

6th November 2019

To:

National Stock Exchange of India BSE Limited (Scrip Code: 532809)
Limited (Scrip Code: FSL) Phiroze Jeejeebhoy Towers,
Exchange Plaza, Dalal Street,
Plot no. C/1, G Block, Mumbai - 400 001
Bandra-Kurla Complex
Bandra (East),
Mumbai - 400 051

Dear Madam/ Sir,

Sub: 'Firstsource Employee Stock Option Plan 2019'

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as recommended by the Nomination & Remuneration Committee at its meeting held today, the Board has approved the implementation of the 'Firstsource Employee Stock Option Plan 2019' (the "**Plan**"), pursuant to Section 62 and other applicable provisions of the Companies Act 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 ("**SEBI SBEB Regulations**"), in supersession of Firstsource Solutions Employee Stock Option Scheme 2003. Brief details of the Plan are set out in 'Annexure A' enclosed herewith.

Further, please note that the Plan has been approved by the shareholders of the company vide special resolution dated 2 August 2019, which shall be implemented upon formation of trust for the said purpose.

For **Firstsource Solutions Limited**



Pooja Nambiar
Company Secretary & Compliance Officer
FIRSTSOURCE SOLUTIONS LTD.,

Paradigm B, 5th Floor, Mindspace, New Link Road, Malad (W), Mumbai - 400 064, India.
Tel: +91 22 6666 0888 | Fax: +91 22 6666 0887 | Web: www.firstsource.com

ANNEXURE A

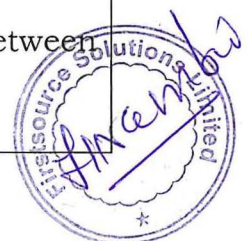
Brief details of the Plan

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| Plan | <p>This Plan shall be called the “Firstsource Solutions Limited Employee Stock Option Plan-2019”.</p> <p>The Objectives of the Plan are:</p> <ol style="list-style-type: none"> i) To incentivize the employees of Firstsource Solutions Limited and the employees of the Holding Company and the Subsidiary Companies for maximizing efforts in the successful operation of Firstsource Solutions Limited; ii) To create a sense of ownership by ushering in an ‘owner-manager’ culture and to enable employees to participate in a long-term growth and financial success of Firstsource Solutions Limited; iii) To provide means for attracting and retaining employees; iv) To enable the employees to share and contribute towards sustained growth of Firstsource Solutions Limited and creation of shareholder value by aligning the interests of the employees with the long-term interests of Firstsource Solutions Limited. |
| Eligibility | <p>Following classes of employees, shall be eligible to participate in the Plan:</p> <ol style="list-style-type: none"> i) a permanent employee of the Company who has been working in India or out of India; or ii) a director of the Company, whether a whole-time director or not but excluding an independent director; or iii) an employee as defined in clauses (1) or (2) of a Subsidiary, in India or outside India, or of a Holding Company of the Company but does not include: <ol style="list-style-type: none"> a) an employee who is a Promoter or a person belonging to the Promoter group; or b) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding Shares of the Company. |





| <p>Brief details of Options to be granted/number of shares covered by the Options under the Plan</p> | <p>Under the Plan, the eligible employees shall be granted employee stock options (“Options”). Each option entitles the holder thereof to apply for and be allotted one equity Share, of the nominal value of INR 10 each by the Trust, on the payment of the Exercise Price during the Exercise Period. Subject to adjustment in case of any Corporate Action which has the effect of alteration of the paid-up share capital, the maximum aggregate number of shares that maybe issued under this Plan shall not exceed 34.55 million options.</p> | | | | | | | | | | | | | | | | |
|--|---|--|---|---|-----|--|-------|---|-------|---|-------|---|-------|---|-------|---|-------|
| <p>Vesting period and exercise period of the Options</p> | <p>Vesting Period means the period of four years commencing from the date of Grant of Options to Eligible Employee, during which the vesting of the Options granted to the Eligible Employee, in pursuance of the Plan, takes place.</p> <p>The options granted to any Eligible Employee shall vest in tranches within the vesting period in the manner as set forth herein below:</p> <table border="1" data-bbox="501 1167 1390 1912"> <thead> <tr> <th>Period within which Options shall vest unto the Grantee</th> <th>% of Options which shall vest unto the Grantee</th> </tr> </thead> <tbody> <tr> <td>End of 12 months from date of grant of Option</td> <td>25%</td> </tr> <tr> <td>End of 18 months from date of grant of Options</td> <td>12.5%</td> </tr> <tr> <td>End of 24 months from date of grant of Option</td> <td>12.5%</td> </tr> <tr> <td>End of 30 months from date of grant of Option</td> <td>12.5%</td> </tr> <tr> <td>End of 36 months from date of grant of Option</td> <td>12.5%</td> </tr> <tr> <td>End of 42 months from date of grant of Option</td> <td>12.5%</td> </tr> <tr> <td>End of 48 months from date of grant of Option</td> <td>12.5%</td> </tr> </tbody> </table> <p>There shall be a minimum period of one year between Grant of Options and Vesting of Options.</p> | Period within which Options shall vest unto the Grantee | % of Options which shall vest unto the Grantee | End of 12 months from date of grant of Option | 25% | End of 18 months from date of grant of Options | 12.5% | End of 24 months from date of grant of Option | 12.5% | End of 30 months from date of grant of Option | 12.5% | End of 36 months from date of grant of Option | 12.5% | End of 42 months from date of grant of Option | 12.5% | End of 48 months from date of grant of Option | 12.5% |
| Period within which Options shall vest unto the Grantee | % of Options which shall vest unto the Grantee | | | | | | | | | | | | | | | | |
| End of 12 months from date of grant of Option | 25% | | | | | | | | | | | | | | | | |
| End of 18 months from date of grant of Options | 12.5% | | | | | | | | | | | | | | | | |
| End of 24 months from date of grant of Option | 12.5% | | | | | | | | | | | | | | | | |
| End of 30 months from date of grant of Option | 12.5% | | | | | | | | | | | | | | | | |
| End of 36 months from date of grant of Option | 12.5% | | | | | | | | | | | | | | | | |
| End of 42 months from date of grant of Option | 12.5% | | | | | | | | | | | | | | | | |
| End of 48 months from date of grant of Option | 12.5% | | | | | | | | | | | | | | | | |





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| | The Exercise Period shall commence from the date of vesting and will expire not earlier than 10 years from the date of vesting of Options. |
| Exercise price | Exercise Price will be determined by the Nomination and Remuneration Committee in accordance with SEBI (SBEB) Regulations. |
| Implementation of the Plan | The Plan shall be implemented through the Trust and administered by the Nomination and Remuneration Committee in accordance with the provisions of the Companies Act and SEBI (SBEB) Regulations. The issuance of Shares from the Trust by the Trustees will be under the guidance, advice and direction of the Nomination and Remuneration Committee. |

