



Employee Stock Appreciation Rights Plan 2019

TeamLease Services Limited



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1. Name, Objective and Term of the Plan

1.1 This Plan shall be called the “TeamLease Services Limited - Employee Stock Appreciation Rights Plan 2019 (“ESAR 2019”/”Plan”).

1.2 The objective of the ESAR 2019 is to reward the Employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Plan to retain talent working with the Company. The Company views equity based compensation plans as an integral part of employee compensation across sectors which enable alignment of personal goals of the Employees with organizational objectives by participating in the ownership of the Company through share based compensation Plan.

1.1 The ESAR 2019 is established with effect from August 23, 2019 and shall continue to be in force until (i) its termination by the approval of the Board of Directors at the recommendation of the Nomination and Remuneration Committee; or (ii) the date on which all of the Employee Stock Appreciation Rights available for issuance under the ESAR 2019 have been issued and exercised, whichever is earlier.*

1.2 The Board of Directors at the recommendation of Nomination and Remuneration Committee may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate ESAR 2019.*

2. Definitions and Interpretation

2.1 Definitions

i. “**Applicable Law**” means every law relating to equity based compensation plan, including, without limitation to, the Companies Act and includes any statutory modifications or re-enactments thereof, Securities Exchange Board of India Act, 1992, the SEBI SBEB Regulations and all relevant tax, securities, exchange control or corporate laws of India or any relevant jurisdiction or of any stock exchange on which the Shares are listed or quoted.

ii. “**Appreciation**” means the excess of Market Price of the Share of the Company on the date of Exercise of ESARs over the ESAR Price.

iii. “**Associate Company**” means any present or future associate company of the Company, as defined in the Companies Act.



- iv. **“Board”** means the Board of Directors of the Company.
- v. **“Cash”** means amount paid in Indian rupees or in any recognized currency for Settlement (including Fractional Settlement) of ESARs at the discretion of Board of Directors based on the recommendation of Nomination and Remuneration Committee, granted and includes payment by way of cheque, demand draft or through any other banking channel.*
- vi. **“Committee”** means the Nomination and Remuneration Committee of Board consisting of a majority of independent Directors, constituted by the Board under section 178 or any other relevant section of the Companies Act to administer ESAR 2019 or any other equity based employee benefit plans of the Company.
- vii. **“Companies Act”** means the Companies Act, 2013 read with the rules made thereunder and includes any statutory modifications or re-enactments thereof.
- viii. **“Company”** means TeamLease Services Limited, a Company incorporated under the provisions of the Companies Act having its registered office at 6th Floor, BMTC Commercial Complex, 80 Ft Road, Koramangala, Bangalore, Karnataka-560095.
- ix. **“Company Policies/Terms of Employment”** means the Company’s policies for Employees and the terms of employment as contained in the employment letter/contract and the Company Handbook, which includes provisions for securing Confidentiality, Non-Compete and Non Poaching of other Employees and customers.
- x. **“Director”** means a member of the Board of the Company.
- xi. **“ESAR 2019” or “Plan”** means this TeamLease Services Limited - Employee Stock Appreciation Rights Plan 2019 under which the Company is authorized to grant ESARs to the Employees.
- xii. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Nomination and Remuneration Committee for granting ESARs to the Employees.
- xiii. **“Employee”** means (i) a permanent employee of the Company working in India or outside India; or (ii) a Director of the Company, whether whole time Director or not; or (iii) an employee, as defined in sub-clauses (i) or (ii) in this Para, of a Subsidiary Company in India or outside, but excludes-



- a. an employee who is a Promoter or belongs to the Promoter Group;
 - b. a Director who either by himself/herself or through his /her relatives or through any-body corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company; and
 - c. an independent Director within the meaning of the Companies Act.
- xiv. **“Employee Stock Appreciation Right”** means a right given to an ESAR Grantee entitling him/her to receive Appreciation by way of Shares of the Company, in accordance with and subject to the terms and conditions of ESAR 2019.
- xv. **“ESAR”** means Employee Stock Appreciation Right within the meaning of this Plan.
- xvi. **“ESAR Grantee”** means an Employee who has been granted ESARs in pursuance of the ESAR 2019.
- xvii. **“ESAR Price”** means the base price determined on the Grant Date by the Board of Directors at the recommendation of the Nomination and Remuneration Committee as per the provisions of Sub-clause 8.1 of this Plan with reference to which Appreciation shall be computed.*
- xviii. **“Exercise”** of ESAR means expression of an intention by the ESAR Grantee to the Company for receiving Appreciation in the form of Shares or by way of Cash at the discretion of Board of Directors based on the recommendation of Nomination and Remuneration Committee, against ESARs vested in him/her in pursuance of the ESAR 2019.*
- xix. **“Exercise Period”** means such time period after Vesting within which the ESAR Grantee should exercise the rights for receiving Appreciation against ESARs vested in him/her in pursuance of the ESAR 2019.
- xx. **“Grant”** means the process by which the Company issues ESARs to the Employees under the ESAR 2019.
- xxi. **“Grant Date”** means the date of the meeting of the Board of Directors in which grant of ESARs to the Employees are approved based on the recommendation of Nomination and Remuneration Committee.*
- xxii. **“Misconduct”** means disregard of the Company’s bye-law, rules, regulations and the Company Policies/ Terms of Employment and includes mismanagement of position by



action or inaction, alleged wrongdoing, misfeasance, or violation of any rule, regulation or law which was expected to be abided by the Employee.

- xxiii. **"Market Price"** means the latest available closing price on the Recognized Stock Exchange on which the Shares of the Company are listed on the date immediately prior to the Relevant Date.

Explanation- If such Shares are listed on more than one Recognized Stock Exchanges, then the closing price on the Recognized Stock Exchange having higher trading volume shall be considered as the Market Price.

- xxiv. **"Permanent Incapacity"** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Board of Directors based on the recommendation of Nomination and Remuneration Committee and on a certificate of a medical expert identified by the Board.*

- xxv. **"Promoter"** means the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

- xxvi. **"Promoter Group"** means the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Provided that where the Promoter or promoter group of the Company is a body corporate, the promoters of that body corporate shall also be deemed to be Promoters of the Company.

- xxvii. **"Relevant Date"** means any of the following dates as the context requires:

- (i) in the case of Grant, the date of the meeting of the Board of Directors on which the Grant is made based on the recommendation of Nomination and Remuneration Committee; *or
- (ii) in the case of Exercise, the date on which the notice of Exercise is given to the Company by the ESAR Grantee.



- xxviii. **“Recognized Stock Exchange”** means the National Stock Exchange of India Limited, BSE Limited, or any other recognized stock exchange(s) in India on which the Shares are listed.
- xxix. **“Retirement”** means retirement as per the rules of the Company.
- xxx. **“SEBI SBEB Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended and includes all regulations and clarifications issued there under.
- xxxi. **“Settlement”** of an ESAR means settlement of Appreciation by way of allotment of Shares or by way of payment in Cash at the discretion of the Board of Directors based on the recommendation of the Nomination and Remuneration Committee in pursuance of the ESAR 2019.*
- xxxii. **“Share”** means an equity share of the Company of face value of Rs.10 each fully paid-up and includes equity shares arising out of the Exercise of ESARs granted under ESAR 2019.
- xxxiii. **“Subsidiary Company”** means any present or future subsidiary company of the Company, as defined in the Companies Act.
- xxxiv. **“Unvested ESAR”** means an ESAR in respect of which the relevant Vesting Conditions have not been satisfied and as such, the ESAR Grantee has not become eligible to exercise the ESAR.
- xxxv. **“Vest” or “Vesting”** means earning by the ESAR Grantee, of the right to exercise the ESARs granted to him/her in pursuance of the ESAR 2019.
- xxxvi. **“Vesting Condition”** means the conditions subject to which the ESARs granted would Vest in an ESAR Grantee.
- xxxvii. **“Vested ESAR”** means an ESAR in respect of which the relevant Vesting Conditions have been satisfied and the ESAR Grantee has become eligible to exercise the rights.
- xxxviii. **“Vesting Period”** means the period during which the Vesting of ESARs granted to the ESAR Grantees, in pursuance of the ESAR 2019 takes place.

2.2 Interpretation

In this Plan, unless the contrary intention appears:



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

3. Authority and Ceiling

- 3.1 The shareholders of the Company, pursuant to a special resolution dated 23 August 2019 have authorized the Board of Directors based on the recommendation of Nomination and Remuneration Committee to issue up to 2,56,450 (Two lakh Fifty-six thousand and Four hundred fifty) ESARs to the Employees, under ESAR 2019, in one or more tranches, from time to time, exercisable into not more than 2,56,450 (Two lakh Fifty-six thousand and Four hundred fifty) fully paid-up Shares in the Company, in aggregate, of face value of Rs. 10/- (Rupees Ten) each, at such ESAR Price and on such terms and conditions, as may be determined by the Board of Directors based on the recommendation of Nomination and Remuneration Committee in accordance with the provisions of this Plan, SEBI SBEB Regulations and in due compliance with other Applicable Laws. *
- 3.2 The number of ESARs that may be granted to any specific Employee, in one or more tranches, and from time to time, shall not exceed 1,00,000 (One lakh) in number per eligible Employee and in aggregate under ESAR 2019.
- 3.3 If ESARs expires or becomes un-exercisable due to any other reason, it shall become available for future Grants, subject to compliance with all Applicable Laws. The Board of Directors based on the recommendation of Nomination and Remuneration Committee will have powers to re-grant such ESARs.*
- 3.4 Where Shares are issued consequent upon Exercise of ESARs under the ESAR 2019, the maximum number of Shares that can be issued under ESAR 2019 as referred to in Sub-clause 3.1 above will stand reduced to the extent of such Shares issued.



- 3.5 In case of a Share split where the face value of the Shares is reduced below Rs. 10/-, the maximum number of Shares available for being granted under ESAR 2019 shall stand modified accordingly, so as to ensure that the cumulative face value (No. of shares X Face value per Share) prior to such split remains unchanged after the share split. Thus, for instance, if the face value of each Share is reduced to Rs. 5/-, the total number of Shares available under ESAR 2019 would be ceiling specified in Sub-clause 3.1 x 2 number of Shares of Rs. 5/-each.
- 3.6 In case of a Share consolidation where the face value of the Shares is increased above Rs.10/-, the maximum number of Shares available for being granted under ESAR 2019 shall stand modified accordingly, so as to ensure that the cumulative face value (No. of shares X Face value per Share) prior to such consolidation remains unchanged after the share consolidation. Thus, for instance, if the face value of each Share is increased to Rs. 20/-, the total number of Shares available under ESAR 2019 would be ceiling specified in clause 3.1 ÷ 2 number of Shares of Rs. 20/-each.
- 4. Administration**
- 4.1 The ESAR 2019 shall be administered by the Board of Directors based on the inputs, review and recommendation of Nomination and Remuneration Committee. All questions of interpretation of the ESAR 2019 shall be determined by the Board of Directors based on the inputs, review and recommendation of Nomination and Remuneration Committee and such determination shall be final and binding upon all persons having an interest in the ESAR 2019.*
- 4.2 The Board of Directors of the Company based on recommendation of Nomination and Remuneration Committee shall in accordance with this Plan and Applicable Laws determine the following: *
- (a) The quantum of ESARs to be granted under the ESAR 2019 per Employee, subject to the ceiling as specified in Para 3.1 and 3.2;
 - (b) The Eligibility Criteria;
 - (c) The procedure for making a fair and reasonable adjustment in case of corporate actions such as merger, sale of division, stock split / consolidation, rights issues, bonus issues and others as per provisions of Regulation 5(3)(g) of the SEBI SBE Regulations;
 - (d) The procedure and terms for the Grant, Vest and Exercise of ESARs in case of ESAR Grantees who are on long leave;



- (e) Approve forms, writings and/or agreements, if entered by the Company, for use in pursuance of the ESAR 2019; and
- (f) Frame suitable policies and procedures to ensure that there is no violation of the securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating To Securities Market) Regulations, 2003 or any statutory modification or re-enactment of these regulations by the Company or any of its Employees, as applicable.

5. Eligibility and Applicability

- 5.1 Only Employees within the meaning of Plan are eligible for being granted ESARs under ESAR 2019. The specific Employees to whom the SARs would be granted and their Eligibility Criteria would be determined by the Board of Directors based on the recommendation of Nomination and Remuneration Committee.*
- 5.2 The employees of the Associate Company are not eligible for Grant under this Plan. However, in case an ESAR Grantee is transferred to an Associate Company, his/her Unvested ESARs shall vest and Vested ESARs shall be entitled for Exercise as per provisions of Sub-clause 9.1.
- 5.3 The Plan shall be applicable to the Company, Subsidiary Companies in India and abroad, and ESARs may be granted to the Employees of respective companies, as determined by the Board of Directors based on the recommendation of Nomination and Remuneration Committee at its own discretion. *

6. Grant and Acceptance of Grant

6.1 Grant of ESARs

- (a) Grants contemplated under ESAR 2019 shall be made annually, in one or more tranches, and as decided by the Board of Directors based on the recommendation of Nomination and Remuneration Committee at its discretion.*
- (b) Each Grant of ESAR under ESAR 2019 shall be made in writing by the Company to the eligible Employees by way of Grant Letter containing specific details of the Grant, and disclosure requirements, as prescribed under Applicable Laws.

6.2 Acceptance of Grant



- (a) Any Employee who wishes to accept the grant made under this Plan must deliver to the Company a duly signed acceptance of the letter of Grant on or before the date (“Closing Date”) which shall not be more than 60 days from the date of the Grant, as specified in the letter of Grant. On receipt by the Company of the signed acceptance, the Employee will become an ESAR Grantee.
- (b) Any Employee who fails to deliver the signed acceptance of the letter of Grant on or before the Closing Date stated above shall be deemed to have rejected the Grant unless the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee determines otherwise.*
- (c) Upon acceptance of the Grant in the manner described above, the Employee henceforth as an ESAR Grantee, shall be bound by the terms, conditions and restrictions of the Plan and the Grant document. The ESAR Grantee's acceptance of the Grant of ESARs under the ESAR 2019, within the time period provided, shall constitute an agreement between the ESAR Grantee and the Company, to the terms of this Plan and the Grant document.

7. Vesting Schedule / Conditions

- 7.1 ESARs granted under ESAR 2019 would Vest after **One (1) year** but not later than **Five (5) years** from the Grant Date of such ESARs. **
- 7.2 Vesting of ESARs would be subject to continued employment with the Company, Subsidiary Company, (or Associate Company in case of transfer), as the case may be. The Committee may also specify certain performance parameters subject to which the ESARs would Vest.
- 7.3 The specific Vesting schedule and conditions subject to which Vesting would take place would be outlined in the document given to the ESAR Grantee at the time of Grant.
- 7.4 **Vesting of SARs in case of Employees on long leave**
The period of leave shall not be considered in determining the Vesting Period in the event the Employee is on a sabbatical. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by Committee.



8. ESAR Price

- 8.1 The ESAR Price per unit of ESAR shall be equal to the Market Price as on Grant Date of such ESARs.
- 8.2 The ESAR Price shall have relevance for the purpose of determination of Appreciation and the ESAR Grantees are not required to pay the ESAR Price. However, in case, Vested ESARs are settled by way of allotment of Shares, the ESAR Grantees shall pay the face value of Shares prevailing at the time of such allotment as per Sub-clause 10.1 of the Plan.

9. Exercise of ESARs

- 9.1 The ESARs can be exercised as per the provisions outlined in the table below, unless otherwise determined by the Board of Directors based on the recommendation of Nomination and Remuneration Committee whose determination will be final and binding:*

Sl. No.	Particulars	Vested ESARs	Unvested ESARs
1.	While in employment	All Vested ESARs can be exercised anytime during the tenure of employment with the Company from the date of Vesting of ESARs but not later than Five (5) years from the date of Vesting of ESAR.	All Unvested ESARs would continue to vest as per the original Vesting schedule.
2.	Resignation / Termination (other than due to Misconduct or breach of Company Policies/Terms of Employment)	All the Vested ESARs as on date of submission of resignation or termination shall be exercised by the ESAR Grantee on or before last working day with the Company.	All Unvested ESARs on the date of submission of resignation shall stand cancelled with effect from that date.



3.	Termination due to Misconduct or breach of Company Policies/ Terms of Employment	All the Vested ESARs which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested ESARs on the date of such termination shall stand cancelled with effect from the termination date.
4.	Retirement	All the Vested ESARs as on date of Retirement shall be exercised by the ESAR Grantee on or before last working day with the Company.	All Unvested ESARs on the date of Retirement shall stand cancelled with effect from that date
5.	Death	All Vested ESARs may be Exercised by the ESAR Grantee's nominee or legal heir(s) immediately after, but in no event later than Six (6) months from the date of Death.	All the Unvested ESARs as on the date of death shall vest immediately and may be exercised by the ESAR Grantee's nominee or legal heir(s) in the manner prescribed for Vested ESARs.
6.	Permanent Incapacity	All Vested ESARs up to the date of incurring of such incapacity may be exercised by the ESAR Grantee immediately after, but in no event later than Six (6) months from the date of incurring such Permanent Incapacity.	All the Unvested ESARs as on the date of such Permanent Incapacity shall vest immediately and can be exercised by the ESAR Grantee in the manner prescribed for Vested ESARs.
7.	In case of transfer from the Company to Associate Company, Subsidiary Company	All Vested ESARs can be exercised within the prescribed Exercise Period as if the employment is continuing.	All Unvested ESARs would continue to vest as per the original Vesting schedule as if the employment is continuing.



	Other Reasons Apart 8. from those mentioned above*	The Board of Directors based on recommendation of the Nomination and Remuneration Committee will decide whether the Vested ESARs as on that date can be exercised by the ESAR Grantee or not, and such decision shall be final.	All Unvested ESARs on the date of separation shall stand cancelled with effect from that date or as may be decided by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee.
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9.2 The Vested ESARs shall be exercisable by the ESAR Grantees by a written application to the Company expressing his/ her desire to exercise such ESARs in such manner and on such format as may be prescribed by the Board of Directors based on recommendation of Nomination and Remuneration Committee from time to time. *

9.3 Lapse of ESARs

The ESARs not exercised within the Exercise Period prescribed above shall lapse and the ESAR Grantee shall have no right over such lapsed or cancelled ESARs.

10. Settlement of Exercised ESARs

10.1 Vested ESARs upon Exercise shall be settled by way of allotment of Shares, as under:

- i. Number of Shares to be allotted = $(\text{Appreciation per ESAR} \times \text{Number of ESARs exercised}) / \text{Market Price}$ with reference to date of Exercise.
- ii. If the Settlement results in fractional Shares, then the consideration for fractional Shares shall be settled in Cash
- iii. The ESAR Grantee shall pay the face value of a Share prevailing at the time of such allotment per Share allotted subject to additional payment/ recovery of applicable taxes pursuant to Clause 13 of the Plan.
- iv. Any payment made by an ESAR Grantee shall be made by a crossed cheque or a demand draft drawn in favour of the Company or in such other manner as the Board of Directors based on recommendation of Nomination and Remuneration Committee may determine. *



11. Lock-in

- 11.1 The Shares arising out of Exercise of Vested ESARs would not be subject to any lock-in period after such Exercise.

Provided that the Shares allotted on such Exercise cannot be sold for such period of time as prescribed under code of conduct for prevention of insider trading of the Company read with the Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

12. Other Terms and Conditions

- 12.1 Nothing herein is intended to or shall give the ESAR Grantee any right or status of any kind as a shareholder of the Company (for example, bonus Shares, rights Shares, dividend, voting, etc.) in respect of any Shares covered by the Grant unless the ESAR Grantee exercises the ESARs and becomes a registered holder of the Shares of the Company.
- 12.2 The ESARs shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 12.3 If the Company issues bonus or rights Shares, the ESAR Grantee will not be eligible for the bonus or rights Shares in the capacity of an ESAR Grantee. However, an adjustment to the number of ESARs or the ESAR price or both would be made in accordance with Sub-clause 4.2(c) of ESAR 2019.
- 12.4 ESARs shall not be transferable to any person except in the event of death of the ESAR Grantee or inability to exercise due to Permanent Incapacity, in which case provisions of Sub-clause 9.1 would apply.
- 12.5 No person other than the ESAR Grantee to whom the ESARs is granted shall be entitled to Exercise the ESARs except in the event of the death of the ESAR Grantee or inability to exercise due to Permanent Incapacity, in which case provisions of Sub-clause 9.1 would apply.

13. Taxation

- 13.1 The liability of paying taxes if any, in connection with Settlement of ESARs granted pursuant to this Plan shall be entirely on ESAR Grantee and shall be in accordance with the provisions of Income tax Act, 1961 and the rules framed thereunder.



13.2 The Company shall have the right to recover from ESAR Grantee or deduct from the ESAR Grantee's salary, any of the ESAR Grantee's tax obligations arising in connection with the Shares allotted or ESARs settled in Cash (for fractional Share) upon the Exercise thereof. The Company shall have no obligation to deliver Shares or make payment of any amount of Cash until the Company's tax deduction obligations, if any, have been fully satisfied by the ESAR Grantee.

14. Authority to vary terms

14.1 The Board may based on recommendation of Nomination and Remuneration Committee, if it deems necessary, modify, change, vary, amend, suspend or terminate the ESAR 2019, subject to compliance with the Applicable Laws. *

15. Miscellaneous

15.1 Government Regulations

This ESAR 2019 shall be subject to all Applicable Laws including any statutory modification(s) or re-enactment(s) thereof, and approvals from government authorities, if any and to the extent required.

15.2 Inability to obtain approval

The inability of the Company to obtain approval from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance of any Shares or payment of Cash hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to Grant the ESARs, issue Shares or pay Cash (for fractional Shares).

15.3 General Risks

Participation in the ESAR 2019 shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the equity and the risks associated with the investments is that of the ESAR Grantee alone. The ESAR Grantee is encouraged to make considered judgment and seek adequate information /clarifications essential for appropriate decision.

15.4 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an ESAR shall give such individual any right, entitlement or expectation that he/she



has or will in future have any such right, entitlement or expectation to participate in this Plan or any future Plan (s) by being granted an ESAR on any other occasion.

15.5 The rights granted to an ESAR Grantee upon the grant of ESARs shall not accord the ESAR Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his/her office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

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

16. Notices

16.1 All notices of communication required to be given by the Company to an ESAR Grantee by virtue of the ESAR 2019 shall be in writing. The communications shall be made by the Company in any one or more of the following ways:

- i. Sending communication(s) to the address of the ESAR Grantee available in the records of the Company; or
- ii. Delivering the communication(s) to the ESAR Grantee in person with acknowledgement of receipt thereof; or
- iii. Emailing the communication(s) to the ESAR Grantee at the official email address provided if any by the Company during the continuance of employment or at the email address provided by the ESAR Grantee after cessation of employment.

16.2 Any communication to be given by an ESAR Grantee to the Company in respect of ESAR 2019 shall be sent to the person at the address mentioned below:

Designation: Company Secretary
6th Floor, BMTc Commercial Complex
80 Ft Road, Koramangala, Bangalore
Karnataka-560095, India

17. Governing Law and Jurisdiction

17.1 The terms and conditions of the ESAR 2019 shall be governed by and construed in accordance with the laws of India.



17.2 The High Court at Bangalore and courts subordinate to it shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESAR 2019.

18. Income Tax Rules

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

19. Listing of the Shares

Subject to the approval of the stock exchanges, the Shares issued and allotted on Exercise of the ESARs shall be listed on the Recognized Stock Exchanges on which the Shares of the Company are listed or proposed to be additionally listed.

20. Severability

In the event any one or more of the provisions contained in this ESAR 2019 shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this ESAR 2019, but this ESAR 2019 shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein, and the ESAR 2019 shall be carried out as nearly as possible according to its original terms and intent.

21. Accounting Policy

The Company shall follow the Guidance Note on Accounting for Employee Share-based Payments and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other statutory authority from time to time, including the disclosure requirements prescribed therein, in compliance with relevant provisions of SEBI SBEB Regulations.

22. Certificate from Auditors

The Board shall at each Annual General Meeting place before the Shareholders a certificate from the Statutory Auditors of the Company that the Plan has been implemented in accordance with the SEBI SBEB Regulations and in accordance with the resolution of the Company in the Annual General Meeting.



23. Confidentiality

- 23.1 ESAR Grantees must keep the details of the ESAR 2019 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his/her peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case ESAR Grantee is found in breach of this Confidentiality Clause, the Company has undisputed right to terminate any agreement and all unexercised ESARs shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this Confidentiality Clause shall be final, binding and cannot be questioned by ESAR Grantee. In case of non-adherence to the provisions of this Clause, the Board of Directors based on recommendations of Nomination and Remuneration Committee will have the authority to deal with such cases as it may deem fit.*
- 23.2 The ESAR Grantee agrees that the Company may be required to disclose information of the ESAR Grantee during the process of implementation of the ESARs or while availing services relating to ESARs consulting, advisory services or ESARs Management services and/ or any other such incidental services. The ESAR Grantee hereby accords his/her consent that such confidential information regarding his/her ESARs entitlements may be disclosed by the Company to its officers, professional advisors, agents and consultants on a need to know basis.
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* **Amendment with effect from September 04, 2020, vide the shareholder's approval obtained at the 20th Annual General Meeting of the Company**

The Amendment was to the extent of giving review and recommendatory powers to the Nomination and Remuneration Committee of the Company and approval powers to the Board of Directors of the company pertaining to the management and/or monitoring of the plan, and to ensure settlement of fractional shares should always be in cash.

** **Amendment with effect from September 03, 2021, vide the shareholder's approval obtained at the 21st Annual General Meeting of the Company**

Erstwhile the Clause read as below:

*ESARs granted under ESAR 2019 would Vest after One (1) year but not later than Four (4) years from the Grant Date of such ESARs. ***

