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 was approved by the shareholders at their meeting held on December 7, 2009 and subsequently amended and modified vide shareholders' resolution passed at the Annual General Meeting on August 5, 2013 for increasing the quantum of options from 5,00,000 to 10,00,000. The Scheme was further amended on September 26, 2014 to increase the exercise period to 10 (ten) years from the date of vesting and further on August 19, 2019 for increasing the quantum of Options from 10,00,000 to 15,00,000. The Scheme was implemented directly and administered by the Compensation Committee. The Board of Directors and the Compensation Committee vide a resolution passed at its meeting held on August 14, 2023 has further approved the revision in of mode of operation of Scheme from a vanilla Scheme to a Trust Scheme.. This was approved by the shareholders through a special resolution passed by way of a Postal Ballot on October 22, 2023.

This ESOP 2009 has become effective from 7th December 2009 and shall continue to be in force until (i) its termination by the Compensation Committee and 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.

On October 22, 2023, further to the approval of shareholders through a Postal Ballot, the company has modified the mode of implementation of the Scheme from direct route to trust route.

Accordingly, the existing shares in the ESOP Trust as on the date of shareholders approval October 22, 2023 would be utilized for issue of shares against the exercise of the outstanding options issued in the ESOP 2009 scheme.

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 (SBEB & SE) Regulations, and includes 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 Securities and Exchange Board of India Act, 1992.

2.2 "**Agreement**" means the Employee Stock Option Agreement between the Company and the Option Holder evidencing the terms and conditions of grant of Securities. The Agreement is subject to the conditions of 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, 2013, Securities and Exchange Board of India Act, 1992, the Securities Exchange Board of India (Share Based Employee Benefit and Sweat Equity) Regulations, 2021 ("SBEB Regulations") 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 "**Cash Exercise**" means an application made by the Grantee to the Company through the Trust for issuance of Equity Shares against vested stock options in pursuance of this Plan.

2.6 "**Cashless Exercise**" means an application made by the Grantee to the Company authorizing the Trust to sell such number of the shares of respective Grantee to meet the exercise price and allied expenses and credit the balance shares into the Grantee's demat account.

2.7 “**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, rights issue of 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.

2.8 **“Company” or “Saksoft”** means Saksoft Limited incorporated under the provisions of the Companies Act 1956, having its registered office at Global Infocity, No.40, 2nd Floor, Dr.MGR Salai, Perungudi, Kadanchavadi, Chennai – 600 096 and shall include its successors-in-interest and assignees.

2.9 **“Compensation Committee”** means the committee constituted by the Board in accordance with the applicable Law, from time to time to formulate the detailed terms and conditions of the Schemes and supervise the ESOP 2009. The Nomination and Remuneration Committee (“NRC”) of the Company shall act as the Compensation Committee. In line with Regulation 5 of SBEB Regulations Committee shall delegate the administration of the Plan to the Trust fully in cases where the Scheme is being administered by the Trust.

2.10 **“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.

(v) 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.

(vi) any other event, which in the opinion of the Board has a material impact on the business of the Company.

2.11 "**Director**" means a member of the Board of the Company

2.12 **"Eligibility Criteria"** means the criteria as may be determined from time to time by the Compensation Committee for granting the Option to the Employees.

2.13 **"ESOP 2009"** or **"The Scheme"** means this Employee Stock Option Scheme 2009 proposing to provide share based benefits to its Employees which may be implemented and administered by such company through the trust.

2.14 **"Employee"** means (i) a permanent employee of the Company, who is exclusively working in India or out of India; or (ii) a Director of the Company whether a whole time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or (iii) an employee as defined in sub-clauses (i) and (ii), of a group company including subsidiary or its associate company, in India or out of India, or of a holding company of a Company but does not include: (a) an employee who is a promoter or belongs to the promoter group or ; (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 outstanding equity shares of the Company.

2.15 **"Exercise"** of an option means making of an application by the Grantee through the Trust under cash exercise or cashless exercise, as the case may be, in pursuance of this plan.

2.16 **“Eligible Employee”** means an Employee who is in employment with the Company or its Associate/Subsidiary Companies and as defined under the Plan and who qualifies for the issue of Stock Option under the Plan and fulfills the terms and conditions as may be decided by the Compensation Committee from time to time.

2.17 **“Exercise Application”** means the application form as may be prescribed by the Company, in which the Eligible Employee has to apply for exercising the options vested in him/her through the cash exercise or cashless exercise.

2.18 **“Exercise Date”** means the date on which an employee exercises the Option.

2.19 **“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.

2.20 **“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.

2.21 **“Grant”** means process by which the Company issues the Options to the Eligible Employees to purchase shares of the Company under the ESOP 2009.

2.22 **“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/Notice of option grant issued to the employee.

2.23 **“Independent Directors”** is one who fulfills all the conditions specified under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.24 “**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)

2.25 “**Letter of Grant / Offer**” means the letter issued by the Compensation Committee intimating the employee of the Options granted to him/her for acquiring a specified number of shares at the Exercise Price

2.26 **“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.

2.27 **“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.

2.28 **“Nominee” or “Nominees”** means the spouse, any child of the employee or any other person nominated by the employee as provided hereinafter.

2.29 **“Option”** means the option given to an eligible employee which gives such an employee a right to purchase or subscribe at a future date, the shares offered by the company, at a pre-determined price;

2.30 **“Period of Employment”** or its grammatical equivalent includes the continuous period of confirmed employment in Saksoft / its associate/subsidiary companies.

2.31 “**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.

2.32 **“Promoter”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time;

2.33 **“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, 2018, as amended from time to time.".

2.34 **“Retirement”** means retirement as per the rules of the Company.

2.35 **“Resultant Securities”** means the shares or other securities issued pursuant to any ‘Change in Capital Structure’ or on any Corporate Action.

2.36 “**Recognised Stock Exchange(s)**” means a stock exchange which has been granted recognition under section 4 of the Securities Contracts (Regulation) Act, 1956.

2.37 “**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

2.38 “**SEBI Regulations**” means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time and includes all regulations and clarifications issued there under.

2.39 “**Shares**” means equity shares of the Company with a face value of Rs.1/- per share.

2.40 “**Subsidiary company**” shall have the same meaning as assigned to it under sub-section (87) of section 2 of the Companies Act, 2013. Subsidiary Company also includes step down subsidiaries (present and future)

2.41 **“Trust”** shall mean the **“Saksoft Employee Welfare Trust** established by the Company under the provisions of the Indian Trust Act, 1882 including any statutory modification or re-enactment thereof for implementing the Plan

2.42 **“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.

2.43 **“Vesting”** means the process by which the Eligible Employee becomes entitled to receive the benefit of a grant made to him/her under the scheme.

2.44 “**Vesting Condition**” means any condition subject to which the Options Granted would vest in an Option Grantee/Eligible Employee

2.45 **“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.

2.46 “**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.

2.47 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 Securities and Exchange Board of India (Share Based Employee Benefit and Sweat Equity) Regulations, 2021 and includes any Statutory modifications or re-enactments thereof, as the case may be.

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 not exceeding 15,00,000* equity shares of the Company (as approved by the shareholders at their meeting held on August 19, 2019), in one or more tranches in accordance with the terms and conditions of such issue. Further, the Company had split the face value of its shares from Rs 10/- to Re 1/- in on September 26, 2022 further to which the equity shares mentioned above stand revised as 1,50,00,000 equity shares at a FV/- of Re 1 each. Further, the Board of Directors of the Company vide resolution passed at its meeting dated August 14, 2023 and the Shareholders vide special resolution passed through Postal Ballot dated October 22, 2023 modified and amended the scheme in alignment with the SEBI Regulations and have modified the mode of implementation of Scheme from a direct route to a Trust route.

**The shareholders at their 14th AGM held on 5th August 2013 has amended the ESOP scheme 2009 by increasing the quantum of options from 500,000 to 10,00,000 options with all other terms and conditions remaining unchanged under the scheme.*
#Shareholders at their AGM held on August 12,2019 has amended the ESOP scheme 2009 by increasing the quantum of options further 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 Trust in consultation with 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 All Eligible Employees shall be eligible to participate 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 subsidiary companies, associate companies and holding companies, in India and/or abroad, and any successor company thereof.

4.3 The Employee identified for Grant of Options shall be furnished with: (i) the disclosures prescribed under the SBEB Regulations including the salient features of the Scheme; and (ii) a form for exercise of Options;

5. IMPLEMENTATION AND ADMINISTRATION OF THE PLAN

5.1 The shareholders have approved the change in mode of administration of the Scheme from direct route to the Trust route vide their resolutions passed through Postal Ballot on October 22, 2023. Therefore the Scheme shall be operated by the Saksoft Employee Welfare Trust as delegated by the Compensation Committee for proper administration of the Plan. The Trust is authorized to interpret the plan, to establish, amend and rescind any rules and regulations relating to the Plan and to make any other determinations that it may deem necessary or desirable for the administration and implementation of the Plan and shall ensure compliance with Applicable Laws and shall meet on a regular basis as and when the need arises. The Committee shall delegate the administration of the Plan fully to the Trust in pursuance of the Regulations.

5.2 The Company believes that the implementation of the Plan through the Trust will be in the best interest of the Company and its shareholders and will enable the Company to retain and engage quality talent.

6. COMPENSATION COMMITTEE

6.1 The Nomination and Remuneration Committee of the Company administers the ESOP 2009 that was implemented by the Company through the direct mode. Pursuant to approval of the shareholders through Postal Ballot on October 22, 2023 for implementing the ESOP Scheme 2009 through Trust route, the ESOP Scheme shall be administered by the Trust as per Regulation 5 of SEBI Regulations.

However, as per Regulation 5(3) of the SEBI Regulations, the Compensation Committee shall formulate the detailed terms and conditions of the Scheme.

6.2 The Compensation Committee shall be a committee of such members of the Board of Directors of the company as provided under regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

6.3 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

6.4 The Compensation Committee shall meet not less than 2 times in a year for the purpose of monitoring / supervising the Scheme and shall, *inter alia,* formulate the detailed terms and conditions of the Scheme which shall include the provisions as specified in Part B of Schedule I of the SEBI Regulations as amended from time to time.

The compensation committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended from time to time, by the trust, the company and its employees, as may be applicable.

7 SAKSOFT EMPLOYEES WELFARE TRUST

Saksoft Employees Welfare Trust is a trust established by the Settlor i.e. Saksoft Limited., for the purpose of extending benefits of the Scheme to the Eligible Employees.

The Trust shall be required to make disclosures and comply with the other requirements applicable to insiders or promoters under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 or any modification or re-enactment thereto.

The Trust shall be permitted to undertake off-market transfer of shares only under the following circumstances: -

(a) transfer to the employees pursuant to scheme(s);

(b) while participating in an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 or while participating in a buy-back, delisting or any other exit offered by the company generally to its shareholders.

The Trust shall not deal in derivatives and shall undertake only delivery-based transactions for the purposes of secondary acquisition as permitted by these regulations.

The Trust shall be required to hold the shares acquired through secondary acquisition for a minimum period of six months except where they are required to be transferred in the circumstances enumerated in clause (b) of sub-regulation (14) of Regulation 3 of SEBI Regulations, whether off-market or on the platform of recognized stock exchange.

Subject to the requirements of the Companies Act, 2013 (18 of 2013) read with Companies (Share Capital and Debenture) Rules, 2014, as amended from time to time, as may be applicable, **the company may lend monies to the trust on appropriate terms and conditions** to acquire the shares either through new issue or secondary acquisition, for the purpose of implementation of the Scheme

The Trust shall be responsible for the administration of the Scheme in consultation with the Compensation Committee. The letter of grant offer shall be given to the employees by the trust with the details as provided by the Compensation Committee. The Option Grantees shall be required to apply to the trust for exercising their options through an exercise application.

The Company may implement several schemes through the Trust.

The Trust shall keep and maintain proper books of account, records and documents for the Scheme so as to explain its transactions and to disclose at any point of time, the financial position of the Scheme and in particular give a true and fair view of the state of affairs of the Scheme.

A person shall not be appointed as a Trustee, if he / she is a director, key managerial personnel or promoter of the company or its group company including its holding, subsidiary or associate company or any relative of such director, key managerial personnel or promoter; or

beneficially holds ten percent or more of the paid-up share capital or the voting rights of the company:

The trustees of the Trust shall not vote in respect of the shares held by the trust, so as to avoid any misuse arising out of exercising such voting rights.

The trustee should ensure that the requisite approval from the shareholders has been obtained by the Company and the Company shall follow the applicable regulations from time to time in order to enable the trust to implement the scheme and undertake secondary acquisition for the purposes of the scheme.

For the purpose of disclosures to the recognised stock exchange, the shareholding of the trust shall be shown as “non-promoter and non-public” shareholding.

Secondary acquisition in a financial year by the trust shall not exceed two percent of the paid up equity capital of the company as at the end of the previous financial year.

The total number of shares under secondary acquisition held by the trust shall at no point of time exceed 5% of the Paid up Capital

The unappropriated inventory of shares which are not backed by grants, acquired through secondary acquisition by the trust under Part A, Part B or Part C of Chapter III of the SBEB regulations, shall be appropriated within a reasonable period which shall not extend beyond the end of the subsequent financial year, or the second subsequent financial year subject to approval of the Compensation Committee/Nomination and Remuneration Committee for such extension to the second subsequent financial yearThe trust shall not become a mechanism for trading in shares and hence shall not sell the shares in secondary market except under the following circumstances:

(a) to enable the employee to fund the payment of the exercise price, the amount necessary to meet his/her tax obligations and other related expenses pursuant to exercise of options granted under the ESOS;

(b) on vesting or exercise, as the case may be, of the Option;

(c) in case of emergency for implementing the schemes covered under Part D and Part E of Chapter III of the SEBI Regulations and for this purpose -

(i) the trustee(s) shall record the reasons for such sale; and

(ii) money so realised on sale of shares shall be utilised within a definite time period as stipulated under the scheme or trust deed.

(d) participation in buy-back or open offers or delisting offers or any other exit offered by the company generally to its shareholders, if required;

(e) for repaying the loan, if the unappropriated inventory of shares held by the trust is not appropriated;

(f) winding up of the scheme(s); and

(g) approval granted by SEBI based on an application made to SEBI.

The employee, on transfer of shares by the Trust in accordance with the provisions of this scheme, shall become the absolute owner of the shares and shall be entitled to deal with them in the manner he chooses.

8. GRANT PROCEDURE AND ACCEPTANCE

8.1 Options under the Scheme shall be granted at the discretion of the Compensation Committee, to eligible employees as per the Letter of Offer for the grant of the options issued to the employees. No amount shall be payable at the time of grant of options.

8.2 The trust in consultation with the Compensation Committee may from time-to-time grant options to one or more employees which may include recurring options to the same employee.

8.3 Each options awarded shall be advised to the employees in writing specifying the date, number of options awarded, the vesting of the options, the earliest date on which some or all of the options awarded shall be eligible for Vesting, fulfillment of the performance and other conditions if any, subject to which Vesting shall take, and the other terms and conditions thereof.

8.4 The aggregate number of options/underlying shares that may be granted from time to time under the plan shall not exceed 150,00,000 shares. Further, no Employees shall be granted options equal to or exceeding 1% of the issued share capital excluding outstanding warrants and conversion of the company at the time of Grant of Options unless the approval from the shareholders is taken by way of special resolution in a general meeting.

9. VESTING PERIOD AND VESTING OF OPTION

9.1 Options Granted under ESOP 2009 would Vest not less than one year and not more than four years from the date of grant of such options: The vesting schedule for the options granted is as follows:

End of year 1 from the offer date	25% of the Options granted on the offer date.
End of year 2 from the offer date	25% of the Options granted on the offer date.
End of year 3 from the offer date	25% of the Options granted on the offer date.
End of year 4 from the offer date	25% of the Options granted on the offer date.

On the earliest date on which any option is eligible for the vesting or immediately thereafter, such number or percentage of the option as may be specified in the grant letter awarding the options shall vest with the employee on an automatic basis and accordingly the employee shall subject to fulfillment of any other conditions as may be specified by the compensation committee, be eligible to exercise the said options.

The Compensation Committee in its absolute discretion may permit the options which have not vested, to be exercised within such time and as per such terms and conditions as it may determine.

An employee may surrender his vested / unvested options at any time during his employment to the trust.

Any employee willing to surrender his options shall communicate the same to the Trust. Thereafter the Surrendered options shall expire with effect from the date of surrender of options and become available for future grant under the scheme to those employees as determined by the compensation committee(unless the scheme has been terminated/varied)

10. EXERCISE PERIOD & PROCEDURES

10.1 The employee can exercise his right to convert the options into equity shares either in full or in tranches by addressing a communication to the trust . The employee has to mention the number of equity shares that he is willing to take under the Scheme, along with the payment for the exercise price. In the event of exercise of options resulting in fractional securities, the trust shall be entitled to round off the number of securities to be issued to the nearest whole number, and exercise price shall be correspondingly adjusted.

10.2 Each Option would entitle the Employee, on Exercise, to acquire 1 (One) Share of face value of Rs.1/- each (or such other number adjusted for any consolidation or other reorganisation of capital structure of the Company in terms of Clause 3.3 of this Scheme or otherwise adjusted in terms of Clause 5.4 from time to time, as may be determined by the trust in consultation with the Compensation Committee pursuant to the provisions of this ESOP 2009). Provided that, in the event of Exercise of Options resulting in fractional Shares, the trust shall be entitled to round off the number of Shares to be issued to the nearest whole number, and Exercise Price shall be correspondingly adjusted. All Shares of the Company lying in the trust, allotted consequent to Exercise of Options shall rank pari passu with the existing Shares of the Company.

10.3 Options can be exercised within the <u>exercise period of 10 years**</u> from the date of grant of options by paying in full the stipulated exercise price per share either by

a. cheque payable at the registered office of the Company and the amount of tax calculated with the prevalent laws at that particular time,

b. the employee authorizes the Company to deduct such amount from his salary due and payable for exercise of the Option. The allotment of securities shall be made only after receipt of the full amount.

c. Such other consideration as may be approved by the Board/Compensation Committee from time to time to the extent permitted by applicable law or

d. Any combination of any two or more of the above mentioned methods.

***The shareholders at their 15th AGM held on 26th September 2014 has amended the ESOP scheme 2009 by extending the exercise period to 10 years from the date of granting of options..*

10.4 The Options are granted at a price decided by the trust from time to time. However the Exercise Price shall not be less than the face value per share per option. The exact price payable by the option grantee for each grant would be as specified in the Notice of Option Grant.

10.5 The Employee Stock Options Granted shall be capable of being Exercised as detailed below in such proportions as defined in the Notice of Option Grant. The options cancelled or lapsed without being exercised will be available for further grant under any Employee Stock Option Scheme of the Company. For an Option Grantee to exercise the options, he must remain in the employment of the company as on the date of exercise of options by him except under sub-clause 10.6 and 10.7 below.

10.6 In the event of the death of an Employee while in employment with the Company, all the Unvested Option granted to him/her till his/her death shall vest immediately with effect from the death to his/her nominee or legal heir and all the Vested Options may be Exercised by the Option Grantee's nominee or legal heir of the deceased employee immediately after, but in no event later than one year from the date of death of such Employee.

10.7 In the event of Option Grantee suffers from Permanent Disability while he/she is in employment all the Unvested Options granted to him/her under the scheme as on date of Permanent Disability shall vest immediately and all the Vested Options may be Exercised by the Option Grantee or his nominee or legal heir immediately after Permanent Disability but in no event later than one year from the date of separation from employment.

10.8 In the event of resignation by the Option Grantee, all the Unvested Option of such Option Grantee shall lapse and all the vested options of such Option Grantee shall continue to be vested in such Option Grantee which shall be exercised in accordance with the terms and conditions laid down by Compensation Committee. However, such Option Grantee shall be under an obligation to exercise all his/her vested options not later than his/her last working day with the Company failing which the vested options of such Option Grantee shall lapse.

10.9 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 prior to the abandonment of employment, shall stand terminated with immediate effect.

The Compensation Committee, at its sole discretion shall decide the date of cancellation of options and such decision shall be binding on all concerned.

10.10 In the event of termination of the employment of an Option Grantee due to misconduct or breach of Company Policies or the Terms of Employment, all Employee Stock Options Granted to such Employee, including the Vested Options which were not Exercised prior to such breach shall stand cancelled as on that date. Further, in event of termination due to Misconduct or breach of Company Policies or the Terms of Employment, the Employees shall pay back to the Trust, the entire benefit derived by the Employee from Option(s) Exercised. In the event of Employee not being able to pay back the aforesaid amount, the Employee shall re-transfer to the trust all the shares arising on Exercise of option at the Exercise Price.

10.11 In the event of separation of an option grantee from the employment due reasons other than those mentioned in clauses, 10.6,10.7,10.8,10.9,10.10,10.11 the Compensation Committee, at its sole discretion may decide the treatment of all Vested (unexercised) and Unvested options.

10.12 The Options Granted but not Vested and the Options Vested but not Exercised in case of an Employee who has been suspended from the services of the Company, or to whom a show cause notice has been issued, or against whom an enquiry is being or has been initiated, for any reason whatsoever, including but not limited to, misconduct, violation of Company Policies, codes of the Company or Terms of Employment or for having committed or abetted any illegal or unlawful activity may, on the recommendation of the management, be suspended or kept in abeyance or cancelled at the sole discretion of the Compensation Committee. In case of Options that have been suspended or kept in abeyance, the same may be vested in the concerned Employee on such additional terms and conditions, as may be imposed by the Compensation Committee in its absolute discretion.

11. CORPORATE ACTIONS

11.1 Except as hereinafter provided, a Grant made shall be subject to adjustment, by the Compensation Committee, at its discretion as to number of Options and the Exercise Price, as the case may be, in the event of ‘Change in Capital Structure’ or a ‘Corporate Action’ as defined herein.

11.2 The existence of the Scheme and the Grants made hereunder shall not in any way affect the right or the power of the Board of Directors or the shareholders or the Company or the trust to make or authorise any ‘Change in Capital Structure; or any ‘Corporate Action’ including any issue of shares, debt or other securities having any priority or preference with respect to the Shares or the rights thereof.

11.3 If there is a ‘Change in the Capital Structure of the Company’ before the Options granted under this Scheme are Exercised, the Employee shall be entitled on Exercise of the Options, to such number of shares and/or the Resultant Shares to which he would have been entitled as if all the Options not Exercised by him/her had been Exercised by him/her before such ‘Change in the Capital Structure of the Company’ had taken place and the rights (including the number and the Exercise Price) under the Grant shall stand corresponding adjusted subject to the exercise price not being less than the face value of the Shares.

12. NON-TRANSFERABILITY OF OPTIONS

12.1 Options granted to an employee shall not be transferable to any person.

12.2 The option granted to the employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner.

12.3 The above clauses shall be subject to any exceptions stated in Clauses 10.6 and 10.7.

13. TERMS AND CONDITIONS OF SHARES

13 All Shares acquired under the ESOP 2009 will rank pari passu with all other shares of the Company for the time being in issue, save as regards any right attached to any such shares by reference to a record date prior to the date of allotment. Dividend in respect of shares allotted on exercise of the Option shall be payable pro-rata from the date of allotment and in accordance with the prevalent laws.

13.1 Neither a Option holder, not his successor in interest, shall have any of the rights of a shareholder of the Company with respect to the Shares for which the Option to be exercised and until such Shares are issued and allotted by the Company.

14. BENEFITS AND OBLIGATIONS AS SHAREHOLDERS

14.1 All the employees who have taken the equity shares under the ESOP 2009 will receive all regular benefits as shareholders of the Company like Dividends, Rights and Bonus Shares etc., only from the date of transfer of equity shares pursuant to exercise of options under this Scheme.

14.2 The employee who holds any equity shares under the ESOP 2009 shall not divulge the details of the Scheme and his holdings to any person except with the prior permission of the Compensation Committee/trust obtained in writing.

14.3 The employee shall enter into such agreement, as the Company/Trust may desire from time to time to more fully and effectively implement this Scheme.

14.4 The employee shall not under any circumstances assign or transfer his rights or obligations under the ESOP 2009 to any third party, except to the nominees, without the consent in writing by the Compensation Committee/trust.

14.5 The Employee shall ensure that there is no violation of:

a. SEBI (Prohibition of Insider Trading) Regulations, 2015; and

b. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;and

c. Company’s Policy on Insider Trading;

d. Any other regulations to prevent fraudulent or harmful practices relating to the Securities Market.

The Employee shall keep the Company, the Board, the Compensation Committee fully indemnified in respect of any liability arising for violation of the above provisions.

The employee, on transfer of shares by the Trust in accordance with the provisions of this scheme, shall become the absolute owner of the shares and shall be entitled to deal with them in the manner he chooses.

The employee shall comply with the rules for dealing in the securities of Saksoft pursuant to exercise of the shares, as may be framed by the Compensation Committee from time to time, with respect to trading restrictions. This Scheme also provides for certain restriction in trading activity by employees, who have exercised their options during certain periods termed "black out period".

15. GOVERNMENT REGULATIONS

15.1 This Scheme shall be subject to all applicable laws, rules, regulations, and notifications and to such approvals by any governmental agencies in this regard. The grant of stock options under this ESOP 2009 shall entitle Saksoft to require the eligible employees to comply with such requirements of law as may be necessary in the opinion of Saksoft.

16. LOCK – IN - PERIOD

16.1 The shares acquired under the scheme shall not be subject to any lock-in period except in case of an acquisition from the secondary market in which event the shares will be under a lock in period of six months.

17. TAX LIABILITY

17.1 In the event of any tax liability arising on account of the issue of options and / or transfer of the shares to the employee, the liability shall be that of the employee alone. The employee shall indemnify the Company against any tax or other liabilities.

17.2 All tax liabilities arising on disposal of the equity shares after exercise would require to be handled by the employee.

17.3 Tax on the perquisite value, if any, shall be paid by the employee on exercise of options.

17.4 In the event of any amendments or modifications to the provisions of the Income Tax Act, 1961 and/or the Rules framed there under, as existing on the date of this ESOP 2009, the Compensation Committee shall have the power to amend or modify this ESOP 2009, without consent of the Employees or the Shareholders, as the case may be, in order to ensure that the Company is in the same position as it would have been had the amendments or modifications in the said Act and/or the Rules framed there under have not been made.

18. VARIATION OF TERMS OF ESOP 2009

18.1 Subject to Applicable Law, the Compensation Committee shall in its absolute discretion have the right to modify/amend the ESOP 2009 in such manner and at such time or times as it may deem fit, subject however that any such modification/amendment shall not be detrimental to the interest of the Option Grantees/Employees and approval wherever required for such modification and/or the amendment is obtained from the shareholders of the Company in terms of the SEBI (SBEB & SE) regulations, 2021.

18.2 The Compensation Committee may re-price the Options, which are not Exercised, if ESOP 2009 is rendered unattractive due to fall in the Share price in the stock market. Provided that the Compensation Committee shall ensure that such re-pricing shall not be detrimental to the interest of the Option Grantees/Employees and such re-pricing is in terms/compliance with the SEBI (SBEB & SE) Regulations, 2021.

19. CONTRACT OF EMPLOYMENT

19.1 This Scheme shall not form part of any contract of employment between Saksoft, trust and the employee. The rights and obligations of any individual under the terms of his office or employment with Saksoft shall not be affected by his participation in this Scheme.

19.2 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.

19.3 This Scheme shall not confer on any person any legal or equitable rights against the company either directly or indirectly or give rise to any cause of action on law or equity against Saksoft.

19.4 This Scheme is purely at the discretion of Saksoft.

20. CONFORMANCE OF THE ACCOUNTING POLICIES

20.1 The Company shall conform to the accounting policies prescribed by SEBI (SBEB & SE) Regulations, 2021 and any other applicable law from time to time.

21. METHOD USED FOR VALUING THE OPTIONS

21.1 The Company shall follow the intrinsic value method for computing the compensation cost for the Options Granted. The difference between the compensation cost so calculated and the compensation cost that would have been recognised if the Company had used fair value method and its impact on the profits and earnings per share shall be disclosed in the Directors' Report.

- End of the Scheme-