

1. INTRODUCTION

- 1.1. Saksoft Limited (hereinafter referred to as “Saksoft” or “the Company”) wishes to bring about employee participation in the growth and prospects of the Company. The Company has, therefore, decided to introduce an Employee Stock Option Plan, 2009 (hereinafter referred to as “**ESOP 2009**” or “**the Scheme**”) that would encourage a long term and committed involvement of the employees in the management and future of the Company.
- 1.2. The objective of this ESOP 2009 is to encourage ownership of Saksoft’s equity by its employees on an ongoing basis. The ESOP 2009 is intended to reward the employees for their contribution to the successful operation of Saksoft and to provide an incentive for continued contribution to the success of the Company. It is envisaged that the ESOP 2009 will enable Saksoft to attract and retain the best available talent by making them partners in business and its growth.
- 1.3. This document sets out the features of the ESOP 2009, the benefits accruing to the employees under the Scheme, the duties and responsibilities of the beneficiaries and also the procedures to be followed. The document shall serve as a reference for the administration of the ESOP 2009. This document should be carefully read and understood and the procedures prescribed need to be diligently observed for availing the benefits under the Scheme.
- 1.4. This document is not in the nature of a legal contract and the same needs to be understood in common commercial parlance.
- 1.5. This is a confidential document and should be treated as such by all.
- 1.6. This ESOP 2009 will come into effect from **7th December 2009** and shall continue to be in force until (i) its termination by the Board, or (ii) the date on which all of the Options as defined hereinafter available for issuance under the ESOP 2009 have been issued and Exercised as defined hereinafter.

2. DEFINITIONS

The terms defined in this ESOP 2009 shall for the purpose of this ESOP 2009, have the meanings herein specified and terms not defined shall have the meanings as defined in the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, Companies Act, 1956, SEBI (Disclosure and Investor Protection) Guidelines, 2000 and the SEBI (Employees Stock Option Scheme & Employee Stock Purchase Scheme) 1999 or in any Statutory modifications or re-enactments thereof, as the case may be.

In this instrument the following expressions including their grammatical variations and cognate expressions shall, unless repugnant to the context or meaning thereof, have the meaning assigned to them respectively hereunder:

- 2.1 “**Act**” means the Companies Act, 1956 or any statutory modification or re-enactment thereof.
- 2.2 “**Agreement**” means the Employees Stock Option Agreement between the Company and the Option holder evidencing the terms and conditions of an grant of Securities. The Agreement is subject to the conditions of the ESOP 2009.
- 2.3 “**Applicable laws**” means every law, rule, regulation or bye-law relating to Employee Stock Options, including, without limitation, the Companies Act, 1956, Securities and Exchange Board of India Act, 1992, the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and all relevant tax, securities, exchange control or corporate laws, rules, regulations or bye-laws of India or any relevant jurisdiction or of any stock exchange on which the shares as defined hereinafter are listed or quoted and includes, any amendment, modification, alteration or re-enactment made to such laws, rules, regulations or bye-laws.
- 2.4 “**Board**” means the Board of Directors for the time being of the Company.

- 2.5 **“Change in Capital Structure”** means a change in the Capital structure of the Company as a result of re-classification of Securities, splitting up of the face value of Securities, consolidation of Securities, issue of bonus securities, conversion of Securities into other Securities of the Company, any other change in the rights or obligations in respect of Securities or any change in pursuance of a Corporate Action.
- 2.6 **“Company” or “Saksoft”** means Saksoft Limited incorporated under the Companies Act 1956, having its registered office at SP Infocity, No.40, 2nd Floor, Dr.MGR Salai, Perungudi, Kadanchavadi, Chennai – 600 096 and shall include its successors-in-interest and assignees.
- 2.7 **“Compensation Committee”** means the committee constituted by the Board in accordance with the applicable Law, from time to time to administer ESOP 2009.
- 2.8 **“Corporate Action”** means one of the following events:
- (i) the merger, de-merger, spin-off, consolidation, amalgamation, sale of business, dissolution or other reorganization of the Company in which the existing Securities are converted into or exchanged for:
 - a. a different class of securities of the Company; or
 - b. any securities of any other issuer; or
 - c. cash ; or
 - d. Other property
 - (ii) the sale, lease or exchange of all or substantially all of the assets or undertaking of the Company.
 - (iii) any alteration in the capital of the Company on account of issue of rights shares, bonus shares, consolidation of shares,sub-division of shares, re-classification of Securities, any restructuring of capital or any in other manner in accordance with the prevalent laws from time to time.
 - (iv) the adoption by the shareholders of the Company of a Scheme of liquidation, dissolution or winding up.

- (iv) acquisition (other than acquisition pursuant to any other sub-clause of this clause) by any company, person, entity or group of a controlling stake in the Company. For this purpose 'Controlling Stake' shall mean more than 50% of the voting share capital of the Company.
 - (v) any other event, which in the opinion of the Board has a material impact on the business of the Company.
- 2.9 **"Director"** means a member of the Board of the Company
- 2.10 **"Eligibility Criteria"** means the criteria as may be determined from time to time by the Compensation Committee for granting the Option to the Employees.
- 2.11 **"ESOP 2009"** or **"The Scheme"** means this Employee Stock Option Scheme 2009 under which the Company is authorised to grant Employee Stock Options to the Employees.
- 2.12 **"Employee"** means (i) permanent employee of the Company working in India or out of India; or (ii) a whole time Director of the Company; or (iii) an employee as defined in sub-clauses (i) and (ii) in this paragraph, of a Subsidiary, in India or out of India, but excludes: (a) an employee who is a promoter or belongs to the promoter group and ; (b) a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed shares of the Company.
- 2.13 **"Employer"** or **"Saksoft Limited"** means the Company or any of its subsidiary companies whether directly or through other subsidiaries.
- 2.14 **"Exercise"** of a Option means expression of an intention by an Employee to the Company by means of making of a valid application in writing, for issue of shares against options vested in him in pursuance of the ESOP 2009 upon payment of the Exercise Price.

- 2.15 “**Exercise Application**” means the application form as may be prescribed by the Compensation Committee, in which the employee has to apply to the Company along with a cheque/demand draft in respect of the exercise price, for exercising the options vested in him/her.
- 2.16 “**Exercise Date**” means the date on which an employee exercises the Option.
- 2.17 “**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 ESOP 2009.
- 2.18 “**Exercise / Strike Price**” means the price payable by the employee for exercising the option granted to him in pursuance of the ESOP 2009 which may be decided by the Compensation Committee.
- 2.19 “**Grant**” means issue of the options to employees to purchase shares of Saksoft under the ESOP 2009.
- 2.20 “**Grant Date**” means the date fixed by the Compensation Committee, to be the date on which the Scheme is extended to any employee. The date would be specified in the Letter of Offer issued to the employee.
- 2.21 “**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.
- 2.22 “**Intrinsic Value**” means the excess of the Market Price of the Share under ESOP 2009 over the exercise price of the option (including up-front payment, if any)
- 2.23 “**Letter of Grant / Offer**” means the letter issued by the Company intimating the employee of the options granted to him/her for acquiring a specified number of shares at the exercise price
- 2.24 “**Lock-in Period**” means the period during which Employees shall not sell, pledge or otherwise transfer, directly or indirectly, any of his/her shares or dispose of any interest in or over or right attaching to any of his/her Shares

- 2.25 **“Market Price of a share”** on a given date means the latest available closing price of the shares on the Stock Exchange, which records the highest trading volume in the Company’s equity shares on the date prior to the date of the meeting of the Board/Compensation Committee at which the securities are granted or at such price as the Board/Compensation Committee may determine. In case of share are delisting from the stock exchange for any reason whatsoever, the price will be derived in accordance with the ESOP 2009 guidelines.
- 2.26 **“Nominee” or “Nominees”** means the spouse, any child of the employee or any other person nominated by the employee as provided hereinafter.
- 2.27 **“Option”** means a right but not an obligation granted to an employee by the Company in pursuance of the ESOP 2009 to apply for shares of the Company at a pre-determined price, and governed by the terms and conditions mentioned in the Scheme.
- 2.28 **“Period of Employment”** or its grammatical equivalent includes the continuous period of confirmed employment in Saksoft / its associate companies.
- 2.29 **“Permanent Disability”** 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 Compensation Committee based on a certificate of a medical expert identified by such Committee.
- 2.30 **“Promoter”** means (a) the person or persons who are in over-all control of the company; (b) the person or persons who are instrumental in the formation of the company or programme pursuant to which the Shares were offered to the public; and (c) the person or persons named in the offer document as promoter(s) and where a promoter of a company is a body corporate, the promoters, as defined in sub-clauses (a), (b) and (c) in this paragraph, of that body corporate shall also be deemed to be promoters of the Company. Provided that a director or officer of the Company, if they are acting as such only in their professional capacity will not be deemed to be a promoter

- 2.31 “**Promoter Group**” means (a) immediate relatives of the promoter (i.e. spouse of that person, or any parent, brother, sister 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".
- 2.32 “**Retirement**” means retirement as per the rules of the Company.
- 2.33 “**Resultant Securities**” means the shares or other securities issued pursuant to any ‘Change in Capital Structure’ or on any Corporate Action.
- 2.34 “**Recognised Stock Exchange(s)**” means the Bombay Stock Exchange Limited, National Stock Exchange of India Limited or any other Stock Exchange in India on which the Company’s Shares are listed or proposed to be listed.
- 2.35 “**SEBI Act**” means the Securities and Exchange Board of India Act, 1992 as amended from time to time, and includes all regulations and clarifications issued there under
- 2.36 “**SEBI Guidelines**” means the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time and includes all regulations and clarifications issued there under.
- 2.37 “**Shares**” means equity shares of the Company arising out of the Exercise of Employee Stock Options Granted under the ESOP 2009.
- 2.38 “**Subsidiary company**” means any present or future subsidiary company of the Company, as defined in the Companies Act, 1956.
- 2.39 “**Unvested Option**” means an Option in respect of which the relevant Vesting Conditions linked to passage of time and performance criteria have not been satisfied and, as such, the Option Grantee has not become eligible to Exercise the Option.

- 2.40 “**Vesting**” means the process by which the employee secures the right to apply for the shares of the Company against the options granted to him in pursuance of the ESOP 2009.
- 2.41 “**Vesting Condition**” means any condition subject to which the Options Granted would vest in an Option Grantee
- 2.42 “**Vesting Period**” ” means the period during which the Vesting of the Employee Stock Option Granted to the Employee, in pursuance of the ESOP 2009 takes place.
- 2.43 “**Vested Option**” means an Option in respect of which the relevant Vesting Conditions linked to passage of time and performance criteria have been satisfied and the Option Grantee has become eligible to Exercise the Option
- 2.44 Words employed in the masculine gender shall include the feminine also and the Singular includes the plural and vice versa.

All the other expressions unless defined herein shall have the same meaning as have been assigned to them under the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 or the Securities Contracts (Regulation) Act, 1956 or the Companies Act, 1956, SEBI (Disclosure and Investor Protection) Guidelines, or any statutory modification or re-enactment thereof, appropriately applicable

3. AUTHORITY AND CEILING

- 3.1 The shareholders who have accorded their consent on 7th December 2009 by way of postal ballot have resolved to issue options to Employees under one or more Employee Stock Option Schemes, Options exercisable into equity shares of face value of Rs.10/- each (or such other number adjusted in terms of Clause b herein below), not exceeding 15,00,000* equity shares of the Company, in one or more tranches in accordance with the terms and conditions of such issue.

**The shareholders at their 20th Annual General Meeting (AGM) held on 12th August, 2019 has amended the ESOP scheme 2009 by increasing the quantum of options from 10,00,000 to 15,00,000 options with all other terms and conditions remaining unchanged under the scheme.*

- 3.2 Where shares are issued consequent upon exercise of options under ESOP 2009, the maximum number of shares that can be issued under ESOP 2009 as referred in the above clause 3.1 will stand reduced to the extent to such shares issued.
- 3.3 In case of stock consolidation or other re-organization of the capital structure of the Company from time to time, the maximum number of shares available for being Granted under ESOP 2009 shall stand modified accordingly, so as to ensure that the cumulative face value (Number. of shares X Face value per share) prior to such share consolidation or reorganization, as the case may be, remains unchanged after such share split, consolidation or re-organization of capital structure.
- 3.4 Options not vested due to non-fulfillment of the stipulated conditions, vested options which the employees have expressly refused to exercise and any options granted but not vested or exercised within the stipulated time due to any reasons, shall lapse and these options will be available for grant by the Compensation Committee to any employee(s) as it may deem fit in its absolute discretion, whether under the present ESOP 2009 or under a new scheme, subject to compliance of the provisions of applicable law. The terms relating to exercise price, exercise period, vesting, etc. in respect of such lapsed Options to be granted, as aforesaid, will be determined by the Compensation Committee at the time of Grant as it may deem fit in its absolute discretion, subject to compliance with all Applicable Laws
- 3.5 As per the FEMA Regulations, the Company shall ensure that the total value of Shares held by persons resident outside India under the scheme shall not exceed the limit of 5% of the paid up capital at any point of time.

4. ELIGIBILITY TO PARTICIPATE IN THE SCHEME

- 4.1 Only Permanent Employees are eligible for being granted employee stock options under ESOP 2009. The specific employees to whom the options would be granted and their eligibility criteria (including but not limited to performance, merit, grade, conduct and length of service of the Employee) would be determined by the Compensation Committee, at its absolute discretion, provided that the Compensation Committee, during one year, shall not grant per eligible employee the Employee Stock Options equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of employee stock options to identified Employees, without the approval of the members of the Company in a general meeting by way of a separate resolution.
- 4.2 The Scheme shall be applicable to the Company, its future subsidiary companies and holding companies, in India and/or abroad, and any successor company thereof and Employee Stock Options may be granted to the Employees and whole time Directors of the Company and its future subsidiaries as determined by the Compensation Committee on its own discretion. The offer of the Options to the employees of the subsidiary and holding companies shall be subject to approval of the shareholders of the Company by way of a separate resolution in a general meeting of the shareholders.
- 4.3 The Employee identified for Grant of Options shall be furnished with: (i) the disclosures prescribed under the SEBI Guidelines including the salient features of the Scheme; and (ii) a form for exercise of Options

5. COMPENSATION COMMITTEE

- 5.1 Saksoft has already constituted a Compensation Committee which shall administer and supervise the ESOP 2009.
- 5.2 The Compensation Committee shall consist of such number of persons, as the Board may deem fit from time to time, to be appointed from amongst the Directors. Provided however that the independent director as defined under the Listing Agreement shall constitute a majority in the Compensation Committee. The Board shall at its sole discretion have the power to appoint any Director as a member of the Compensation Committee and to remove any such Director so appointed and appoint another in his place. Any such appointment and/or removal shall be made by a resolution of the Board. The Compensation Committee shall be entitled to invite any person to attend its meetings and participate in the discussion and deliberations if it so thinks fit. The Compensation Committee, in the exercise of its powers, may require any information from the Company, and/or seek the assistance of any Employee of the Company as it may deem fit to effectively discharge its duties.
- 5.3 All questions, interpretations, dispute, discrepancies or disagreements which shall arise under, or as a result of, or pursuant to, or in connection with ESOP 2009 shall be referred to the Compensation Committee and shall be determined by the Compensation Committee. Such determination / decision / interpretation shall be final and binding upon all persons having an interest in or affected by ESOP 2009
- 5.4 The Compensation Committee shall meet not less than 2 times in a year for the purpose of administering the Scheme and shall, *inter alia*, formulate the detailed terms and conditions of the Scheme including:
- decide on the eligible grade of employees, as well as identify employees eligible within the grade for the ESOP 2009;
 - decide on the total quantum of incentive to be offered / granted in the form of ESOP 2009 during the year based on employee performance;
 - decide the time when the Options are to be granted

- decide the number of options to be granted in any one year;
- decide the aggregate value of options to be granted in any subsequent year under the ESOP 2009;
- decide the number of tranches in which the options are to be granted and the number of options to be granted in each such tranche
- the quantum of option to be granted under a program per employee and in aggregate;
- the amount of up-front fee payable, if any, by the employee at the time of the grant of options
- communicate the same to all eligible employees from time to time;
- the number of options reserved , if any, for granting to new employees who would join the services of the Company
- the vesting period, the vesting schedule and the date of vesting of the options granted
- the terms and conditions subject to which the options granted would vest in the Employee
- the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee
- Deciding the treatment of unvested options upon termination of employment of upon a director ceasing to hold office
- Determine the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the same within the exercise period or till the ESOP 2009 is valid and subject to the continuance of employment.
- provide for the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.
- lay down the procedure for cashless exercise of options, if any.