

1. INTRODUCTION

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

2. DEFINITIONS

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

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

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

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

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

- 2.15 **“Exercise Application”** means the application form as may be prescribed by the Compensation Committee, in which the employee has to apply to the Company along with a cheque/demand draft in respect of the exercise price, for exercising the options vested in him/her.
- 2.16 **“Exercise Date”** means the date on which an employee exercises the Option.
- 2.17 **“Exercise Period”** means the time period after vesting within which the employee should exercise his right to apply for shares against the options vested in him in pursuance of the ESOP 2009.
- 2.18 **“Exercise / Strike Price”** means the price payable by the employee for exercising the option granted to him in pursuance of the ESOP 2009 which may be decided by the Compensation Committee.
- 2.19 **“Grant”** means issue of the options to employees to purchase shares of Saksoft under the ESOP 2009.
- 2.20 **“Grant Date”** means the date fixed by the Compensation Committee, to be the date on which the Scheme is extended to any employee. The date would be specified in the Letter of Offer issued to the employee.
- 2.21 **“Independent Directors”** means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group.
- 2.22 **“Intrinsic Value”** means the excess of the Market Price of the Share under ESOP 2009 over the exercise price of the option (including up-front payment, if any)
- 2.23 **“Letter of Grant / Offer”** means the letter issued by the Company intimating the employee of the options granted to him/her for acquiring a specified number of shares at the exercise price
- 2.24 **“Lock-in Period”** means the period during which Employees shall not sell, pledge or otherwise transfer, directly or indirectly, any of his/her shares or dispose of any interest in or over or right attaching to any of his/her Shares

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

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

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

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

3. AUTHORITY AND CEILING

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

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

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

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

5. COMPENSATION COMMITTEE

5.1 Saksoft has already constituted a Compensation Committee which shall administer and supervise the ESOP 2009.

5.2 The Compensation Committee shall consist of such number of persons, as the Board may deem fit from time to time, to be appointed from amongst the Directors. Provided however that the independent director as defined under the Listing Agreement shall constitute a majority in the Compensation Committee. The Board shall at its sole discretion have the power to appoint any Director as a member of the Compensation Committee and to remove any such Director so appointed and appoint another in his place. Any such appointment and/or removal shall be made by a resolution of the Board. The Compensation Committee shall be entitled to invite any person to attend its meetings and participate in the discussion and deliberations if it so thinks fit. The Compensation Committee, in the exercise of its powers, may require any information from the Company, and/or seek the assistance of any Employee of the Company as it may deem fit to effectively discharge its duties.

5.3 All questions, interpretations, dispute, discrepancies or disagreements which shall arise under, or as a result of, or pursuant to, or in connection with ESOP 2009 shall be referred to the Compensation Committee and shall be determined by the Compensation Committee. Such determination / decision / interpretation shall be final and binding upon all persons having an interest in or affected by ESOP 2009

5.4 The Compensation Committee shall meet not less than 2 times in a year for the purpose of administering the Scheme and shall, *inter alia*, formulate the detailed terms and conditions of the Scheme including:

- decide on the eligible grade of employees, as well as identify employees eligible within the grade for the ESOP 2009;
- decide on the total quantum of incentive to be offered / granted in the form of ESOP 2009 during the year based on employee performance;
- decide the time when the Options are to be granted

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

- the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions viz mergers, liquidation, amalgamation etc;
- the grant, vest and exercise of option in case of employees who are on long leave; and to lay down conditions under which options vested may lapse in case of termination of employment for misconduct etc. and
- determine, alter, amend, modify, add, delete or vary any terms and conditions of any option granted in the program under the ESOP 2009 to the extent it is not inconsistent with the terms of the ESOP 2009.
- To re-issue or re-grant the options which have lapsed due to whatsoever reasons.
- Obtaining permissions from and making periodic reports to the regulatory authorities as may be required by and ensuring compliance with all applicable law
- Framing appropriate procedures and rules for granting, vesting and exercise of options and amending , altering, modifying and rescinding such procedures and rules from time to time
- arranging to get the shares, issued under the ESOP 2009, listed in the recognized Stock Exchanges on which the equity shares of the Company are already listed
- Ensuring submission of information/ reports etc in connection with the ESOP 2009, to the Stock Exchanges at stipulated periodical intervals or otherwise and
- Approve forms, writings and or agreements for use in pursuance of the ESOP 2009

5.5 The Compensation Committee shall frame suitable policies and systems to ensure that there is no violation of:

- the Securities and Exchange Board of India (Insider Trading) Regulations, 1992, as and when applicable; and
- the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 1995, by any employee.

5.6 The number of members of the Compensation Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board of Directors, subject to the ESOP 2009 Guidelines and such other rules and regulations as may be in force. The Board may further provide that the Compensation Committee shall exercise certain powers only after consultation with the Board and in such case the said powers shall be exercised accordingly.

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 ESOP 2009. The member of the Compensation Committee shall abstain from participating in and deciding any matter relating awarding of any options to him.

6. GRANT PROCEDURE AND ACCEPTANCE
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6.1 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.

6.2 The Compensation Committee may from time to time grant options to one or more employees which may include recurring options to the same employee.

6.3 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.

7. VESTING PERIOD AND VESTING OF OPTION

7.1 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.

7.2 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 under the ESOP 2009, be eligible to exercise the said options.

7.3 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.

7.4 An employee may surrender his vested / unvested options at any time during his employment with the Company.

7.5 Any employee willing to surrender his options shall communicate the same to the Company. Thereafter the Surrendered options shall expire with effect from the date of surrender of options and become available for future grant under the scheme (unless the scheme has been terminated)

8. EXERCISE PERIOD & PROCEDURES

- 8.1 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 Compensation Committee. He 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 Compensation Committee 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.
- 8.2 Each Option would entitle the Employee, on Exercise, to acquire 1 (One) Share of face value of Rs.10/- 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 Compensation Committee pursuant to the provisions of this ESOP 2009). Provided that, in the event of Exercise of Options resulting in fractional Shares, the Compensation Committee 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 allotted consequent to Exercise of Options shall rank pari passu with the existing Shares of the Company.
- 8.3 Options can be exercised within the **exercise period of 10 years**** 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..*

- 8.4 The Options are granted at a price decided by the Compensation Committee 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.
- 8.5 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 8.6 and 8.7 below.
- 8.6 In the event of the death of an Employee while in employment with the Company, all the Vested Options and Unvested Options may be Exercised by the Option Grantee's nominee* immediately after, but in no event later than one year from the date of death of such Employee.
- 8.7 In the event of separation of an Employee from the Company due to reasons of Permanent Disability** all Vested Options as well as Unvested Options may be Exercised by the Option Grantee immediately after Permanent Disability but in no event later than one year from the date of separation from employment.
- 8.8 In the event of separation from employment for reasons of normal retirement or a Retirement specifically approved by the Company, all Unvested Options will lapse as on the date of such Retirement, unless otherwise determined by the Compensation Committee whose determination will be final and binding. However, All Vested Options can be exercised by the Option Grantee immediately after, but in no event later than three months from the date of such retirement.

- 8.9 In the event of resignation, all Unvested Options on the date of submission of resignation shall expire and stand terminated with effect from that date. However, all the Vested Options shall be exercised by the employee not later than his/her last working day with the Company
- 8.10 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.
- 8.11 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.
- 8.12 In the event of separation of an option grantee from the employment due reasons other than those mentioned in clauses 8.6,8.7,8.8,8.9,8.10,8.11, the Compensation Committee, at its sole discretion may decide the treatment of all Vested (unexercised) and Unvested options.

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.

*The mode of nominating any person as a nominee shall be prescribed by the Compensation Committee. In case of the death of any Employee who has not nominated any person(s), the Vested Options and the Unvested Options shall be Exercisable by the legal heir(s) / successor(s) of such Employee immediately, but in no event later than one year from the death of the employee; provided however that the legal heir(s) /

successor(s) shall be required to produce to the Company all such documents / indemnities as may be required by the Company to prove the succession of the assets of the deceased Employee. In case the proof of succession is not submitted to the Company within six months from the date of death of the Employee or such further time as the Compensation Committee may permit in its absolute discretion, the Options shall lapse and shall be available for Grant by the Compensation Committee to any other Employee(s) as it may deem fit in its absolute discretion.

******In the event of death of the Option Grantee after such separation and before the expiry of one year from the date of such separation, the nominee/legal heir of such Option Grantee will be allowed to Exercise all Vested Options and Unvested Options of the Option Grantee before the expiry of one year from the date of death or four years from the date of vesting, whichever is earlier, and the provisions of Clause 8.6 above shall be applicable, mutatis mutandis.

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

********The Compensation Committee, in their sole discretion, shall decide whether an act constitutes misconduct or breach of policy or terms of employment.

9. CORPORATE ACTIONS

9.1 In the event of any change in the constitution of the Company, change of control of the Company, re-structuring of the Company including but not limited to, merger, de-merger, spin-off, reverse merger, subsidiarisation etc. or amalgamation of any other entity with the Company, the Options Granted herewith may Vest forthwith subject to the minimum time for Vesting prescribed under the SEBI Guidelines at the discretion of the Compensation Committee. In such an event the Compensation Committee would have the authority to alter all or any of the terms relating to the Grant or this ESOP 2009 in general and would also have the authority to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under Applicable Law, so as to ensure that the benefits under the Grant are passed on to the Employees. The Compensation Committee shall take appropriate actions to ensure that total value of the Options remains the same after the aforesaid corporate actions and in this regard shall if necessary, issue fresh Options/shares of the holding/subsidiary companies of the Company and/or resultant entities emerging due to such corporate actions.

10. NON-TRANSFERABILITY OF OPTIONS

- 10.1 Options granted to an employee shall not be transferable to any person.
- 10.2 The option granted to the employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner.
- 10.3 The above clauses shall be subject to any exceptions stated in Clauses 8.6 and 8.7.

11. TERMS AND CONDITIONS OF SHARES

- 11.1 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.

- 11.2 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.

12. BENEFITS AND OBLIGATIONS AS SHAREHOLDERS

- 12.1 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.
- 12.2 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 obtained in writing.
- 12.3 The employee shall enter into such agreement, as the Company may desire from time to time to more fully and effectively implement this Scheme.
- 12.4 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.
- 12.5 The employee shall comply with the provisions of Insider Trading Regulations, as amended by SEBI in dealing with the shares resulting from such conversion.
- 12.6 The employee shall comply with the rules for dealing in the securities of Saksoft, 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 during certain periods termed "black out period". The employee shall not undertake any trading activity during the following periods in respect of stock options exercised under the Scheme:
- 10 days prior to the date of the Board meeting and 2 days after the Board meeting.
 - 10 days prior to the issue of quarterly results and 2 days thereafter.

- 10 days prior to the issue of the annual results and 2 days thereafter.

The dates of the Board meetings shall be communicated to employees in advance.

13. GOVERNMENT REGULATIONS

13.1 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.

14. LOCK – IN - PERIOD

14.1 There will be no lock-in period in respect of the Shares, which may be issued/ allotted on Exercise of the Options Granted pursuant to this Scheme.

15. TAX LIABILITY

- 15.1 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.
- 15.2 All tax liabilities arising on disposal of the equity shares after exercise would require to be handled by the employee.
- 15.3 Tax on the perquisite value, if any, shall be paid by the employee on exercise of options.
- 15.4 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.

16. VARIATION OF TERMS OF ESOP 2009

- 16.1 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 Guidelines.
- 16.2 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 Guidelines

17. CONTRACT OF EMPLOYMENT

- 17.1 This Scheme shall not form part of any contract of employment between Saksoft 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.
- 17.2 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.
- 17.3 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.
- 17.4 This Scheme is purely at the discretion of Saksoft.

18. CONFORMANCE OF THE ACCOUNTING POLICIES

- 18.1 The Company shall conform to the accounting policies prescribed by Securities and Exchange Board of India and as specified by the SEBI Guidelines from time to time.

19. METHOD USED FOR VALUING THE OPTIONS
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- 19.1 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-