of a subsidiary, in India or outside India, of the company or of Polaris, the demerged company
 - (iv) Any other associate, who under any law or regulation not entitled to participate in the Scheme
- However, Associates of Polaris will be eligible for options under Category A only.
- 2.2 **"ASOP 2003"** or "this Scheme" means the Associate Stock Option Plan 2003 of INTELLECT as set out hereunder and shall include any alterations, amendments, modifications, or variations made thereto from time to time.
- 2.3 **"ASOP Shares"** means shares arising out of exercise of options granted under ASOP 2003
- 2.4 **"Associate Compensation"** means the total cost incurred by the company towards Associate compensation including basic salary, dearness allowance, other allowances, bonus and commissions including the value of all perquisites provided, but does not include fair value of the options granted under the Scheme and the discount at which shares are issued under an Associate Stock Option Plan.
- 2.5 **"Company"** or **'INTELLECT DESIGN ARENA LIMITED'** or **"INTELLECT"** means INTELLECT DESIGN ARENA LIMITED incorporated under the Companies Act 1956, under the name of "Fin Tech Grid Limited" represented by CIN - U72900TN2011PLC080183 having its registered office at "POLARIS House", 244, Anna Salai, Chennai 600 006 and shall include its successors-in-interest and assigns

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- 2.6 **"Court Order"** means the order issued by the High court of Judicature at Madras, dated 15th September 2014 for the Application No.284 of 2014 made by Polaris, the Demerged Company.
- 2.7 **"Effective Date"** the date on which the Scheme of Arrangement cum Demerger came into force.
- 2.8 **"Exercise"** means making of an application by the employee to the company for issue of shares against options vested in him in pursuance of the ASOP 2003, in the prescribed manner, along with Exercise Price.
- 2.9 **"Exercise Period"** means the time period after vesting within which the employee should exercise his right to apply for shares against the options vested in him in pursuance of the ASOP 2003.
- 2.10 **"Exercise Price"** means the price payable by the Associate for exercising the option granted to him in pursuance of ASOP 2003.
- 2.11 **"Fair Value"** of an option means the fair value calculated in accordance with the SEBI Guidelines.
- 2.12 **"Grant"** means issue of the options to Associates enabling them to subscribe to the shares of INTELLECT under the ASOP 2003. Also it includes the options granted in pursuant to the court order to the option holders of Polaris, the demerged Company under ASOP 2003 scheme as on the cut off date who were allotted options under Intellect
- 2.13 **"Grant Date" or "Date of Grant"** means the date fixed by the Nomination and Remuneration & Compensation Committee or any person acting on its authority to be the date on which the options under ASOP 2003 is granted to any Associate. The date would be specified in the offer letter issued to the Associate.
- 2.14 **"Independent Directors"** means a director of the company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the company and who satisfies other criteria for independence as per applicable SEBI guidelines and as per the provisions of the Companies Act 2013 and any notifications or clarifications issued from time to time.

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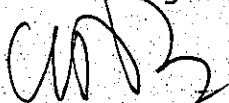
- 2.15 **"Intrinsic Value"** means the excess of the market price of the share at the date of grant of the option under ESOS over the exercise price of the option (including upfront payment, if any)
- 2.16 **"Market Price"** means the latest available closing price prior to the date of the meeting of the Nomination and Remuneration & Compensation Committee or Board of Directors, in which the options are granted, on the stock exchange on which the shares of the company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered or as may be defined under the SEBI guidelines and amended from time to time. In respect of options granted before the shares are listed in recognised stock exchanges in India, the Market price shall mean 28% of the Market price of Polaris, the Demerged Company as on the effective date
- 2.17 **"Nominee" or "Nominees"** means the spouse, any child of the Associate or any other person nominated by the Associate as provided hereinafter.
- 2.18 **"Option" or "Associate Stock Option"** means a right but not an obligation granted to an Associate in pursuance of the ASOP 2003 to subscribe at future date shares of the Company at a pre-determined price.
- 2.19 **"Period of Service" or "Service"** or its grammatical equivalent includes the aggregate period of employment or service as an associate or service as a director in INTELLECT or in Polaris, the demerged company or their subsidiary(ies) company(ies), in or outside India.
- 2.20 **"Promoter "** means
- a) the person or persons who are in over – all control of the company or Polaris, the Demerged Company
 - b) the person or persons who are instrumental in the formation of the company or Polaris, the demerged company or program pursuant to which the shares were offered to the public
 - c) The person or persons named in the offer document / information memorandum filed with Stock exchanges as promoter(s).

Provided that a director or officer of the company who is acting as such only in professional capacity will not be deemed to be a promoter.

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

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- 2.21 **"Promoter Group"** means (a) immediate relatives of the promoter (i.e. spouse of that person, or any parent, or child of the person or of the spouse); (b) persons whose shareholding is aggregated for the purpose of disclosing in any document, filed before a statutory or any regulatory authority for any purpose as "shareholding of the promoter group".
- 2.22 **"SEBI Guidelines"** means the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999 as amended or replaced from time to time.
- 2.23 **"Share"** means equity shares and securities convertible into equity shares representing underlying equity shares or securities convertible into equity shares
- 2.24 **"Vesting"** means the process by which the employee secures the right to apply for shares of the company against the options granted to him in pursuance of ASOP 2003.
- 2.25 **"Vesting period"** means the period elapsed between the date of grant and the date of vesting of the option granted to the employee.
- 2.26 Unless the context otherwise requires, words employed in the masculine gender shall include the feminine also and words employed in the singular shall include the plural.
- 2.25 Words not defined herein shall have the same meaning as have been assigned to them in the SEBI Guidelines.

3. ASOP NOMINATION AND REMUNERATION & COMPENSATION COMMITTEE

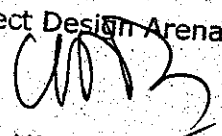
3.1 Nomination and Remuneration & Compensation Committee shall presently consist of

Dr.. Ashok Jhunjhunwala
Mr. V Balaraman
Ms. Aruna Rao
Mr. Arun Jain

The Board of Directors of the Company shall have the power to reconstitute the Remuneration and Compensation Committee from time to time.

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3.2 The Nomination and Remuneration & Compensation Committee shall meet at such intervals as may be required for the purpose of administering ASOP 2003 and shall consider inter alia the following issues:

- number of share options to be granted to the Associates in the aggregate for the year.
- the total quantum of incentive to be offered in the form of ASOP 2003 during the year based on the link to performance of the company compared to the industry.
- selection of Associates in each Grades who shall be eligible for options under ASOP 2003.
- the no. of options per Associate every year under the ASOP 2003 for the eligible Associates.
- review of the ASOP 2003 annually and recommend appropriate changes in the terms and conditions of the ASOP 2003, if any, to the Board of Directors.
- Review such disclosures as may be required to be given under SEBI Guidelines and other legislations.
- Changes would be recommended in case.
 - a. the current scheme does not fulfill the objectives set out for the ASOP 2003.
 - b. there are changes in legislation which need to be incorporated in the ASOP 2003.
 - c. such changes facilitate implementation of the ASOP 2003.
 - d. such changes are for the welfare of the Associates.

3.3 The Nomination and Remuneration & Compensation Committee may from time to time

- a. Amend vary or modify the terms and conditions pertaining to the grant of options, the pricing of options, issue or allotment of equity shares or warrants pursuant to the options.
- b. Make adjustments as may be required and to the extent permissible in law for dividends bonus and other rights and accretions to the warrants, options or the equity shares in respect of which options have been granted.
- c. Withdraw, recall, cancel or accept surrender of options/warrants already issued/to be issued, to re-issue the such withdrawn recalled canceled or surrendered options/warrants, to issue fresh options in lieu thereof at such price in such manner during such period in one or more tranches and on such terms and conditions the committee deems fit

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- d. Frame rules and regulations, prescribe forms and issue circulars or orders in relation to the ASOP 2003 and may from time to time amend recall or replace such rules and regulations, forms orders and circulars.
- e. To delegate all or any of its powers to one or more officers of the Company and/or to one or more sub-committees

4. QUANTUM OF INCENTIVE

The total number of options granted under ASOP 2003 shall not exceed 26,03,850 (Twenty Six Lakhs Three Thousand Eight Hundred and Fifty only) options convertible in to shares of Rs.5/- each

The options which are surrendered, cancelled or forfeited are eligible to be reissued as fresh grants as per the provisions of this scheme.

5. ASOP SELECTION COMMITTEE

The Nomination and Remuneration & Compensation Committee may constitute one or more ASOP 2003 selection committee to enable it to identify the Associates eligible to participate in this ASOP 2003 and to help in quantifying the options to be granted to Associates.

6. GRANT PROCEDURE AND ACCEPTANCE

- 6.1 Options under the ASOP 2003 will be offered to the selected Associates as per letter of offer /information Memorandum given in Form I or any other prescribed form containing the disclosures specified under the SEBI Guidelines and the following details:

- a. Name of the Associate
- b. No. of options being offered &
- c. Exercise price of the each options
- d. Vesting Period and
- e. Exercise period
- f. Category of option

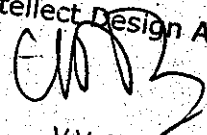
- 6.2 The Grants will be divided into to two categories as detailed below

Category A – Options granted in pursuant to the Demerger Scheme – at an option under the scheme for each option (unvested and vested but not exercised) held under ASOP 2003 Scheme of Demerged Company

Category B – General Options

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6.1 Grant price per option shall be as detailed below:

Category A – 28% of the Grant Price of options granted under ASOP 2003 of Polaris, the Demerged Company

Category B - The Grant Price per option shall be the Market price

6.4 The maximum number of options granted to any one employee in a year will not exceed 1% of the issued Equity Share capital of the Company at the time of granting of an option

7. VESTING PERIOD

7.1 The vesting period determined by the Nomination and Remuneration & Compensation Committee is as follows:

Category A – Vesting Schedule will be as detailed below under Category B. However, the period during which the associates held such stock options granted by Polaris, the Demerged Company shall be taken into consideration for determining the Vesting schedule

Category B

First 20% of the Options - One year from the grant date
Next 20% of the Options - Two years from the grant date
Next 20% of the Options - Three years from the grant date
Next 20% of the Options - Four years from the grant date
Balance 20% of the Options - five years from the grant date.

7.2 On the expiry of the vesting period, the employee has the right to convert the options into shares either in full or in tranches at any time during the exercise period as provided elsewhere in the document.

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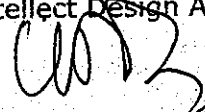
8. LOCK-IN PERIOD AND METHOD OF VALUATION

- 8.1 In order to make the ASOP 2003 more attractive the management of INTELLECT has decided that there shall not be any lock-in period for the shares issued consequent upon exercising the options under the ASOP 2003.
- 8.2 The Company shall follow the intrinsic method to value the options

9. EXERCISE PRICE, EXERCISE PERIOD & PROCEDURES

- 9.1 The Associate can exercise his/her right to convert the options into shares either in full or in stages by addressing a communication to the Nomination and Remuneration & Compensation Committee as per Form II or any other prescribed form. He/she has to mention the number of shares that he/she is willing to take under the ASOP 2003.
- 9.2 The exercise period shall commence from the date of vesting and expire not later than 36 (Thirty Six) months from the last vesting date. The Nomination and Remuneration & Compensation Committee may grant an extension upon a specific request made by the employee concerned to this effect. For options granted under Category A, the exercise period elapsed in Polaris, the Demerged Company under ASOP 2003 shall be taken into consideration for determining the exercise period under this Scheme.
- However, for options, for which the exercise period calculated as above is ending in October 2014 & November 2014, the exercise period shall be extended till 31st December 2014 if the options are not exercised
- 9.3 Tax on the perquisite value, if any, shall be paid by the Associate on exercise or else it shall be deducted from the Associates salary for the subsequent month(s). Perquisite value for payment of tax shall be as calculated under the provisions of the Indian Income tax Act 1961 or other enactment creating the liability to the tax. The company shall also be entitled to retain or dispose off in the market such no. of shares out of the shares for time being converted for discharging its obligations under the Indian Income Tax Act or other enactment.
- 9.4 The employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are issued on exercise of option.
- 9.5 Option granted to an Associate shall not be transferable to any person. Except as provided in this Scheme, no person other than the Associate to whom the option is granted shall be entitled to exercise the option.
- 9.6 Notwithstanding anything contained herein the Nomination and Remuneration & Compensation Committee may from time to time prescribe the process of exercise of the options.

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10. TRANSFER OF SHARES ON INDIVIDUAL NAME

On receipt of Payment in full together the prescribed form and the Option Certificate/s from the Associate, the number of shares exercised will be allotted to the Associates' name.

11. DISCONTINUATION OF SERVICES BEFORE VESTING

- 11.1 In the event of an Associates' service being discontinued on account of resignation, dismissal, death, or otherwise, the options allotted pending vesting under the ASOP 2003 shall stand cancelled.
- 11.2 Notwithstanding anything contained above, on the demise or permanent disability caused to an Associate while working for INTELLECT or POLARIS or its subsidiaries or associate companies and during the course of employment, the options allotted pending vesting under the ASOP 2003 shall vest immediately to the Associate or his nominee or his legal heirs as the case may be.
- 11.3 In case the Associate goes on long leave of over 6 months during the vesting period, then the Nomination and Remuneration & Compensation Committee reserves the right to extend the vesting period by a period not exceeding the leave period.

12. DISCONTINUATION OF SERVICES BEFORE EXERCISE

- 12.1 If an Associate's services are discontinued either by his/her own will or the company decides to discontinue his/her services, he/she is bound to exercise options which are vested and outstanding in his/her account within a period of 60 days from the date of the resignation/retirement/termination, failing which the options shall lapse.
- 12.2 An Associate terminated for cause shall forfeit his rights under this scheme.
- 12.3 In case of death of an Associate, options, which are vested as on the date of demise in his/her account shall be exercised within 180 days by his / her legal heirs/nominees upon proper verification and approval by the Nomination Remuneration and Compensation Committee. Such legal heirs/nominees shall exercise the options as provided in this scheme.

13. BENEFITS AND OBLIGATIONS AS SHARE HOLDERS

- 13.1 All the Associates who have taken the shares by virtue of options issued under the ASOP 2003 will receive all regular benefits as shareholder of the company like Dividends, Rights and Bonus Shares etc.
- 13.2 Where the options have not been vested in the case of any Associate, or where the options have been vested but have not been exercised by the Associate, should any changes be made to the Equity Share Capital of the company by reason of consolidation, sub-division, or conversion of shares into stock or by capitalization by bonus issue or otherwise, appropriate adjustments to the extent permissible under the law for the time being in force may be made either to the number or the exercise price of options granted, to reflect such change without in any way affecting the rights of

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the said option holders, and also prevent a dilution or enlargement of benefits of ASOP 2003.

- 13.3 The Associate shall undertake not to utilize any unpublished information available at his disposal to indulge in insider trading.
- 13.4 The Associate who holds any shares under the ASOP 2003 shall not divulge the details of the ASOP 2003 and his/her holdings to any person except with the prior permission of the Company obtained in writing.
- 13.5 The Associate shall enter into such agreement, as the company may desire from time to time to more fully and effectively implement this scheme.
- 13.6 The Associate shall not under any circumstances pledge, hypothecate, mortgage, assign or transfer the option, his rights or obligations under the ASOP 2003 to any third party, except as contemplated in Clause 17 of the ASOP 2003, without the consent in writing by the Company.

14. APPOINTMENT OF NOMINEE

- 14.1 The Associate may appoint any person as his/her nominee(s) for the purpose of exercising the rights, subject to the obligations, in terms of the ASOP 2003. The Associate concerned shall appoint such nominee(s) as per Form prescribed. The Associate has the right to revoke such nomination at any time and a fresh nomination may be made on such revocation.

The nominee specified as aforesaid shall alone be entitled to exercise the rights of the Associate concerned and INTELLECT shall not be liable in relation to any rights and obligations amongst the legal heirs inter-se of the Associate concerned.

- 14.2 If an Associate fails to make a nomination, the shares shall vest on his/her legal heirs in the event of his/her death.
- 14.3 The Nomination shall be made as per Form III or any other prescribed form.

15. GOVERNMENT REGULATIONS

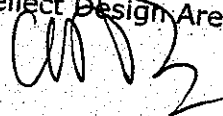
This Scheme shall be subject to all applicable laws, rules, regulations, notifications and to such approvals by any governmental agencies as may be required. The grant of share options under this ASOP 2003 shall entitle INTELLECT to require the eligible Associates to comply with such requirements of law as may be necessary in the opinion of the Nomination Remuneration and Compensation Committee.

16. GENERAL RISKS

Participation in this ASOP 2003 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 investment are that of the Associate alone.

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17. TAX LIABILITY

- 17.1 In the event of any tax liability arising on account of the issue of options and /or allotment of the shares to the Associate, the liability shall be that of the Associate alone. The Associate shall indemnify the Company against any tax or other liabilities as per Form IV or any other prescribed form.
- 17.2 All tax liabilities arising on disposal of the shares after exercise would require to be handled by the Associate.
- 17.3 In the event of any tax liability arising on account of the ASOP 2003, the Company shall have the right to cause the shares held by the Associate under this ASOP 2003, to be sold or otherwise alienated to meet the liability, on behalf of the Associate.

18. CHANGES IN TERMS AND CONDITIONS

The company may, at any time at its discretion, change the terms and conditions of the ASOP 2003. However the change shall not be to the detriment of the Associates admitted to ASOP 2003 already.

19. APPLICABILITY OF THE SEBI GUIDELINES

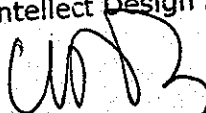
All amendments made from time to time to the SEBI Guidelines, insofar as they apply to this Scheme, shall automatically form a part of this Scheme. The Nomination and Remuneration & Compensation Committee is authorized to give effect to such amendments in the text of this Scheme

20. CONTRACT OF EMPLOYMENT

- 20.1 This scheme shall not form part of any contract of employment between INTELLECT and the Associate. The rights and obligations of any individual under the terms of his office or employment with INTELLECT shall not be affected by his participation in this scheme.
- 20.2 Nothing in this scheme shall be construed as affording such an individual any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.
- 20.3 This scheme is purely at the discretion of INTELLECT Management (represented by the Nomination Remuneration and Compensation Committee).

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