



# **AU SMALL FINANCE BANK LIMITED**

## **EMPLOYEES STOCK OPTION PLAN 2018**



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## SECTION 1

### SHORT TITLE, EXTENT, COMMENCEMENT AND TERM OF ESOP 2018

- 1.1. This employee stock option plan shall be called the “**AU SMALL FINANCE BANK LIMITED - Employees Stock Option Plan 2018**” or “**AU ESOP Scheme 2018**” or “**ESOP 2018**” and these expressions shall include any alterations, modifications and amendments thereto.
- 1.2. The ESOP 2018 has been formulated by the Bank at its Board meeting dated held on 26<sup>th</sup> April, 2018 and approved at shareholders’ meeting dated 7<sup>th</sup> August, 2018, in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- 1.3. The ESOP 2018 is established after receiving approval from the Shareholders of the Bank in the general meeting of the Bank held on the Effective Date and shall continue to be in force until (i) the BoD and/or the Nomination and Remuneration Committee (“**NRC**”) (Compensation Committee *as defined below*), subject to applicable laws, terminates the Plan; (ii) the date on which all the Options (as defined below) available for issuance under ESOP 2018 have been issued and exercised.



## SECTION 2

### OBJECTIVE OF THE ESOP 2018

2.1. The underlying purpose of the ESOP 2018 is:

- (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 as according to the Bank, 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, to share the wealth that they helped in creating for the Bank over a certain period of time.



## SECTION 3

### DEFINITIONS AND INTERPRETATION

#### 3.1 Definitions

In this ESOP, 2018, the following terms/expressions including their grammatical variations or cognate expressions shall have the following meaning unless the context requires otherwise:

<b>(a)</b>	<b>Applicable Law</b>	means every law relating to equity-based compensation plan including but not limited to the Companies Act, 2013 and any statutory modifications or re-enactments with respect to the same, Securities and Exchange Board of India Act, 1992, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and all relevant statutes, laws, regulations, ordinances, rules, judgments, orders, enactments, decrees, bye-laws, approvals, directives, guidelines, policies, requirements or other governmental restrictions or any similar form of decisions, or determination by, or any interpretation of administrative order having the force of law in India of any of the foregoing by any Government Authority having jurisdiction over the matter in question.
<b>(b)</b>	<b>BoD</b>	means the Board of Directors of the Bank.
<b>(c)</b>	<b>Cause</b>	means (a) the failure of the Employee to achieve assigned performance targets and objectives, (other than any such failure resulting from retirement, death or Disability); (b) engagement of the Employee in wilful, reckless or grossly negligent misconduct which is determined by the NRC Committee to be detrimental to the interest, reputation, etc. of the Bank or any of its affiliates; or (c) the Employee is found guilty of or convicted for felony, fraud, moral turpitude, misfeasance, breach of trust or wrongful disclosure of any secret or confidential information of the Bank to any third party; or (e) employment of the Employee in any other organization or provision of services by the Employee for any other organization; or (f) engagement of the Employee in activities which are materially detrimental to the business or interests of the Bank, its subsidiaries or its employees; or (g) breach by the Employee of terms and conditions of employment and/or of the Letter of Grant and/or of the Plan on the part of the Employee or (h) Employee remains absent frequently or without notice for a period to as mentioned under Human Resource Policy of the Bank.
<b>(d)</b>	<b>Change in Capital Structure</b>	means a change in the capital structure of the Bank as a result of re-classification of Shares, splitting up of the face value of Shares, sub-division of Shares, conversion of Shares into other Shares or

		securities and/or any other change in the rights or obligations in respect of Shares.
(e)	<b>Companies Act</b>	means the Companies Act, 2013 along-with the rules thereto and includes any statutory modifications or re-enactments thereof.
(f)	<b>Bank</b>	means <b>AU SMALL FINANCE BANK LIMITED</b> a company duly incorporated and registered under the provisions of the Companies Act, 1956 and, having its registered office at 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur - 302001, Rajasthan.
(g)	<b>Nomination &amp; Remuneration Committee ("NRC")</b>	The Nomination & Remuneration Committee ("NRC") shall be a committee of such members of the Board of Directors of the Bank as provided under section 178 of the Companies Act, 2013, as amended or modified from time to time. Which 8 may also be referred as Compensation Committee of the Bank.
(h)	<b>Corporate Actions</b>	means any one of the following actions/events by or in relation to the Bank: (a) Issue of bonus or rights shares; (b) The merger, de-merger, spin-off, consolidation, amalgamation, sale of business (except to a subsidiary) or other reorganization or restructuring of the Bank in which all the Shares are converted into or exchanged for: (c) a different class of securities of the Bank; or (d) any securities of any other issuer; or (e) cash; or (f) other property (g) The sale, lease or exchange of all or substantially whole of the assets/ undertaking of the Bank to any other Bank or entity (except to a subsidiary); (h) The adoption by the Shareholders of the Bank of a scheme of liquidation, dissolution or winding up; (i) change in structure, business model of the Bank; (j) any other event, which in the opinion of the BoD has a material impact on the business of the Bank.
(i)	<b>Disability</b>	means permanent physical or mental incapacity of an Employee to perform his/her duties as per the terms of employment of the Employee.
(j)	<b>Effective Date</b>	shall mean 7 <sup>th</sup> August 2018 i.e. the date on which ESOP 2018 is approved by the Shareholders in general meeting of the Bank.
(k)	<b>Employees</b>	shall mean: (a) a permanent employee of the Bank who has been India or outside India; or (b) a Director of the Bank, whether a whole time director or not or; identified by the NRC Committee as beneficiaries of the ESOP 2018 from time to time.

		<p>(c) an employee as defined in clause (a) or (b) of a subsidiary, in India or outside India, or of a holding company of the Bank.</p> <p>However, the following persons shall be deemed to have been excluded from the definition of the term 'Employee':</p> <p>(a) an employee who is a promoter or a person belonging to the promoter group; or</p> <p>(b) A Director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent (10%) of the outstanding equity shares of the Bank; and</p> <p>(c) an Independent Director as described in Regulation 16 of Chapter IV of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time.</p> <p>It is clarified that an Employee shall not cease to be an employee in the case of: (i) any leave of absence approved by the Bank; or (ii) transfer of an Employee from one office to another office of the Bank, its subsidiary and/or its holding Bank.</p>
(l)	<b>Employment Date</b>	shall mean the date on which the employment of an Employee becomes effective as per the employment contract/appointment letter of such Employee.
(m)	<b>Employees Stock Option Plan 2018 or AU ESOP Scheme 2018 or ESOP 2018</b>	shall have the meaning ascribed to it in Section 1.1.
(n)	<b>ESOP Trust</b>	Means AU Small Finance Bank Employees Welfare Trust, a trust established under the ESOP Trust Deed and as per the provisions of the Indian Trusts Act, 1882 including any statutory modification(s) or re-enactment(s) thereof, for the purpose of implementation and administration of ESOP 2018 and which may and hold cash, shares or other securities of the Bank for the purposes of any of the Employee Stock Option Schemes of the Bank implemented from time to time.
(o)	<b>ESOP Trust Deed</b>	means the trust deed executed on 26 <sup>th</sup> March, 2012 for formation of the AU Small Finance Bank Employees Welfare Trust and as amended on 23 <sup>rd</sup> June 2020 and earlier amended on 23 <sup>rd</sup> May, 2014 (including the Supplementary trust deed executed on 24 <sup>th</sup> January, 2017) pursuant to which the ESOP Trustee shall hold Underlying Shares in trust for the Employees. The Underlying Shares shall be held and disposed off by the ESOP Trustee in accordance with the provisions hereof.
(p)	<b>ESOP Trustee</b>	means the trustees of ESOP Trust appointed under the ESOP Trust Deed.
(q)	<b>Exercise</b>	means the exercise in pursuance to the ESOP 2018, of Vested Options by an Option Grantee by tendering of an application in the format for purchase or subscription of the Underlying Shares in accordance

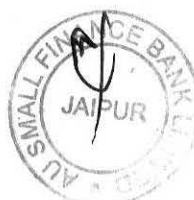
		with the procedure laid down by the Bank for exercise of the Options and accompanied by the Exercise Price payable for such Shares.
(r)	<b>Exercise Period</b>	means the time period of Six (6) years starting from the 1st Vesting Date, within which an Option Grantee should exercise his/her right to apply for Shares against the Vested Option in pursuance to the ESOP 2018.
(s)	<b>Exercise Price</b>	means the price per Share payable by the Option Grantee in order to exercise the Options granted to him as set out in his Letter of Grant.
(t)	<b>Grant(s)</b>	means the process of issuing Options to the Employees under this Plan by the Bank.
(u)	<b>Grant Date</b>	means the date fixed by the Bank to be the date on which the ESOP Plan is extended to any Employee after approval of the NRC Committee. The Grant Date will be specified in the Letter of Grant issued in favour of the Employee.
(v)	<b>Government Authority</b>	means (a) central, state, city, municipal or local government, governmental authority or political Subdivision there of having jurisdiction; (b) any agency or instrumentality of any of the authorities referred to I sub-clause (a); or (c) any regulatory or administrative authority, body or other organisation having jurisdiction, to the extent that the rules, regulations, standards, requirements, procedures or orders of such authority, body or other organisation have the force of the Applicable Law; or (d) any court or tribunal having jurisdiction.
(w)	<b>Letter of Grant</b>	means the letter issued by the Bank intimating to the Employee of the Options Granted or agreed to be Granted to the Employee for acquiring a specific number of Shares at the Exercise Price.
(x)	<b>Market Price</b>	means the latest available closing price on a recognized stock exchange on which the shares of the Bank are listed on the date immediately prior to the relevant date. Explanation-If such shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price.
(y)	<b>Options or Stock Options</b>	Means stock option granted to any employee directly or indirectly comprising of right but not an obligation to such Employee, to purchase or subscribe, at a future date, the Underlying Shares at a pre-determined price.
(z)	<b>Option Grantee</b>	means an employee having a right but not an obligation to exercise an option in pursuance of ESOP Scheme 2018.
(aa)	<b>Relevant Date</b>	Means (i) in the case of grant, the date of the meeting of the NRC committee on which the grant is made; or (ii) in the case of exercise, the date on which the notice of exercise is given to the Bank or to the trust by the employee of the Bank.

<b>(bb)</b>	<b>Resultant Shares</b>	means the equity shares issued in lieu of the Shares of the Bank for options due to Change in Capital Structure of the Bank or due to any Corporate Actions as mentioned in this Plan.
<b>(cc)</b>	<b>SEBI(SBEB) Regulations</b>	shall mean Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time
<b>(dd)</b>	<b>Secondary Acquisition</b>	shall mean acquisition of existing equity shares of the Bank by the ESOP Trust from the secondary market i.e. recognised stock exchange or from existing shareholders (including promoters and persons belonging to the promoter group) for cash consideration.
<b>(ee)</b>	<b>Share Capital</b>	means the paid-up share capital of the Bank.
<b>(ff)</b>	<b>Shares or Equity Shares</b>	means equity shares of the Bank with a nominal face value of Rs.10/- (Rupees Ten only) per equity share.
<b>(gg)</b>	<b>Shareholders</b>	means any person holding Shares of the Bank
<b>(hh)</b>	<b>Underlying Shares</b>	means the Shares underlying the Options on the basis of one Option entitling an Option Grantee to one Share
<b>(ii)</b>	<b>Unvested Options</b>	means Options which have not been Vested in the Option Grantee
<b>(jj)</b>	<b>Vesting (Vest, Vesting and Vested to be construed accordingly)</b>	means, subject to fulfillment of Vesting Conditions, earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of this ESOP 2018
<b>(kk)</b>	<b>Vesting Conditions</b>	means the conditions subject to fulfilment of which the Options would Vest in an Option Grantee.
<b>(ll)</b>	<b>Vesting Period</b>	means the period during which the Vesting of the Options Granted to the Option Grantees in pursuance of this ESOP 2018 takes place.
<b>(mm)</b>	<b>Vested Options</b>	means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to Exercise the rights.

### 3.2 Interpretation

- (a) In this ESOP 2018 (unless the context requires otherwise), any express reference to an enactment (which includes any legislation in any jurisdiction) includes references to:
- that enactment as amended, extended or applied by or under any other enactment before, on or after the date of this ESOP 2018; and
  - any subordinate legislation (including regulations) made (before, on or after the date of ESOP 2018) under that enactment, as re-enacted, amended, extended or applied as described in paragraph(i) above, or under any enactment referred to in paragraph (ii) above.
- (b) In this ESOP 2018, unless the contrary intention appears:

- (i) any reference to a contract, deed, indenture, constitutional document or other agreement includes references to that contract, deed, indenture, constitutional document or other agreement as amended, modified, supplemented, superseded or terminated, on or after the date thereof;
- (ii) any reference to including and include shall be construed to mean “including without limitation” and “include without limitation” respectively;
- (iii) any reference to a person shall be construed so as to include any individual, firm, Bank, unincorporated association of persons, government, state or agency of a state or any joint venture, association, partnership, or employee representative body (whether or not having separate legal personality);
- (iv) any reference to time shall mean local time in the relevant jurisdiction unless otherwise stated;
- (v) references to INR or Indian Rupees means lawful currency of India;
- (vi) Where there is any inconsistency between the definitions set out in Clause 3.1 and the definitions set out in any other clause or schedule, then for the purposes of construing such clause or schedule, the definitions set out in such clause or schedule shall prevail;
- (vii) words importing the singular shall include the plural and vice versa;
- (viii) references to a person save as otherwise provided in this ESOP 2018 or save as otherwise may be reasonably inferred shall include the successors or permitted assigns of that person (immediate or otherwise);
- (ix) The headings in this ESOP 2018 do not affect its interpretation and are for convenience only. Any schedule or annex to this Plan shall take effect as if set out in this Plan and references to this Plan shall include its schedules and annexure;
- (x) a reference to a recital, clause, sub clause, paragraph, subparagraph, schedule or item is a reference to a recital, clause, sub-clause, paragraph, sub-paragraph, schedule or item of this ESOP 2018;
- (xi) For the purposes of any calculation under this ESOP 2018, any fraction will be rounded up or down to the nearest integer;
- (xii) any references to “month” shall, unless a contrary intention appears, mean a continuous period of thirty (30) days from (and excluding) the date of the event where applicable, else a calendar month and “year” shall, unless a contrary intention appears, mean a continuous period of twelve (12) months from (and excluding) the date of the event where applicable, else a continuous period of twelve (12) calendar months and “calendar year” shall, unless a contrary intention appears, mean a continuous period of twelve (12) calendar months commencing on January 1<sup>st</sup> and ending on December 31<sup>st</sup>.



## SECTION 4

### AUTHORITY, CEILING AND ADMINISTRATION OF THE ESOP 2018

- 4.1. The Shareholders on the Effective Date have approved, by way of special resolution, the Grant of such number of Options representing, at any given point of time, not more than 49,33,200 (Forty Nine Lakh Thirty Three Thousand Two Hundred Only) fully paid-up Equity Shares of the Bank in aggregate, to be issued and allotted by the Bank and/or to be acquired through the ESOP Trust by way of Secondary acquisition, to the Employees of the Bank in accordance with the ESOP 2018, and have also authorised the NRC Committee to design, administer and supervise the ESOP 2018 by itself and by way of delegation to the ESOP Trust and ESOP Trustee in accordance with the provisions hereof and of the ESOP Trust Deed as well as Applicable Law and under the general direction and supervision by the BoD.
- 4.2. The ESOP Trust shall be governed by the following terms and conditions:
- (a) The ESOP Trust shall not deal in derivatives and shall undertake only such transactions as permitted by SEBI (SBEB) Regulations;
  - (b) A person shall not be appointed as a ESOP Trustee of the ESOP Trust, if he:
    - (i) is a director, key managerial personnel or promoter of the Bank or its holding, subsidiary or associate Bank or any relative of such director, key managerial personnel or promoter; or
    - (ii) beneficially holds ten percent (10%) or more of the paid-up share capital of the Bank .

Provided where individuals or 'one person companies' as defined under the Companies Act, 2013 are appointed as ESOP Trustees, there shall be a minimum of two (2) such ESOP Trustees, and in case a corporate entity is appointed as a ESOP Trustee, then it may be the sole ESOP Trustee.

- (c) The ESOP Trust and the ESOP Trustees shall ensure compliance of the provisions of the SEBI (SBEB) Regulations, Companies Act and all other Applicable Laws at all the times in connection with dealing with the Shares of the Bank including but not limited to maintenance of proper books of account, records and documents as prescribed.
- (d) The Bank shall issue to employees the Underlying Shares and Options in favour of the ESOP Trustee and the ESOP Trust shall be funded by the Bank for this purpose.
- (e) The ESOP Trustees shall not vote in respect of the Shares held by ESOP Trust so that any misuse arising out of exercising of such voting rights can be avoided and the shareholding held by trust shall be shown as 'non-promoter and non-public' shareholding.
- (f) If several employee stock option schemes are implemented through single ESOP Trust then such ESOP Trust shall keep and maintain proper books of account, records and other relevant documents relating to each of such scheme so as to explain the transactions involve in such scheme and to disclose, at any point of time, the financial position of each scheme and most importantly to give a true and fair view of the state of affairs of each scheme.

- (g) stock options allotted to the Employees under the scheme are freely tradeable and will not be subject to lock-in.
- (h) Means stock option granted to any employee directly or indirectly comprising of right but not an obligation to such Employee, to purchase or subscribe, at a future date, the Underlying Shares at a pre-determined price.
- (i) Any amendment/modification/alteration in the ESOP Trust Deed under which the ESOP Trust has been formed, shall be mandatorily filed with such stock exchange in India where the Shares of the Bank are listed.
- (j) Secondary Acquisition, in a financial year, by the ESOP Trust shall not exceed two percent (2%) of the paid-up equity share capital of the Bank which the Bank has as per latest audited financial statements.
- (k) The Shares acquired by the ESOP Trust under secondary acquisition shall be held by the ESOP Trust for a minimum period of six (6) months except where such Shares are required to be transferred in the circumstances enumerated in clause (b) of sub-regulation (14) of SEBI (SBEB) Regulations, 2014 whether off-market or on the platform of stock exchange.
- (l) The ESOP Trust shall undertake off-market transfer of shares only under the following circumstances:
- transfer to the employees pursuant to ESOP scheme;
  - when participating in open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, or when participating in buy-back, delisting or any other exit offered by the Settlor generally to its shareholders.
- (m) ESOP Trust shall not become a mechanism for trading in shares of the Settlor and hence shall not sell the shares in secondary market except under the following circumstances:
- cashless exercise of options under the ESOP scheme;
  - participation in buy-back or open offers or delisting offers or any other exit offered by the Settlor generally to its shareholders, if required;
  - for repaying the loan, if the un-appropriated inventory of shares held by the Trust is not appropriated within the timeline as provided under sub-regulation (12) of Regulation 3 of SEBI (SBEB) Regulations, 2014.
  - winding up of the ESOP scheme; and
  - based on approval granted by SEBI to an applicant, for the reasons recorded in writing in respect of the ESOP schemes, upon payment of a non-refundable fee of rupees one lakh (Rs.1,00,000/-) along with the application by way of a banker's cheque or demand draft payable at Mumbai in favour of the SEBI.
- (n) The ESOP Trust shall be permitted to undertake off-market transfer of Shares only under the following circumstances:
- cashless exercise of Options under the scheme covered by Part A of Chapter III of SEBI(SBEB) Regulations;
  - participation in buy-back or open offers or delisting offers or any other exit offered by the Bank generally to its Shareholders, if required;

- (iii). for repaying the loan, if the un-appropriated inventory of shares held by the ESOP Trust is not appropriated within the timeline as provided under sub-regulation (12) of SEBI(SBEB) Regulations, 2014;
  - (iv). winding up of the scheme(s);
  - (v). based on approval granted by SEBI to an applicant, for the reasons recorded in writing in respect of the schemes covered by Part A or Part B or Part C of Chapter III of SEBI (SBEB) Regulations, upon payment of a non-refundable fee of rupees one Lakh (Rs.1,00,000/-) along with the application by way of a banker's cheque or demand draft payable at Mumbai in favour of the SEBI in compliance of regulation 15 SEBI(SBEB) Regulations; and
  - (vi). transfer to the employees pursuant to scheme(s).
- 4.3. The Bank may lend monies to the ESOP Trust on appropriate terms and conditions in order to acquire the Shares either through new issue or Secondary Acquisition so that the ESOP 2018 can be implemented properly provided the requirements (as may be applicable) laid down in the Companies Act, 2013 read with Companies (Share Capital and Debenture) Rules, 2014, as amended from time to time, are fulfilled.
- 4.4. The NRC Committee is constituted for administration and superintendence of ESOP 2018 and to formulate detailed terms and conditions of the ESOP 2018. All the rights, powers, duties or liabilities of the BoD, to the extent delegated, shall be discharged by the NRC Committee including allotment of shares on exercise of options.. Further, all questions of interpretation of this ESOP 2018 shall be determined by the NRC Committee and such determination shall be final and binding upon all persons having an interest in this ESOP 2018.
- 4.5. The NRC Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the ESOP Trust, the Bank and its Employees, as applicable and as may specified by Board in this regard.
- 4.6. The NRC Committee shall determine the following in relation to the ESOP 2018:
- (a) formalizing the eligibility criteria and appraisal process of the Employees to participate in the ESOP 2018.
  - (b) identification of the Employees to whom Options shall be granted from time to time as per the provisions of ESOP 2018;
  - (c) the number of Options to be granted under the ESOP 2018 to each Employee subject to the ceiling mentioned in Clause 4.1 of this Plan;
  - (d) the time at which the Options are to be Granted;
  - (e) the number of tranches in which the Options are to be Granted to each Option Grantee;
  - (f) the terms and conditions subject to which the Options Granted would Vest in the Option Grantee i.e. lay down the Vesting Conditions;

- (g) the date of Vesting of the Options Granted i.e. the Vesting Date and the Vesting Period;
  - (h) conditions under which the Options may lapse;
  - (i) the Exercise Price or formula for arriving at the same;
  - (j) the Exercise Period and process of Exercise;
  - (k) number of Shares to be covered under each Option granted to the Employee hereunder;
  - (l) the terms and conditions subject to which an Option Grantee shall have a right to exercise all the Vested Options at one time or at various point of time within the Exercise Period;
  - (m) the method to be used for valuation for the Options;
  - (n) the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Change in Capital Structure and/or Corporate Actions;
  - (o) Liaoning /co-coordinating with/delegating to the ESOP Trustee the administration of the ESOP Trust and ESOP 2018;
  - (p) the procedure and terms for the Grant, Vesting and Exercise of Options and/or lapse thereof in case of Options Grantees who are: (i) on long leave; (ii) have ceased or have suffered Disability; or (iii) whose services have been seconded to any other Bank ;
  - (q) obtaining permissions from and making periodic reports to regulatory authorities, as may be required, and ensuring compliance with Applicable Laws;
  - (r) the treatment of the Vested Options: (i) after termination of employment of the Option Grantee; or (ii) if the same is not exercised by the Option Grantee during the Exercise Period;
  - (s) number of Options to be reserved for the Employees who will join the Bank in the future;
  - (t) exercise such other powers as may be necessary or expedient in connection with implementation or administration of the Plan including modalities specified under Section 62 of Companies Act read with relevant rules.
- 4.7 The terms, conditions, policies, rules, etc. framed by the NRC Committee, in pursuance of ESOP 2018, shall be final and binding on all the Employees of the Bank.



## SECTION 5

### ELIGIBILITY, GRANT PROCEDURE, VESTING SCHEDULE AND EXERCISE PRICE

#### 5.1. Eligibility

The specific Employees to whom the Options will be granted and their eligibility criteria, shall be determined by the NRC Committee.

#### 5.2. Grant Procedure

- (a) Options shall be Granted to the Employees by issuance of Letter of Grant. The Letter of Grant will be issued by a person, authorized in this behalf by the NRC Committee. The Letter of Grant shall contain the details with respect to ESOP 2018 and Options Granted such as number of Options Granted to the Employee, Grant Date, Vesting Date, Exercise Period, Exercise Price, formalities to be fulfilled, etc. and other terms and conditions with respect to exercise of the Options and acceptance of the Letter of Grant may be given by Employee over Email or by accepting the Copy of Allotment Letter
- (b) The terms and conditions stated in the Letter of Grant shall, at any time, prevail over the terms and conditions mentioned in this ESOP 2018 unless any term and/or conditions of this ESOP 2018 is made specifically applicable by the NRC Committee.
- (c) The Employees identified for Grant of Options shall be furnished with the disclosures prescribed under the SEBI (SBEB) Regulations.

#### 5.3. Vesting Schedule

- (a) Options granted under this ESOP 2018 would Vest after One year but not later than Six years from the date of Grant of such Options.
- (b) Vesting of Options shall be subject to continued employment of the concerned Option Grantee with the Bank on the Vesting Date.

#### 5.4. Exercise Price and Mode of Payment

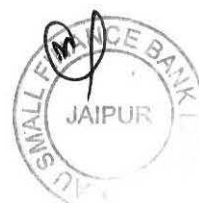
**Exercise Price** and mode of payment shall be as per the Letter of Grant.



## SECTION 6

### EXERCISE OF OPTIONS AND ISSUE OF SHARES

- 6.1 Any Option Grantee may Exercise its Vested Options, at any time, within the Exercise Period i.e. Six (6) years from the date of 1<sup>st</sup> Vesting of the Options under the ESOP 2018. Further, all the Vested Options which are not exercised by the Option Grantee within the Exercise Period shall expire and right of Option Grantee to Exercise shall lapse upon expiry of Exercise Period.
- 6.2 In order to Exercise the Vested Options, an Option Grantee shall serve a prior written notice of seven (7) days in the format prescribed in **Schedule1** attached to this Plan ("**Exercise Notice**") or in any other format prescribed to the ESOP Trustee and to the Bank specifying the intention to Exercise the Vesting Options and the number of Options the Option Grantee wishes to Exercise.
- 6.3 Upon receipt of the Exercise Notice, the ESOP Trustee shall transfer, in favour of the Option Grantee, the Underlying Shares subject to payment of the Exercise Price by the Option Grantee. The Bank, upon such transfer, shall record the said transfer and enter the name of the Option Grantee as a Shareholder of the Bank .
- 6.4 The Option Grantee shall bear all taxes applicable on: (i) any Exercise of the Vested Options; and (ii) transfer of Underlying Shares from the Bank to the Option Grantee.
- 6.5 The Option Grantee shall exercise the Options in full in respect of the Shares comprised in each lot covered by such Options and not in part of any lot.
- 6.6 Notwithstanding anything contained herein or elsewhere in this ESOP 2018, it is hereby clarified that the Bank is under no obligation to either buy the Shares or pay any NRC to any Option Grantee under this Clause as a result of the inability or unwillingness of the Option Grantee to acquire any Shares, whether due to lack of funds, any restriction under the law or otherwise.
- 6.7 Notwithstanding anything contained herein or elsewhere in the ESOP 2018, the NRC Committee, the BoD and/or the ESOP Trustee may, if the Exercise of Options within the Exercise Period is prevented by the Applicable Laws, defer or refuse to permit the Exercise of the Options till such time as prohibited by the Applicable Laws or regulations ("**Prohibition**"). Further, that the BoD shall have power and is hereby authorized to cancel all or any of the Options granted under the ESOP 2018 if the same is required under any Applicable Laws. In the event of such Prohibition or cancellation, the Bank /ESOP Trust shall not be liable to pay any compensation or similar payment to the Option Grantee, who cannot Exercise the Options due to the Prohibition or cancellation, for any loss suffered due to such Prohibition/cancellation.
- 6.8 If the Vested Options expires as per the conditions mentioned in the ESOP 2018, then such Vested Options shall become available for future Grant under this Plan provided the Plan is not terminated.
- 6.9 Where the Options, Vested or not, lapse due to any reason, the NRC Committee will have right to issue/re-issue the Options to the eligible Employees as long as the aggregate number of the Options shall not represent more than Shares of the Bank as mentioned in Section 4.1 above at any given point of time.



- 6.10 The Option Grantee shall not have any right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of Options granted to him/her, till the Underlying Shares are issued to the said Option Grantee upon Exercise of the Vested Option.
- 6.11 The Exercise Price or any amount paid by the Option Grantee at the time of Grant may be forfeited by the Bank /ESOP Trust if the Option is not exercised by the Employee within the Exercise Period, (b) the amount may be refunded to the Employee if the Options are not Vested due to non-fulfillment of any condition relating to Vesting of Option as per the Plan.
- 6.12 The Options granted to the Option Grantee under this Plan shall not be transferable to any person. Further, no person other than the Option Grantee to whom Options is granted under ESOP 2018 shall be entitled to the benefits arising out of such Exercise of Options.
- 6.13 The Options granted to the Employee under this Plan shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner. The Bank shall not recognize any pledge, hypothecation, mortgage or other alienation in violation of this Clause.
- 6.14 The ESOP Trustee shall not be obliged to sell any Shares upon Exercise of Options or otherwise unless such sale is complying, in the sole discretion of the ESOP Trustee, with provisions of Applicable Laws and the requirement of stock exchanges in which the Shares of the Bank are listed.
- 6.15 The ESOP Trust shall, at all times, have the first lien on all such Shares which forms the subject matter of this Plan, whether allotted consequent to exercise of original options granted or by way of bonus or rights issue, to recover any and all amounts, of any nature whatsoever, payable by the Employee either to the ESOP Trust in discharge of any agreement with the ESOP Trust or to any statutory authority in discharge of any obligation with regard to the Plan.



## SECTION 7

### TERMINATION OF EMPLOYMENT AND TRANSFER OF AN EMPLOYEE

#### 7.1. Termination of Employment by the Bank

In the event, the Bank terminates the employment of an Option Grantee:

- (a) with Cause then all the Options (Vested but not Exercised and Unvested) shall lapse;
- (b) without Cause then only Unvested Options shall lapse and all the Vested Options shall continue to be Vested in such Option Grantee and the Option Grantee shall exercise the Vested Options in accordance with the terms and conditions laid down by the NRC Committee. However, such Option Grantee shall be under an obligation to Exercise all his/her Vested Options within thirty (30) days from the date of termination of employment or before relieving from the Bank, whichever is earlier, failing which the Vested Options of such Option Grantee shall lapse.

#### 7.2. Resignation by the Option Grantee

In the event of resignation by the Option Grantee, all the Unvested Options of such Option Grantee shall lapse and all the Vested Options of such Option Grantee shall continue to be Vested in such Option Grantee and the Option Grantee shall exercise the same in accordance with the terms and conditions laid down by the NRC Committee. However, such Option Grantee shall be under an obligation to Exercise all his/her Vested Options within thirty (30) days from the date of his/her resignation or before relieving from the Banks, whichever is earlier, failing which the Vested Options of such Option Grantee shall lapse and no separate NOC shall be required from resigning employee in such a case. However, in the occurrence of any of the Cause before or after resignation of the Option Grantee, this clause shall not be applicable and Clause 7.1(a) shall be applicable.

#### 7.3. Death of the Option Grantee

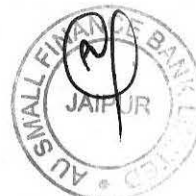
In the event of death of the Option Grantee while in employment of the Bank, all the Options shall Vest in immediately and exercised by the legal heirs or nominees of the deceased Option Grantee in accordance with extant SEBI (SBEB) Regulations.

#### 7.4. Disability of the Option Grantee

In the event the Option Grantee suffers from Disability while he is in employment of the Bank, all the Options shall Vest in immediately and exercised by him/her in accordance with extant SEBI (SBEB) Regulations.

#### 7.5. Termination of the employment due to any other reason

In the event of termination of employment of the Option Grantee due to any other reason which is not mentioned above, the NRC Committee shall determine the terms and conditions relating to exercise of the Vested Options of such Option Grantee and the decision of the NRC Committee shall be final in this regard. Further, in such event all Unvested Options shall stand cancelled.



## SECTION 8

### CHANGE IN CAPITAL STRUCTURE OR CORPORATE ACTION

- 8.1. In the event of any Change in Capital Structure or Corporate Action carried out by the Bank, any options that will be granted under the scheme / granted but are not exercised shall be appropriately adjusted by the Compensation Committee ("Committee").
- 8.2. The adjustment due to Change in Capital Structure or due to Corporate Action will be to the number of options and/ or Exercise Price and/ or to the number of Shares to be allotted, as the case may be, which will be at the discretion of the Committee, subject to Applicable Law.
- 8.3. In the event of Change in Capital Structure or any Corporate Action to be carried out by the Bank before the Options granted under this Scheme are exercised, the Option Grantee shall be entitled to such number of Resultant Shares as appropriately adjusted considering that all outstanding Options (including granted but not vested/ vested but not exercised) have been exercised by him/ her before such Change in Capital Structure/ Corporate Action had taken place and his/ her rights for exercising of Options shall stand correspondingly adjusted.
- 8.4. For any other corporate action not mentioned above, the treatment of options (including the options vested/ to be vested/ exercised/ to be exercised/ available for Grant and those available for re-issue) shall be decided by the Committee, subject to Applicable Law.

The following shall, inter alia, be taken into consideration by the Committee before making any adjustments:

- (i) In case the provisions of the Applicable Law restrict/ prohibit the issue of the Resultant Shares at a discount, the Exercise Price shall not be less than the amount as prescribed under Applicable Law;
- (ii) The number of options and/ or Exercise Price and/ or number of Shares to be allotted shall be adjusted in a manner such that total value to the employee of the options remains as nearly as possible the same after the Change in Capital Structure/ Corporate Action;
- (iii) The vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holder(s);
- (iv) In case of bonus issue, Committee may adjust number of options and/ or Exercise Price and/ or allot such number of bonus shares at the time of issuing Shares against original Options, as part of adjustment to the number of original Options on account of bonus adjustments, that post allotment of such bonus shares the Option Grantee is at the same shareholding level as she/ he would have been at the time of issuance of Shares against her/ his original Options prior to the bonus issue. The Option Grantee will not be required to pay any additional consideration for such allotment of bonus shares on account of bonus adjustments.



## SECTION 9

### AMENDMENT AND TERMINATION OF ESOP 2018

- 9.1 The NRC Committee shall have a right to amend, alter or terminate the ESOP 2018 ("**Variation**"), at any time, provided:
- (a) approval with respect to the Variation is obtained from the Shareholders of the Bank ;
  - (b) such Variation is done to meet regulatory requirements;
  - (c) such Variation is not detrimental to the interests of the Employees;
  - (d) Shareholders' approval is obtained as per Regulation 6 of SEBI (SBEB) Regulations for such Variation;
  - (e) notice for passing the special resolution, as mentioned herein above, shall disclose full details of the Variation, the rationale therefore and the details of Employees who are beneficiaries of such Variation.
- 9.2 Notwithstanding anything to the contrary contained hereinabove, the BoD/NRC Committee may, without any reference to or consent of the Shareholders, amend the ESOP 2018 or the Grant in order to meet regulatory requirements including but not limited to compliance of the provisions of the Applicable Laws.
- 9.3 The Bank may reprice the Options, SAR or the Shares, as the case may be, which are not exercised, whether they have been Vested or not, if the ESOP Scheme 2018 is rendered unattractive due to fall in the price of the Shares in the stock market.  
Provided that the Bank, ensures that such repricing shall not be detrimental to the Interest of the Employees and approval of the Shareholders in general meeting has been obtained for such repricing .
- 9.4 In case of termination of ESOP 2018, which is being implemented by the Bank through ESOP Trust, the excess monies or Shares remaining with the ESOP Trust after meeting all the obligations, if any, shall be utilised for repayment of loan or by way of distribution to the Employees, as recommended by the NRC Committee.



## SECTION 10

### OTHER TERMS AND CONDITIONS

- 10.1 The ESOP Plan shall be subject to all the Applicable Laws and approvals, if any, required from the Government Authority.
- 10.2 In case, the Bank is not able to obtain authority/approval from any concerned regulatory body or under any Applicable Laws, with respect to lawful issuance and/or redemption of any of the Options under this Plan, the Bank shall be relieved and wholly discharged from any or all liabilities arising out of the failure on part of the Bank to issue and/or redeem such Options.
- 10.3 The rights granted to the Employee under the ESOP 2018 shall not entitle the Employee to exercise any right or additional right to claim compensation and/or damages as a consequence of loss or termination of his/her office or employment with the Bank for any reason whatsoever (whether or not termination of employment of such Employee is ultimately held to be wrongful or unfair).
- 10.4 The Grant or Vesting of Options to the Option Grantee in pursuant to this ESOP 2018, shall not constitute an express or implied promise of continued employment of any of the Option Grantee in the Bank for any time period and shall not interfere with the C Bank's right to suspend, retrench, discipline or terminate such Option Grantee from the Bank, at any time, with or without cause.
- 10.5 Nothing contained in the ESOP 2018 shall be construed to prevent the Bank from taking any Corporate Action which is deemed by the Bank to be appropriate or is in its best interest, whether or not such Corporate Action will have an adverse effect on the ESOP 2018. Neither the Option Grantee nor its beneficiary or any other person shall have any right to exercise any claim against the Bank as a result of such Corporate Action.
- 10.6 The Employee shall ensure that there is no violation of any regulations relating to insider trading as may be applicable including but not limited to the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations 2015 and 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.
- 10.7 Nothing contained in the ESOP 2018 shall be construed to prevent the Bank, directly or through any trust settled by the Bank, from implementing any other new employee ownership plan which is deemed by the Bank to be appropriate or is in best interest of the Bank, whether or not such other action would have any adverse impact on the ESOP 2018 or any Grant made under the ESOP 2018. No Employee or any other person shall have any right or claim against the Bank and/or the trust due to the action, as mentioned herein above, is taken by the Bank.
- 10.8 In respect of any issues arising in pursuance of ESOP 2018, the decision of the NRC Committee, as narrated in this Plan, shall be final and binding on all the concerned persons and/or institutions.
- 10.9 During the term of existence of the Plan all applicable provisions of the Companies Act, 2013 and rules, regulations issued by Ministry of Corporate Affairs and any other governing law(s) shall be applicable on ESOP 2018 and as and when the Bank is listed, all applicable rules, regulation and guidelines issued by

Securities and Exchange Board of India (“SEBI”) shall be applicable on the said scheme and to that extent ESOP 2018 shall stand modified ipso facto.

#### 10.10 Listing

In case new issue of Shares is made under the Plan, the Shares so issued shall be listed immediately in recognised stock exchange where the existing shares of the Bank are listed, subject to the following conditions:

- (a) ESOP 2018 shall be in compliance with SEBI (SBEB) Regulations, 2014;
- (b) A statement as specified by Securities and Exchange Board of India (“SEBI”) in this regard is filed and the Bank has obtained an in-principle approval from the concerned recognised stock exchange. However, till the time the in-principle approval is not obtained from the concerned recognised stock exchange, the Bank shall appoint a registered merchant banker for the implementation of ESOP 2018;
- (c) As and when an Exercise is made, the Bank notifies the concerned recognised stock exchange as per the statement as specified by SEBI in this regard.
- (d) For listing of shares issued pursuant to ESOS, ESPS or SAR, the Bank shall obtain the in-principle approval of the stock exchanges where shares are listed.

10.11 The BoD shall at each annual general meeting place, before the Shareholders of the Bank, a certificate from the auditors of the Bank that the ESOP 2018 has been implemented in accordance with SEBI (SBEB) Regulations and is in accordance with the special resolution passed by the Bank, in respect to the same, in the general meeting.

10.12 In addition to the information that the Bank is required to disclose, in relation to the employee benefits under the Companies Act, 2013, the BoD of the Bank shall also disclose the details of the implemented ESOP 2018, as specified by SEBI in this regard.

#### 10.13 Accounting policies

(a) The Bank, while implementing the ESOP 2018, shall follow the requirements of the 'Guidance Note on Accounting for employee share-based Payments' (“**Guidance Note**”) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (“**ICAI**”) from time to time, including the disclosure requirements prescribed therein.

(b) Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements for ESOP 2018 governed by SEBI (SBEB) Regulations then the Bank shall comply with the relevant Accounting Standard as may be prescribed by the ICAI from time to time.

10.14 The Grant of Options does not form part of Options Grantee’s entitlement or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person and the Bank give such person any right or entitlement of have Options granted to him.

10.15 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to Exercise Options in whole or in part.

- 10.16 Participation in this Plan shall not be construed as any guarantee on return on any investment. Any loss due to fluctuations in the market price of the Shares and the risks associated with the investment is that of the Employee alone.
- 10.17 The explanatory statement to be attached to the notice and the resolution proposed to be passed by the Shareholders for approval of the ESOP 2018 shall include the information specified by SEBI in this regard.
- 10.18 Approval of the Shareholders by way of separate resolution in the general meeting shall be obtained by the Bank in case of:
- (a) Secondary Acquisition done for implementation of the ESOP 2018. Such approval shall mention the percentage of Secondary Acquisition (subject to limits specified under SEBI (SBEB) Regulations that could be undertaken);
  - (b) Secondary Acquisition by the ESOP Trust in case the share capital expands due to capital expansion undertaken by the Bank including preferential allotment of Shares or qualified institutions placement, to maintain the five per cent (5%) cap as prescribed under sub-regulation (11) of regulation 3 of SEBI (SBEB) Regulations of such increased capital of the Bank ;
  - (c) Grant of Option to Employees of subsidiary if any;
  - (d) Grant of Option to identified Employees, during any one year, equal to or exceeding one per cent (1%) of the issued capital (excluding outstanding warrants and conversions) of the Bank at the time of grant of option, SAR, shares or incentive, as the case may be.
  - (e) In the event that the options, shares granted under any of the schemes exceeds the number of shares that the trust may acquire through secondary acquisition, then such shortfall of shares shall be made up by the Bank through new issue of shares to the trust in accordance with the provisions of new issue of shares under the applicable laws.



## SECTION 11.

### TAX IMPLICATIONS AND DEDUCTION OF TAX

- 11.1 The Employees have been informed that there may be tax consequences as a result of purchase or disposition of the Shares pursuant to this Plan. The Employees shall seek independent tax advice and shall not rely upon the Bank for any tax advice.
- 11.2 Each Employee shall be solely responsible for any tax, duties, cess or any other levies as may be imposed by the prevailing Applicable Laws on the Options from time to time. In the event of any levy in form of tax on Option(s) as perquisites or in any other form, being imposed on the Bank/the Employees in relation to the Options granted under ESOP 2018, the Employee shall be solely liable for the same.
- 11.3 The Bank /the ESOP Trustee shall have the right to deduct/recover from the salary of the Option Grantee, in connection with all Grants, any taxes required by law to be deducted at source/paid and to require any payments necessary to enable it to satisfy such obligation. The Option Grantees shall authorize the ESOP Trustee in the format prescribed in **Schedule 2** attached to this Plan, to sell such number of Shares as would be necessary to discharge the obligation in the respect of tax deduction at source/recovery of tax paid and appropriate the proceeds thereof on behalf of the Option Grantee as ESOP Trust deems fit, where Shares of the Bank are listed on a stock exchange(s).



## SECTION 12

### MISCELLANEOUS PROVISIONS

#### 12.1. Pricing

All the applicable provisions of the Companies Act read with its applicable rules, as amended from time to time, shall govern pricing of the Shares, arising out of Exercise of Options and issued pursuant to this ESOP 2018, from time to time. Permissible method shall be adopted for valuation of Shares. Any Options granted after listing of Shares of the Bank shall be governed by extant guidelines of SEBI.

#### 12.2. Governing Laws and Jurisdiction

- (a) The terms and conditions of the ESOP Plan shall be governed by and construed in accordance with the laws of India.
- (b) Subject to the Clause 12.3 herein below, only the courts and tribunals of competent jurisdiction at Jaipur, Rajasthan, India shall have exclusive jurisdiction with respect to any proceedings relating to this ESOP 2018.

#### 12.3. Dispute Resolution

In case of any dispute, discrepancy or disagreement, which shall arise under or as a result of, or in pursuant to or in connection with this ESOP 2018 shall be referred to and determined by the NRC Committee and any such determination/decision/interpretation by the NRC Committee shall be binding on the affected Employees.

#### 12.4. Severability

In the event any one or more of the provisions contained in this ESOP 2018 shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this ESOP 2018 and this ESOP 2018 shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein. Further, the ESOP 2018 shall be carried out as nearly as possible according to its original terms and intent.

#### 12.5. Confidentiality:

- (a) The Employees must keep the details of this ESOP 2018 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, and co-employees or with any employee and/or associate of the Bank or that of its affiliates or any third party. In case, Option Grantee is found in breach of this confidentiality clause, the NRC Committee has an undisputed right: (i) to terminate any agreement entered with such Option Grantee; (ii) to cancel all the unexercised Options of such Option Grantee immediately; and/or (iii) to compulsorily retransfer of Shares of such Option Grantee to a nominee of the NRC Committee and/or (iv) to take any other action as it deems fit. The decision and judgment of the NRC Committee regarding breach of this confidentiality Clause shall be final, binding and cannot be questioned by the Option Grantee.

- (b) On acceptance of Grant, the Option Grantee agrees that the Bank may be required to disclose information of the Option Grantee during the process of implementation of this ESOP 2018 or while availing services relating to Options such as consulting, advisory services or Stock Options management services and/or any other such incidental services. The Option Grantee, hereby, accords his/her consent that such confidential information regarding his Options, entitlements may be disclosed by the Bank to its officers, professional advisors, agents and consultants as and when the need arises.

## 12.6. Notices

- (a) All notices of communication required to be given by the Bank to an Option Grantee by virtue of this ESOP 2018 shall be in writing. The communications shall be made by the Bank in any one or more of the following ways:
- (i) Sending communication(s) to the address of the Option Grantee available in the records of the Bank; or
  - (ii) Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or
  - (iii) Emailing the communication(s) to the Option Grantee at the official email address provided if any by the Bank during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.
- (b) Any communication to be given by an Option Grantee to the Bank in respect of ESOP 2018 shall be sent to the officer at the address mentioned below:

Designation: Company Secretary

Address: 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur - 302001, Rajasthan Tel. No.: 0141 4110060

Fax No.: 0141 4110090

e-mail ID: [investorrelations@aubank.in](mailto:investorrelations@aubank.in)

In witness whereof

THE SEAL OF **AU SMALL FINANCE BANK LIMITED** has been hereunto affixed pursuant to the resolution passed

by its Board of Directors at its meeting held on 26<sup>th</sup>  
April, 2018





In the presence of  
Witnesses:

1. Signature:

Name:

Address:

2. Signature:

Name:

Address:

Approved by shareholders in their meeting held on 7<sup>th</sup> August, 2018,





**SCHEDULE 1**

**EXERCISE FORM FOR OPTIONS**

To,  
The Nomination and Remuneration Committee,  
AU SMALL FINANCE BANK LIMITED  
19-A, DHULESHWAR  
GARDEN,  
Ajmer Road, JAIPUR 302001

Please fill the form in BLOCK LETTERS only. All fields marked in \* are mandatory.

**\*Personal details**

Title (tick box as appropriate)  Mr  Mrs  Miss  Ms Full Name

First Name, Middle Name, Surname

**Full name of the first joint holder if applicable**

First Name, Middle Name, Surname

**Full name of the second joint holder if applicable**

First Name, Middle Name,

Surname Full Postal Address

Pin Code

Age

Tel No

PAN

Employee Number

Employee Name

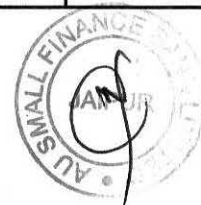
Residential Status as per the Income-tax Act, 1961

E-mail:

Date of termination (for ex-employees)

**Note :** Exercised includes the current exercise quantity.

Scheme Code	Grant Code	Vest Code	Vested	Exercised	Exercisable	Vest Date	Lapse Date	Exercise Qty





**\* Payment Details**

Amount Rs (in

figures) Amount Rs

(in word) Details of

Payment

Cheque/DD/EFT Transaction No

Date

Branch & Bank

The cheque should be crossed 'A/C Payee' and drawn payable to AU SMALL FINANCE BANK LIMITED

**Join Holder - Other Details**

Join Holder 1:

Sex (tick box as appropriate)

Male

Female

PAN

Tel no

Join Holder

2: Sex

(tick box as appropriate)

Male

Female

PAN

Tel no

**\*Demat Account details**

Please credit the equity shares allotted to my undermentioned account, which is held by me in the same order of names, as the application made to the Company. I attach herewith copy of my and account statement / delivery instruction slip to enable the company to verify my account details.

Depository Participant (DP) Name

DPID/Client ID

**\*Signature**





I accept that no shares shall be issued to me and my joint holder\*\*, if applicable, on exercise of the Options unless appropriate taxes as required under the applicable tax laws, are discharged. I surrender herewith grant letter(s) in original issued under the ESOS with the Company. I, the Participant / Beneficiary solemnly declare that the above information is correct and knowledge.

Date :

Place :

(Signature of the Participant / Beneficiary)

(Signature of the joint holder1)

(Signature of the joint holder2)



I, the joint holder 1, solemnly declare that the above information pertaining to me is correct and complete to the best of my belief and knowledge.

Date:

Place:

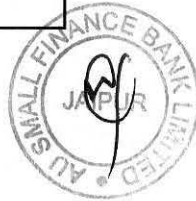
In Presence of

I, the joint holder 2, solemnly declare that the above information pertaining to me is correct and complete to the best of my belief and knowledge.

Date:

Place:

In Presence of





**SCHEDULE 2**

**FORM OF NOTICE OF SALE OF SHARES IN LIEU OF TAX DEDUCTION**

To,  
Trustees  
AU Small Finance Bank Employees Welfare Trust  
AU SMALL FINANCE BANK LIMITED - Employees Stock Option Plan 2018  
19-A, Dhuleshwar Garden, Ajmer Road, Jaipur - 302001

cc.  
Company Secretary & Compliance Officer,  
AU Small Finance Bank Limited  
19-A, Dhuleshwar Garden, Ajmer Road, Jaipur - 302001

The Employee exercising the Option authorizes the ESOP Trust to deduct any tax as applicable under the Income Tax Act, 1962. The Employee exercising the Option also hereby authorizes the Trust to sell requisite number of Equity Shares of the Bank (from the Shares accrued to Employee from the appended Exercise Notice) on behalf of the Employee exercising the Option to cover tax and any other charges related to the Exercise of the Options and remit the balance shares to the DEMAT account mentioned below.

Representations of the Employee exercising the Option: The Employee exercising the Option acknowledges that the Employee has received, read and understood the ESOP 2018 and the Letter of Grant and agrees to abide by and be bound by their terms and conditions.

**DEMAT Account Details:**

DEMAT Account First Holder Name\* \_\_\_\_\_  
Second Holder Name (if any) \_\_\_\_\_  
Third Holder Name (if any) \_\_\_\_\_

PAN CARD NO \_\_\_\_\_  
Name of the Employee \_\_\_\_\_

Signature \_\_\_\_\_  
Employee Code \_\_\_\_\_

Location \_\_\_\_\_

