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Employee Stock Option Plan / Scheme

Pursuant to Section 2(37) of Companies Act 2013.

Pursuant to Section 62(1)(b) → procedure to issue (ESOP).

Meaning: The Option given to :-

- Directors
- Officers or Employees of Company

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 its subsidiary its holding

the benefit or right to purchase, or to subscribe for, the shares of the Company at the future date at a pre-determined price.

Purpose:

1. To Retain the employees
2. To motivate the employees
3. To receive the money.

+ Who is an Employee?

a) permanent employee of the Company who has been working in India or of India. or.

b) a director of the Company, whether a whole time director or not but excluding an independent director. or

c) an employee who is a promoter or a person belonging to a promoter group; or

d) an employee as defined in clauses (a) or (b) of a subsidiary, in India or of India, or of a holding company but does not include

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e) a director who either himself or through his relative or through any body ~~to~~ corporate, directly or indirectly, holds more than 10% of the of's equity shares of the company.

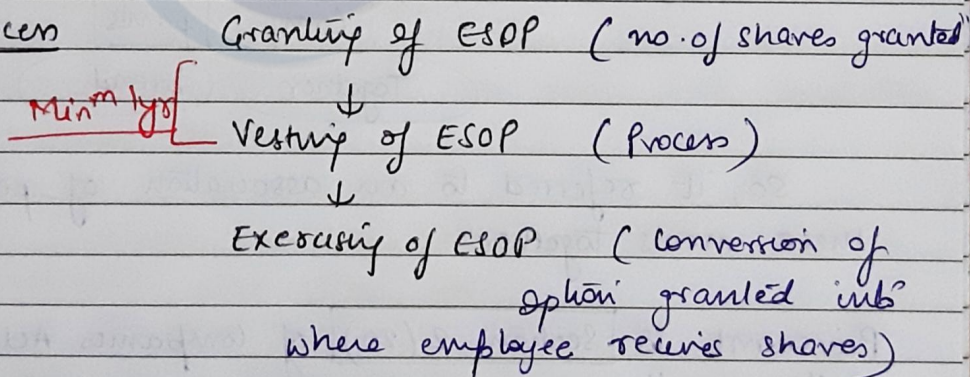
Details in explanatory Statement:

- 1) Total no. of stock options to be granted;
- 2) Identification of classes of employees entitled to participate in ESOP.
- 3) the requirements of vesting and period of vesting.
- 4) Appraisal process for determining the eligibility of employees to ESOP.
- 5) The maximum period within which the options shall be vested.
- 6) The exercise price or the formula for arriving ~~the~~ at the same.
- 7) lock-in period, if any.
- 8) The maxim no. of options to be granted per employee and in aggregate.

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Conditions for ESOP: (Maintenance of Register in Form - SH-6)

- 1.) Authorised by AOA.
- 2.) Special Resolution shall be passed in AGM.
- 3.) In case employee is being offered more than 1% shares of ESOP, separate sp is required for all such employees.
and if,
In case grant of option to employees of subsidiary or holding company
- 4.) Company has freedom to specify lock-in-period.
- 5.) Minimum 1 yr Vesting period

Process

- 6.) No right of Dividend or Voting till Exercise of Option.
- 7.) Option is not transferable to any other person, hence cannot exercise also by another person.
- 8.) ESOP cannot be pledged / Hypoth / Mortgage.