YEARS OF BANKING

AU SMALL FINANCE BANK
A SCHEDULED COMMERCIAL BANK

Ref. No.: AUSFB/SEC/2022-23/496
Date: 11th March, 2023

To,

National Stock Exchange of India Ltd. **Exchange Plaza, C-1, Block G,** **Bandra Kurla Complex,** **Bandra (East), Mumbai 400051,** **Maharashtra.** **NSE Symbol: AUBANK**	**BSE Limited** **Phiroze Jeejeebhoy Towers,** **Dalal Street,** **Mumbai 400001,** **Maharashtra.** **Scrip Code: 540611**

Dear Sir/Madam,

Sub: Adoption of "AU Employees Stock Option Scheme 2023" – Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Pursuant to Regulation 30 of the Listing Regulations, we hereby inform that based on the recommendation of the Nomination and Remuneration Committee ("**NRC**"), the Board of Directors of AU Small Finance Bank Limited (the "**Bank**") at its meeting held on 10th March, 2023 has approved the adoption of "AU Employees Stock Option Scheme 2023" ("**AU ESOS 2023**") in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, subject to approval of the shareholders of the Bank.

The details required under Regulation 30 of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 09th September, 2015 are given in the enclosed **Annexure – I.**

This is for your information and records.

Thanking You,
Yours faithfully,
For AU SMALL FINANCE BANK LIMITED

MANMOHAN PARNAMI

Digitally signed by MANMOHAN PARNAMI
Date: 2023.03.11 16:25:07 +05'30'

Manmohan Parnami
Company Secretary and Compliance Officer
Membership No.: F9999
investorrelations@aubank.in

Annexure – I

Sr. No.	Particulars	Description
1	Brief details of options granted	Not Applicable
2	Whether the scheme is in terms of SEBI (Share Based Employee Benefit and Sweat Equity) Regulations, 2021 (if applicable)	Yes
3	Total number of shares covered by these options	The Options to be granted under the AU ESOS 2023 shall not exceed 2,00,00,000 (Two Crores) (as adjusted for any changes in the capital structure of the Bank) exercisable into one equity share of having face value of Rs. 10/- each for one option.
4	Pricing formula	The exercise price for options shall be linked to Market Price under AU ESOS 2023 and shall be determined by the NRC pursuant to Regulation 17 and other provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
5	Options vested	Not Applicable
6	Time within which option may be exercised	within a maximum period of Six years starting from the 1st Vesting Date.
7	Options exercised	Not Applicable
8	Money realized by exercise of options	Not Applicable
9	The total number of shares arising as a result of exercise of option	Not applicable
10	Options lapsed	Not applicable
11	Variation of terms of options	Not applicable
12	Brief details/significant terms of the Scheme	The NRC is empowered for administration and superintendence of AU ESOS 2023. The objectives of the AU ESOS 2023 are: i. to attract and retain the personnel for such positions in the Bank which are eminent/significant in nature and involve substantial responsibilities, authority, power, etc. ii. to provide additional incentive to the Employees since, equity-based compensation plans forms an integral part of employee compensation as it enables alignment of personal goals of the Employee(s) with Bank's objectives by making the Employee(s) owners of the Bank through share-based compensation plans; and/or iii. to enable the bona fide Employees, present and hereinafter existing, giving a sense of belongingness to the employees towards the Bank, having the opportunity to participate for their wealth creation with the growth of the Bank.
13	Subsequent changes or cancellation or exercise of such options	Not applicable
14	Diluted earnings per share pursuant to issue of equity shares on exercise of options	Not applicable