Date...................

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 Employee of Company
or
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 recieve the money.

* Who is an Employee:

a) permanent employee of the Company who has been working in India or o/s 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 o/s 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 ~~bo~~ corporate, directly or indirectly, holds more than 10% of the o/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 $\boxed{\text{more than 1\%}}$ shares of ESOP, seperate s/r 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 — Granting of ESOP (no. of shares granted)

↓ Min^m 1yr

Vesting of ESOP (Process)

↓

Exercising of ESOP (Conversion of option granted into where employee receives shares)

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.