



Persistent

Details regarding Employee Stock Option Plans and Schemes of the Company

Persistent Employee Stock Option Scheme (PESOS) 2014

a. Brief description of the scheme:

Keeping the aforesaid objectives in view, the Schemes contemplate grant of Options to the eligible employees (which includes eligible Directors) of the Company and those of the subsidiary(ies) of the Company. Upon vesting of Options, the eligible employees earn a right (but not obligation) to exercise the vested Options within the exercise period and obtain Shares of the Company from the Trust subject to payment of exercise price and satisfaction of tax obligation, if any, arising thereon. The Trust administers this Scheme subject to the superintendence of the Committee.

b. Total number of Options to be granted:

The total number of Options to be granted (together with Options that may be granted to employees of any subsidiary companies) shall not exceed 5,400,000 Options.

The SEBI SBEB Regulations require that in case of any corporate action such as rights issue, bonus issue, merger and sale of division, and others, a fair and reasonable adjustment needs to be made to the Options granted. In this regard, the Committee shall adjust the number of Options and exercise price in such a manner that the total value of the Options granted under PESOS 2014 remains the same after any such corporate action keeping the life of the Options intact.

Accordingly, if any additional Options are issued by the Company or the Trust is required to transfer additional Shares to the Option grantees for making such fair and reasonable adjustment, the aforesaid ceiling of Options / Shares shall be deemed to be adjusted.

c. Identification of classes of employees entitled to participate in the schemes:

Permanent employees of the Company, working in India or outside India, a director (whether Whole-Time or not) of the Company, and those of the Company's subsidiary(ies) in or outside India are eligible to participate in the PESOS 2014.

Provided, however, that the following persons shall not be eligible to participate in PESOS 2014:

/ an employee who is a 'Promoter' or belongs to the 'Promoter Group' as defined in the SBEB Regulations; or

/ a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company; or

/ Independent Directors

The Company intends to continue with the current definition of 'Employee' under the Scheme:

d. Requirements of vesting and period of vesting:

All the Options granted on any date shall vest not earlier than a minimum of 1 (One) year and not later than a maximum

of 5 (Five) years from the date of grant of Options as may be determined by the Committee. The Committee may extend, shorten, or otherwise vary the vesting period from time to time subject to these minimum and maximum ceilings. Vesting of Options would be subject to continued employment with the Company or its Holding or Subsidiary Company, as the case may be, and the attainment of specific performance parameters.

The Vesting Criteria approved by the Shareholders for the fresh pool of Options under PESOS 2014 effective from July 18, 2023, are as below:

- i. 100% of the options granted under PESOS 2014 shall have performance-based vesting;
- ii. As regards the Company's Performance Based Criteria:

/ The Revenue growth of the Company is at least 12% per annum based on the immediately preceding financial year for any vesting; and

/ The EPS growth of the Company is at least 12% per annum based on the immediately preceding financial year for any vesting;

iii. In addition to the above performance criteria for the Company, the individual performance of the eligible employee will also be considered.

e. Maximum period within which the Options shall be vested:

All the Options granted after the date of this resolution shall vest not later than a maximum of 5 (Five) years from the date of grant of Options as stated above.

f. Exercise price or pricing formula:

The exercise price shall be equal to the face value of shares i.e. INR 5 per Option.

g. Exercise period and the process of Exercise:

The exercise period would be 1 (One) year from the date of vesting of respective Options. The Shares transferred out of exercise of vested Options will not be subject to any lock-in period after such exercise.

The vested Option shall be exercisable by the Option grantees by a written application to the Company / Trust expressing his/her desire to exercise such Options in such manner and in such format as may be prescribed by the Committee from time to time. Exercise of Options shall be entertained only after payment of the requisite exercise price and satisfaction of applicable taxes by the Option grantee. The Options shall lapse if not exercised within the specified exercise period.

Subject to the maximum exercise period approved by the Members of the Company from the date of Vesting of Options except the cases of termination of employment due to death and Permanent Incapacity in which case the exercise period shall be six months from the date of incurring such eventuality.

h. Appraisal and eligibility of employees under the schemes:

The appraisal process for determining the eligibility would be determined by the Committee from time to time based on broad criteria for appraisal and selection such as parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross- functional relationship, corporate governance, Company's values, etc. As regards the new joiners especially appointed in the senior cadre, the Committee shall have the discretion to decide the criteria for ascertaining the eligibility for grant of Options. All Employees of the Company and its Subsidiary Companies are eligible for being granted employee stock options under PESOS 2014. The specific Employees to whom the Options would be granted, and their eligibility criteria would be determined by the Compensation and Remuneration Committee.

The Scheme shall be applicable to the Employees of the Company, its Subsidiary companies in India and abroad and may be granted to the Employees and Directors of the Company, its subsidiaries, as determined by the Nomination and Remuneration Committee at its own discretion.

i. Maximum number of Options to be issued per employee and in aggregate:

The number of Options that may be offered to any specific Employee shall not exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company, during every continuous 4 (Four) years of their employment with the Company or any of its subsidiaries, at the time of grant of options under PESOS 2014.

j. Maximum quantum of benefits to be provided per employee under the schemes:

Apart from the grant of Options as stated above, no monetary benefits are contemplated under the PESOS 2014 Scheme.

k. Route of implementation:

PESOS 2014 is being implemented and administered through the Trust of the Company in accordance with shares accumulated with the Trust either through the fresh issue or secondary market acquisition under the ESOP Schemes of the Company and also the shares accumulated with the Trust due to lapses/cancellation of the options, if any from time to time under the ESOP Schemes of the Company.

l. Source of acquisition of Shares under the scheme:

PESOS 2014 contemplates the acquisition of Shares from fresh issue and/or secondary market.

m. Amount of loan to be provided for implementation of the schemes(s) by the Company to the Trust, its tenure, utilization, repayment terms, etc.:

Considering the flexibility needed, the Company may grant the loan to the Trust on a need basis. The amount of loan or provision of guarantee or security in connection with a loan to the Trust by the Company shall not exceed the amount being 5% (Five Percent) of the aggregate of the paid-up Share capital and free reserves of the Company as per the latest audited accounts. The Trust will acquire Shares by way of secondary acquisition/primary issue as per the Options grant schedule which is spread over a period of five years. The Trust will use its existing available funds for the purchase of Shares and the balance amount as required will be lent by the Company to the Trust as per the grant schedule. The Trust will start repaying the loan as and when it receives money (i.e., exercise price) from the employees upon exercise of Options.

Any loan to be provided by the Company shall be at arm's length basis as to rate of interest subject to the tenure of such loan being 8 (Eight) years from the date of each tranche of loan disbursement or term of PESOS 2014, whichever is earlier, subject further to a loan moratorium up to 5 (Five) years from the date of disbursement.

The Trust shall use the loan amount disbursed from time to time only for the purposes of the PESOS 2014 and strictly in accordance with provisions of SEBI SBEB Regulations

n. Maximum percentage of secondary acquisition under the schemes:

The number of Shares that may be acquired through the secondary market should not exceed 2% per annum of the paid-up equity capital as at the end of the financial year and subject to an overall cap of 5% of the paid-up equity capital as at the end of the financial year immediately prior to the year in which Members' approval as mentioned in clause 3.1 above is obtained.

o. Accounting and disclosure policies:

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.

p. Method of Option valuation:

The Company shall adopt the 'Fair Value Method' for the valuation of Options as prescribed under the IND-AS accounting standard or other Accounting Standards, as applicable, notified by competent authorities from time to time.

q. Declaration:

In case the Company opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

r. Period of lock-in:

The Shares issued pursuant to the exercise of vested Options shall not be subject to any lock-in period restriction in general. Usual restrictions as may be prescribed under applicable laws including that under the code of conduct framed, if any, by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended, shall apply.

s. Terms & conditions for buyback, if any, of specified securities / Options covered granted under the Plan:

Subject to the provisions of the then prevailing applicable laws, the Board/Committee shall determine the procedure for buy-back of the specified securities/ Options if to be undertaken at any time by the Company, and the applicable terms and conditions thereof.

Employee Stock Option Plan (ESOP) 2017

a. Brief description of the scheme

Keeping the aforesaid objectives in view, the scheme contemplates grant of Options to the eligible employees (which includes eligible Directors) of the Company and those of the subsidiary(ies) of the Company. Upon vesting of Options, the eligible employees earn a right (but not obligation) to exercise the vested Options within the exercise period and obtain Shares of the Company from the Trust subject to payment of exercise price and satisfaction of tax obligation, if any, arising thereon. The Trust administers both the Schemes subject to the superintendence of the Committee.

b. Total number of Options to be granted

The total number of Options to be granted (together with Options that may be granted to employees of any subsidiary companies) shall not exceed 16,000,000 Options.

The SEBI SBEB Regulations require that in case of any corporate action such as rights issue, bonus issue, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the Options granted.

c. Identification of classes of employees entitled to participate in the scheme

Permanent employees of the Company, working in India or outside India, a director (whether whole-time or not) of the Company and those of the Company's subsidiary(ies) in or outside India are eligible to participate in the ESOP 2017 scheme.

Provided however that the following persons shall not be eligible to participate in ESOP 2017:

- \ an employee who is a "Promoter" or belongs to the "Promoter Group" as defined in the SBEB Regulations; or
- \ a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company; or
- \ Independent Directors

d. Requirements of vesting and period of vesting

All the Options granted on any date shall vest not earlier than a minimum of 1 (One) year and not later than a maximum of 5 (five) years from the date of grant. The Committee may extend, shorten, or otherwise vary the vesting period from time to time subject to these minimum and maximum ceilings. Vesting of Options would be subject to continued employment with the Company or Subsidiary Company, as the case may be, on the date of Vesting. Thus, the Options would vest on completion of the Vesting Period.

In addition to this, the Committee may also specify certain performance parameters, detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted would vest.

Currently, the Vesting Criterion approved by the Committee and Board for the fresh pool of Options under both Schemes is as below:

- a. 50% of the Options granted shall have time-based vesting; and
- b. 50% of the Options granted shall have performance-based vesting

The attainment of performance parameters would be a mandatory condition for the vesting of Options under both Schemes as determined by the Committee from time to time. The Performance parameters will include revenue growth, earnings growth, individual performance, etc. The Committee may vary the weightages depending on business requirements.

e. Maximum period within which the Options shall be vested

All the Options granted after the date of this resolution shall vest not later than a maximum of 5 (five) years from the date of grant of Options as stated above.

f. Exercise price or pricing formula

The exercise price per Option shall be equal to the value being at a discount of 15% (fifteen percent) from the Market Price within the meaning of the plan. The term "Market Price" carries the same meaning as defined in the SEBI SBEB Regulations.

g. Exercise period and the process of Exercise

The employee stock options granted may be exercised by the Option Grantee at any time within the Exercise Period determined by the Committee from time to time subject to a maximum period of 12 (Twelve) months from the date of Vesting of the respective Options.

The vested Options shall be exercisable by the Option grantees by a written application to the Company/Trust expressing his/her desire to exercise such Options in such manner and in such format as may be prescribed by the Committee from time to time. Exercise of Options shall be entertained only after payment of the requisite exercise price and satisfaction of applicable taxes by the Option grantee. The Options shall lapse if not exercised within the specified exercise period.

Subject to the maximum exercise period approved by the shareholders of the Company from the date of Vesting of Options except the cases of termination of employment due to death and Permanent Incapacity in which case the exercise period shall be six months from the date of incurring such eventuality.

h. Appraisal and eligibility of employees under the schemes

The appraisal process for determining the eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company or its subsidiary, as the case may be. Only Employees are eligible for being granted employee stock options under ESOP 2017. The specific Employees to whom the Options would be granted and their eligibility criteria would be determined by the Compensation and Remuneration Committee at its sole discretion. This ESOP 2017 shall be applicable to the Company and its Subsidiary Companies in India and abroad, and Options may be granted to the Employees of respective companies, as determined by the Compensation and Remuneration Committee at its sole discretion.

i. Maximum number of Options to be issued per employee and in aggregate

The maximum number of Options that may be granted to an eligible Employee shall vary depending upon the designation and the appraisal/assessment process, however, shall not exceed the ceiling of 4,00,000 (Four Lakh) in number per such Employee and in aggregate under ESOP 2017. The Nomination and Remuneration Committee reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to each Employee within this ceiling.

j. Maximum quantum of benefits to be provided per employee under the schemes

Apart from the grant of Options as stated above, no monetary benefits are contemplated under ESOP 2017.

k. Route of implementation

The scheme is being implemented and administered through the Trust of the Company.

l. Source of acquisition of Shares under the schemes

ESOP 2017 as originally envisaged contemplated the acquisition of Shares from secondary acquisition. However, amended ESOP 2017 contemplate the acquisition of Shares from fresh issue and/ or secondary market acquisition as explained above.

m. Amount of loan to be provided for implementation of the schemes(s) by the Company to the Trust, its tenure, utilisation, repayment terms, etc.

The amount of loan or provision of guarantee or security in connection with a loan to the Trust by the Company shall not exceed the amount being 5% (Five Percent) of the aggregate of the paid-up Share capital and free reserves of the Company as per the latest audited accounts. The Trust will acquire Shares by way of secondary acquisition/

primary issue as per the Options grant schedule which is spread over a period of five years. The Trust will use its existing available funds for the purchase of Shares and the balance amount as required will be lent by the Company to the Trust as per the grant schedule. The Trust will start repaying the loan as and when it receives money (i.e., exercise price) from the employees upon exercise of Options.

Any loan to be provided by the Company shall be at arm's length basis as to rate of interest subject to the tenure of such loan being 8 (Eight) years from the date of each tranche of loan disbursement or term of ESOP 2017, whichever is earlier, subject further to a loan moratorium up to 5 (Five) years from the date of disbursement.

The Trust shall use the loan amount disbursed from time to time only for the purposes of the ESOP 2017 and strictly in accordance with provisions of SEBI SBEB Regulations.

n. Maximum percentage of secondary acquisition under the schemes

The number of Shares that may be acquired through the secondary market should not exceed 2% per annum of the paid-up equity capital as at the end of the financial year and subject to an overall cap of 5% of the paid-up equity capital as at the end of the financial year immediately prior to the year in which shareholders approval as mentioned in clause 3.1 above is obtained.

o. Accounting and disclosure policies

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.

p. Method of Option valuation

The Company shall adopt 'Fair Value Method' for valuation of Options as prescribed under IND-AS accounting standard or under other any Accounting Standard, as applicable, notified by competent authorities from time to time.

q. Declaration

In case the Company opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the Options and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

r. Period of lock-in

For both Schemes, the Shares issued pursuant to the exercise of vested Options shall not be subject to any lock-in period restriction in general. Usual restrictions as may be prescribed under applicable laws including that under the code of conduct framed, if any, by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended, shall apply

s. Terms & conditions for buyback, if any, of specified securities / Options covered granted under the Plan

Subject to the provisions of the then prevailing applicable laws, the Board/Committee shall determine the procedure for buy-back of the specified securities/ Options if to be undertaken at any time by the Company, and the applicable terms and conditions thereof.