

SURYODAY SMALL FINANCE BANK LIMITED

SURYODAY ESOP SCHEME -2019

1. Name and Objective of the Scheme:

- 1.1 This Employee Stock Option Scheme shall be called the “**SURYODAY ESOP SCHEME-2019**” or the “**Scheme**” which expression shall include any alterations, amendments or modifications thereto.
- 1.2 This **SURYODAY ESOP SCHEME-2019** has been formulated by the Compensation Committee (*as defined below*) of Suryoday Small Finance Bank (“**Company**”) at its meeting held on July 30,2019. Henceforth, all grants of options shall be made under this SURYODAY ESOP SCHEME-2019; however, all grants already made under the ESOP Scheme-2016 till date shall be valid for vesting and exercising as per the provisions of the ESOP Scheme-2016
- 1.3 The objective of **SURYODAY ESOP SCHEME-2019** is to attract talent, as also to reward employees for their long-term performance and motivate them to contribute to the growth and profitability of the Company.

2. Definitions & Interpretation:

- 2.1. In this Scheme, unless the context otherwise requires,
- (a) “**Applicable Law**” means the Companies Act, 2013, and includes, wherever applicable, the rules framed thereunder and any statutory modification or re-enactment thereof for the time being in force, the Securities Contract Regulation Act, 1956 and the rules framed thereunder, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (including the circulars and notifications issued by SEBI thereunder), all relevant tax laws and applicable Regulations including any statutory modification, amendment, alteration and re-enactment of any of the applicable Acts, rules, Regulations and bye-laws, each as amended from time to time.
 - (b) “**Articles**” means the Articles of Association of the Company, as amended from time to time.
 - (c) “**Board**” means the Board of Directors for the time being of the Company.
 - (d) “**Compensation Committee**” means the Nomination & Remuneration Committee of the Board constituted under section 178 of the Companies Act,2013.
 - (e) “**Director**” means a member of the Board of Directors of the Company.
 - (f) “**Eligibility Criteria**” means the criteria as may be determined from time to time by the Compensation Committee for granting the Employee Stock Options to the Employees.
 - (g) “**Employee**” shall, subject to applicable law, means
 - (i) a permanent employee of the Company who has been working in any office/location of the Company; or
 - (ii) an executive director or whole-time director excluding an Independent Director and Promoter Directorbut does not include-
 - (i) an employee who is a promoter or a person belonging to the promoter group; or
 - (ii) a director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

The Scheme is not applicable to any temporary or non-permanent employees. Employees against whom any disciplinary proceedings are initiated or pending are not eligible for Grant of Options under this Scheme.

- (h) **“Employee Stock Option or Option** means the option granted to the Employees under this Scheme which provides the Employees the right, but not an obligation, to subscribe at a future date the Shares offered by the Company, directly or indirectly, at the Exercise price “.
- (i) **“Employment Agreement”** means the employment agreement entered into between the Company and the Employee.
- (j) **“Exercise”** means the exercise of a Vested Option by an Employee by making an application to the Company in accordance with the procedure set out herein pursuant to which the Employees shall be entitled to subscribe to the Shares of the Company at the Exercise Price.
- (k) **“Exercise Period”** means such time period after vesting of the Options within which the Employee should exercise his/her right to apply for the shares against the Options vested in him in pursuance of this Scheme.
- (l) **“Exercise Price”** means the price payable by the Employee for the purpose of exercising the Option granted to him/her in pursuance of this Scheme, in conformity with the applicable accounting policies of the Company. The Exercise Price shall be at the fair market value as determined by an Independent Valuer (as defined in the Articles) and approved by the Board at the time of Grant of Options.
- (m) **“Grant”** means the process by which the Bank issues Options to its Employees.
- (n) **“Letter of Grant”** means the letter issued by the Company intimating the employee about the Options granted to him/her pursuant to this Scheme
- (o) **“Option Grantee”** means an employee having a right but not an obligation to exercise an Option.
- (p) **“Permanent Disability”** means any medical, physical or mental disability, which prevents an Employee from performing his or her duties as stipulated under his or her Employment Agreement with the Company, such disability being certified by a medical professional identified by the Committee.
- (q) **“Promoter”** shall have the same meaning assigned to it under Section 2(69) of Companies Act 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (r) **“Promoter Director”** means a Director who is also a Promoter of the Bank.
- (s) **“Promoter Group”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (t) **“Recognised Stock Exchange”** means the Stock Exchange(s) on which the Company’s shares are to be listed.
- (u) **“Retirement”** means retirement as per the rules and policies of the Company.
- (v) **“Relative”** means as defined under section 2(77) of the Companies Act, 2013.
- (w) **“Shares”** means fully paid-up equity shares of the Company having a face value of INR 10 (Indian Rupees Ten Only).

- (x) **“Unvested Option”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied, and in respect of which the Option Grantee has not become eligible to Exercise his/her Option.
- (y) **“Vesting”** means earning by the Option Grantee, of the right to Exercise the Employee Stock Options granted to him/her in pursuance of the ‘Suryoday ESOP Scheme-2019’
- (z) **“Vesting Condition”** means any condition subject to which the Options granted would vest in an Option Grantee.
- (aa) **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to Exercise the Option.
- (bb) **“Vesting Period”** means the period during which the Vesting of the Employee Stock Option granted to the Employee in pursuance of the ‘Suryoday ESOP Scheme-2019’.

2.2. Interpretation:

- (a) Words employed in the masculine gender shall include the feminine also.
- (b) Words using the singular or plural number also include the plural or singular number respectively.
- (c) Word “person” includes an individual, a firm, a body corporate or unincorporated or any authority.
- (d) If due to any reason any provision/ clause of the Scheme is rendered unlawful or unenforceable, then the Scheme shall be read as excluding that provision/ clause.
- (e) For interpretation of the Scheme, the provisions of the Applicable Laws and the special resolution read with explanatory statement approved by the shareholders shall be taken into consideration.

3. Authority and Number of Options:

- 3.1. The shareholders of the Company, vide special resolution passed at the Annual General Meeting held on September 26, 2019 have resolved to issue not more than 40,00,000 (Forty Lakhs only) Employee Stock Options under the ‘Suryoday ESOP Scheme-2019’, in one or more tranches, with each such Option conferring a right upon the Employees to apply for one Share of the Company, in accordance with the terms and conditions of such issue.
- 3.2. All Options that have lapsed, cancelled, withdrawn, recalled, surrendered (including those having lapsed by way of forfeiture) under this ‘Suryoday ESOP Scheme-2019’ shall be added back to the number of Options that are pending to be granted, subject to compliance with all Applicable Laws.
- 3.3. Where Shares are allotted consequent upon exercise of an Option under the ‘Suryoday ESOP Scheme-2019’, the maximum number of Shares that can be issued under the said Scheme as referred to in Clause 3.1 above will stand reduced to the extent of such Shares allotted.
- 3.4. The Options granted herewith shall not be affected by any takeover by/of, merger with, or amalgamation of any other entity with the Company or in the event of restructuring of the capital of the Company. In such an event, the Compensation Committee would have the authority to alter all or any of the terms relating to the Grant and would also have the authority to do all such acts and deeds as it may deem fit in its absolute discretion and as permitted under the Applicable Law, so to ensure that the benefits under the Grant are passed on to the Employees.

- 3.5. In case of a Share split or consolidation, if the revised face value of the Share is less or more than the face value as on the Effective Date (defined below), the maximum number of Shares available for being issued under this Scheme as specified above 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 split or consolidation remains unchanged after such Share split or consolidation. Thus, for example, if the prevailing face value of each Share is Rs. 10 per Share and the revised face value after the Share split is Rs. 5 per Share, the total number of Shares available under this Scheme would be (Shares reserved at Sub-Clause 3.1 x 2) Shares of Rs. 5 each. Similarly, in case of bonus issue, etc. the available number of Shares under this Scheme shall be revised to restore the value.

4. **Effective Date and Term:**

- 4.1. The 'Suryoday ESOP Scheme-2019' shall be effective from the date the shareholders approve the Scheme (the "**Effective Date**") and shall continue to be in force until (i) its termination by the Company in the manner set out in this Scheme; or (ii) the date on which the last of the Options granted under this Scheme have been exercised in accordance with the Scheme, whichever is earlier.

5. **Administration:**

- 5.1. The 'Suryoday ESOP Scheme-2019' shall be administered supervised and implemented by the Compensation Committee. The Chairman of the Compensation Committee shall preside over the meetings and shall exercise all the powers vested upon him under the provisions of this Scheme.
- 5.2. All questions of interpretation of this Scheme or any Employee Stock Option, including any dispute, discrepancy or disagreement which may arise under or as a result of or pursuant to or in connection with the Scheme, shall also be determined by the Compensation Committee and such determination shall be final and binding upon all persons having an interest in this Scheme or such Employee Stock Option.
- 5.3. The Compensation Committee shall formulate the detailed terms and conditions of the Scheme in relation to the Eligible Criteria of the Employees and once formulated, shall administer and implement the scheme in relation to those Employees.
- 5.4. The members of the Compensation Committee shall be subject to change in accordance with the provisions of the Articles.
- 5.5. The Compensation Committee in its absolute discretion is authorised to determine all the terms governing the 'Suryoday ESOP Scheme-2019', subject to the provisions of the Articles, including but not limited to: -
- (a) The frequency/ number of times options are granted each year and the total quantum of grants to be made each time;
 - (b) Determining the Eligibility Criteria of the Employees to whom the Options are to be granted;
 - (c) Identification of Employees to whom the Options are to be granted and the number of Options to be granted per Employee;
 - (d) The maximum quantum of Options that may be granted per Employee;
 - (e) The price at which the Options are to be granted from time to time (which will be the Exercise Price for the options at a future date).
 - (f) The terms and conditions subject to which the Options granted would vest in the Employee, other than as set out in this Scheme, if any;
 - (g) The schedule for Vesting of the Options granted to Employees;
 - (h) The circumstances under which the Options granted to an Employee would lapse or get cancelled, otherwise than as mentioned in the Scheme;

- (i) Determine the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of rights issue, bonus issue and other corporate actions such as mergers, liquidation, amalgamation etc;
 - (j) Determine the policy for the Grant, Vesting and Exercise of Options in case of Employees who are on long leave;
 - (k) Amend any terms and conditions of any Options granted under the Scheme to the extent it is not inconsistent with the terms of the Scheme and not prejudicial to the interest of the Option Grantee; and
 - (l) the exercise period within which the Employee can exercise the options and that options would lapse on failure to exercise the same within the exercise period
 - (m) the specific time period within which the Employee shall exercise the vested options in the event of termination or resignation of the Employee
 - (n) 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.
- 5.6. The Compensation Committee may, in its absolute discretion:
- (a) frame any other byelaws, rules or procedures as it may deem fit for administering the 'Suryoday ESOP Scheme-2019';
 - (b) delegate, subject to such conditions as it may impose, its powers of administering the Scheme to any other committee of the management constituted by it;
 - (c) decide the procedure for formation of ESOP trust and implement 'Suryoday ESOP Scheme-2019' through ESOP trust, if and when required.
- 5.7. No member of the Compensation Committee shall be personally liable for any decision or action taken in good faith with respect to the Scheme.
- 5.8. The constitution, powers and functions of the Compensation Committee shall be specified from time to time by the Board in accordance with the provisions of the Articles.
- 5.9. The Compensation Committee may further provide that the Compensation Committee shall exercise certain powers only after consultation with the Board and in such a case the said powers shall be exercised accordingly.
- 5.10. The Compensation Committee shall frame suitable policies to ensure that there is no violation of Applicable Laws.
- 6. Eligibility & Applicability:**
- 6.1. Only the Employees as defined hereinbefore are eligible for being granted Employee Stock Options under the 'Suryoday ESOP Scheme-2019'. The appraisal process for determining the Eligibility Criteria for the Employees would be specified by the Compensation Committee and will be based on the criteria such as the grade of the Employee, number of years serviced, performance record, merit of the Employee, present/future potential contribution by the Employee and /or any such other criteria that may be determined by the Compensation Committee in its sole discretion from time to time.
- 6.2. An employee will not cease to be an eligible Employee in case of any leave of absence approved by the Company or transfers between locations of the Company.
- 7. Grant of Options:**
- 7.1. Total number of Options to be granted under this Suryoday ESOP Scheme -2019 is 40,00,000 (Forty Lakhs only) .

- 7.2. Since the 'Suryoday 'ESOP Scheme -2019' super-cedes the 'ESOP Scheme-2016' of the Company, all future grants shall be made only under the 'Suryoday ESOP Scheme -2019'; however, all grants already made under the ESOP Scheme-2016 will continue to remain valid.
- 7.3. The grant events for options shall be decided by the Compensation Committee, but shall not exceed four times in a financial year.
- 7.4. Options will be offered through a letter ("**Letter of Grant**") containing, among other things, the following details:
- (i) Number of Options being offered.
 - (ii) Vesting period.
 - (iii) Exercise Period.
 - (iv) Exercise Price.
- 7.5. Notwithstanding anything contained in the 'Suryoday ESOP Scheme-2019', in the event of any inconsistency between the provisions of this Scheme and the Letter of Grant issued to the Option Grantee, the provisions of this Scheme shall supersede and prevail over the provisions of Letter of Grant.

8. Vesting of the Options Granted:

- 8.1. Upon the Option Grantee continuing in the employment of the Company and upon compliance with the terms of the Suryoday ESOP Scheme -2019 and the Letter of Grant, the Options granted by the Company would vest in the Option Grantee.
- 8.2. Options granted would vest, in one or more tranches, after expiry of period of 1 (one) year from the date of the grant and not later than 4 (four) years from the date of Grant of such Options, as may be specified in the Letter of Grant. In addition to this, the Compensation Committee may also specify certain performance parameters subject to which the options would vest.
- 8.3. Unless otherwise specified, all Options granted on any date shall vest over a period of four years from the date of the Grant (the "**Vesting Period**") in the following manner:

Date of Vesting	Percentage of Options vested	Performance based Yes/No
1 st year vesting	25%	No
2 nd year vesting	25%	Yes
3 rd year vesting	25%	Yes
4 th year vesting	25%	Yes
Total	100%	

- 8.4. In case of performance based vesting, the options would vest on achievement of performance parameters as determined by the Compensation Committee. The specific Vesting schedule and conditions subject to which Vesting would take place would be outlined in the Letter of Grant given to the Option Grantee at the time of grant of Options.
- 8.5. The Compensation Committee, in its absolute discretion may, subject to Applicable Law, for any Option Grantee(s) permit the Options granted, to be vested and exercised within such time and as per such terms and conditions as it may determine.
- 8.6. All Options Granted shall be exercised at an Exercise Price as stated in the grant letter. The vested Options may be exercised in parts or full during the Exercise Period.
- 8.7. The Compensation Committee shall have full powers to accelerate the vesting of number of Options or the Vesting Period as it may deem fit for any Option Grantee.

9. Exercise Period:

- 9.1. All Options vested shall be exercised by the Option Grantee within the Exercise Period which is 3 (three) years from the date of vesting.
- 9.2. There shall be an aggregate of 4 (four) Exercise windows in a financial year and every Exercise window will be kept open for a minimum period of 10 (ten) days.

It is hereby clarified that the Option Grantee may exercise the Options vested in him/her during the Exercise windows about which all the Option Grantees will receive advance intimation from the Company.

- 9.3. All unexercised Options shall lapse after the expiry of 3 (three) years from the date of vesting thereof and accordingly no rights under the Letter of Grant shall survive on such lapse. There will be no separate communication intimating the lapse of Options.

10. Non-Transferability of Options:

- 10.1. Option granted to and/or vested in an Option Grantee shall not be transferable.
- 10.2. No person other than the Option Grantee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option except in the event of the death of the Option Grantee while in employment, in which event the Options granted to such Employee shall vest in the legal heirs or nominees of the deceased Employee.
- 10.3. Option granted to and/or vested in an Eligible Employee shall not be sold, pledged, hypothecated, assigned, mortgaged or otherwise disposed off or alienated in any other manner.

11. Procedure for Exercise of Option:

- 11.1. Each Option entitles the holder thereof to apply for and be allotted one Share of the Company, on the payment of the Exercise Price at any time during the Exercise Period.
- 11.2. Any Option granted hereunder shall be exercisable according to the terms hereof at such times and under such conditions as set forth in the Letter of Grant or as may communicated by the Company to the Option Grantees from time to time.
- 11.3. An Option shall be deemed to have been exercised when, -
- (i) the Company receives application seeking exercise of Options from the Option Grantee entitled to exercise the Option.
 - (ii) the Company receives full payment for the shares underlying the number of options exercised by the Option Grantee.
- 11.4. The Option Grantee may, at his/her discretion, opt for exercise of all Options during the Exercise Period or some of the Options that remain vested.
- 11.5. Option Grantees who do not want to avail the Options granted to them under the Suryoday ESOP Scheme- 2019, may opt out of the Scheme at any time before the last date of the Exercise Period and surrender the Options to the Company for cancellation. Such Options will be available for reissue under the said Scheme.

12. Exercise of options in case of separation of employees:

- 12.1. In the event of separation of an Option Grantee from the Company on account of Permanent Disability while in the employment of the Company, the Option Grantee or his legal representative may exercise his /her Vested as well as Unvested Options immediately after but in no event later than six months from the date of separation from employment.

- 12.2. In the event of the death of an Option Grantee, all the Vested and Unvested Options may be exercised by the Option Grantee's nominee(s) or legal heirs(s) in the event of absence of nomination) immediately after, but in no event later than six months from the date of death of the Option Grantee.
- 12.3. In the event of superannuation of the Option Grantee, all Options Granted and vested as on the date of superannuation may be exercised by the Option Grantee within six months from the date of superannuation.
- 12.4. In respect of unvested options available with the Option Grantee on the date of superannuation, the Compensation Committee shall have full powers to accelerate the vesting of the unvested Options at its discretion and in the event of such accelerated vesting, the Options may be exercised by the Option Grantee within six months from the date of superannuation.
- 12.5. In the event of a resignation of an Option Grantee from the services of the Company (without such Employee having engaged in misconduct or breach of employment terms), the Options granted but not vested as on that day under the Suryoday ESOP Scheme- 2019 shall expire. However, all Options which have already been vested as on that date shall be exercisable by the Option Grantee within 90 days from the last date of service or the last date of the Exercise Period, whichever is earlier.
- 12.6. In the event of termination of employment of an Option Grantee for reasons of misconduct or breach of employment terms, all Options including those which are vested but not exercised at the time of termination of employment, shall expire and stand terminated with effect from the date of such termination;

Explanation: 'Misconduct' is a conduct not appropriate for the status or work profile of the Employee as decided by the Company from time to time and where the decision of the Company is final;

- 12.7. In the event of abandonment of employment by an Option Grantee without the Company's consent, all Employee Stock Options granted to such employee, including the Vested Options, which were not exercised at the time of abandonment of employment, shall stand terminated with immediate effect. The Compensation Committee, at its sole discretion shall decide the date of abandonment by an Employee and such decision shall be binding on all concerned.

13. Rights of option grantee:

- 13.1. The Option Grantee shall not have a right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of Employee Stock Options granted, till Shares underlying such Employee Stock Options are allotted on Exercise of such Employee Stock Option.
- 13.2. Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.
- 13.3. The Board shall, within 60 (sixty) days of receipt of subscription money, allot the Shares to the Employees.
- 13.4. If the Company issues bonus or rights Shares, the Option Grantee will not be eligible for the Bonus or Rights Shares as Option Grantee. Only if the Employee Stock Options are Vested and Exercised, the Employees will be entitled for bonus or rights Shares as other shareholders of the Company.

13.5. All Shares allotted on exercise of Options will rank pari-passu with all other equity shares of the Company for the time being in issue and shall be subject to the Articles. As a registered shareholder, the Option Grantee will be entitled to all the benefits, which may accrue to him such as dividends, bonus, rights etc.

14. Taxation:

14.1. The Company shall have the right to deduct from the Employee's salary, any of the Employee's tax obligations arising in connection with the Employee Stock Option or the Shares acquired upon the Exercise thereof, as per the Income Tax Act, 1961 as amended from time to time. The Company shall have no obligation to deliver Shares until tax deduction obligations, if any, have been satisfied in respect of/by the Option Grantee.

14.2. In the event of any tax liability arising out on account of the issue of Options and/ or allotment of Shares to the Option Grantee, the liability shall be that of the Option Grantee alone.

14.3. Consequent to the imposition of Fringe Benefit Tax on ESOP Plan, the Company shall have the right to pass on the liability for Fringe Benefit Tax to the employee. The applicable Fringe Benefit Tax in accordance with the rules framed by the Government from time to time shall be paid by the employee together with the Exercise price.

15. Amendment and Termination of the scheme:

15.1. Subject to and after compliance with the requirements of Applicable Laws and the Articles, the Compensation Committee may at any time amend, vary, modify, withdraw, suspend, terminate, or review the 'Suryoday ESOP Scheme-2019 in order to either comply with Applicable Laws/guidelines or, for any other reason.

Provided that the Company shall not vary the terms of the Scheme in any manner which may be detrimental to the interests of the Option Grantees;

15.2. The Company may by a special resolution vary the terms of this Scheme in respect of the Options which have yet not been exercised by the Employees provided such variation is not prejudicial to the interest of the Option Grantees.

15.3. Further, the Company may re-price the Options which have yet not been exercised by the Option Grantees if the Options are rendered unattractive due to fall in the price of the shares of the Company.

15.4. Termination of the Suryoday ESOP Scheme-2019 shall not affect the ability of the Compensation Committee to exercise the powers granted to it hereunder with respect to Options granted under this Scheme prior to the date of such termination.

15.5. Any variation, modification, etc. under this clause shall be subject to obtaining of approvals from concerned authorities or shareholders, as may be required and so long as otherwise, such change, etc. will be in accordance with the Applicable Laws, rules, regulations, notifications as amended and in force.

16. Notices

16.1. All notices of communication required to be given by the Company to an Option Grantee by virtue of the Suryoday ESOP Scheme- 2019 shall be in writing and shall be sent by email to the address of the Option Grantee available in the records of the Company and any notice to be given by an Option Grantee to the Company shall be at the addresses mentioned below:

Suryoday Small Finance Bank Limited 1101, Sharda Terraces, Plot No 65, Sec 11, CBD Belapur,
Navi - Mumbai 400614

17. Governing Law and Jurisdiction

- 17.1. The terms and conditions of the Suryoday ESOP Scheme-2019 shall be governed by and construed in accordance with the laws of India.
- 17.2. The High Court of Mumbai, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this Scheme.
- 17.3. Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this Scheme:-
 - a) in any other court of competent jurisdiction; or
 - b) concurrently in more than one jurisdiction.

18. General

- 18.1. The ESOP Scheme 2019, in terms of having binding effect, is a private contract between the Company and the Option Grantee specified in the Letter of Grant. It does not create any right or benefit for persons other than between the Company and the specific Option Grantee who has been issued a letter of grant.
- 18.2. The Company shall file the Suryoday ESOP Scheme-2019 with such authorities and persons as it may be required under law to file or where it deems fit.
- 18.3. Employment Agreement: The Suryoday ESOP Scheme-2019 shall not form part of any Employment Agreement between the Company and the Option Grantee. The rights and the obligations of any individual under the terms of his office or employment with the Company shall not be affected by his participation in this Scheme or any right which he may have to participate in and nothing in this Scheme shall be construed as affording such an individual, any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.
- 18.4. Government Regulations: The Suryoday ESOP Scheme-2019 shall be subject to all Applicable Laws, rules, regulations, notifications and to such permissions, sanctions and approvals by any governmental agencies or shareholders, as may be required. In case of any contradiction between the provisions of the Suryoday ESOP Scheme-2019 and any Applicable Laws, rules, regulations etc., the provisions of law shall override the provisions of this Scheme. The grant of Options under this Scheme shall entitle the Company to require the Option Grantee to comply with such requirements of law as may be necessary in the opinion of the Company. The Company shall maintain a Register of Employee Stock Options at its registered office, in Form SH.6.
- 18.5. Accounting methods: The Company shall comply with the disclosure norms, guidelines, accounting methods and standards as prescribed by the Indian generally accepted accounting principles (Indian GAAP) issued under the Companies (Indian Accounting Standards) Rules, 2015.
- 18.6. Method of valuing Scheme Options: The value determined as per an intrinsic valuation carried out by an Independent Valuer (*as defined in the Articles*) will be used by the Company in order to value the Options under the Scheme.
- 18.7. No right to grant: Neither the adoption of the Suryoday ESOP Scheme-2019 nor any action of the Board of Directors or Compensation Committee shall be deemed to give an Employee any right to be granted any Options to acquire Shares or any other rights except as may be evidenced by a letter of grant.
- 18.8. Corporate Action: The Compensation Committee shall, subject to the Articles and approval by the Board, proportionately adjust the number of Shares to be issued, in the event of corporate

Approved vide Special Resolution on AGM held on September 26, 2019
Amended vide Special Resolution on EGM held on July 27, 2020

actions such as rights issue, bonus issue, merger, amalgamation or any undertaking and all such other actions which may call for proportionate adjustment in the number of Shares.

- 18.9. Confidentiality: The Option Grantee shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the grant or any connected matter. Any violation may result in cancellation of the grant without prejudice to the other action which may be taken in this regard.
- 18.10. Maximum issue: The maximum number of Options issued in a Financial Year shall not exceed 1% of the share capital of the Company without the approval of the shareholders through a special resolution in a general meeting of the members of the Company.
- 18.11. New Schemes: Nothing contained in the Suryoday ESOP Scheme-2019 shall be construed to prevent the Company directly or through any trust settled by any Company, from implementing any other new scheme for granting stock options and/or share purchase rights, which is deemed by the Company to be appropriate or in its best interest, whether or not such other action would have any adverse impact on the Suryoday ESOP Scheme-2019 or any grant made under the said Scheme. No Employee or other person shall have any claim against the Company and/or trust as a result of such action.
- 18.12. General Risk: Participation in this Suryoday ESOP Scheme-2019 shall not be construed as any assurance of any form whatsoever including any guarantee of return on the equity investment. Any risks associated with the investment are that of the Option Grantee alone.

Version Control Table

Version	Board Approval date	Share holder Resolution date	Maintained by
2019-20	30-09-2019	26-09-2019*	Company Secretarial Department
2020-21	03-07-2020	27-07-2020**	Company Secretarial Department

*Approved vide Special Resolution on AGM held on September 26, 2019

**Amended vide Special Resolution on EGM held on July 27, 2020
