

# TRANSCORP INTRENATIONAL LIMITED EMPLOYEE STOCK OPTION PLAN -2017

## PART A: STATEMENT OF RISKS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Plan, including the risks and uncertainties described below, before making an investment in the Equity Shares. If our business, profitability and financial condition gets affected, the price of our Equity Shares could decline, and you may lose all or part of your investment in the Equity Shares. Unless specified or quantified in the Plan, we are not in a position to quantify the financial or other implication of any of the risks. ESOPs are subject to the following additional risks:*

**1. Concentration:** The risk arising out of any fall in value of shares is aggravated if the Employee's holding is concentrated in the shares of a single Company.

**2. Leverage:** Any change in the value of the share can lead to a significantly larger change in the value of the option as an option amounts to a leveraged position in the share.

**3. Liquidity:** The options cannot be transferred to anybody, and therefore Employees cannot mitigate their risks by selling the whole or part of their options before they are exercised.

**4. Vesting:** The options will lapse if the employment is terminated prior to vesting. Even after the options are vested, the unexercised options may be forfeited if the Employee is terminated for gross misconduct.

**5. Market Risk:** The Employee can experience losses due to factors that affect the overall performance of the financial markets, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers, political turmoil, recessions, changes in interest rates and terrorist attacks.

## PART B: INFORMATION ABOUT THE COMPANY

### 1. Business Profile of the Group & the Company

Transcorp International Limited was established in 1994. Firmly on the path of growth and advancement, Transcorp International Ltd. has come a long way from primarily being a Foreign Exchange Dealer (FFMC). With a diverse business portfolio and an expanding network, we are constantly striving to successfully rise to the demands of the future while exploring new avenues, applying innovative approaches and delivering best-in-class services.

Our utmost dedication to provide prompt and quality services to our valued customers forms the core of our value system. To facilitate the same, Transcorp has a highly evolving network with more than 45 of its own offices across the country and more than 7000 franchisees. Through our strong presence, skilled and trained professionals and commitment to quality, we ensure consistent diversification and growth while keeping the interest of our customers intact. Owing to our best-of-the-breed processes, Transcorp International Ltd. has formidable presence in the business segment of Inward Remittance, Foreign Exchange and Payment systems.

Transcorp has been one of the principal agents of Western Union for more than 15 years and provide for trusted and assured Money Exchange and Money Transfer services. Further, to serve as a seal of secure transactions, we have been licensed by the Reserve Bank of India as an Authorised Dealer Category II and we are in this business since 1994.

Transcorp International Limited is listed with Bombay stock Exchange and id paying dividends since last 15 years.

## Services Offerings:

### Money Changing

One of the major service domains of Transcorp International Ltd. is Foreign Exchange, licensed by Reserve Bank of India as Authorised Dealer Category II. Powered by experience and expertise to deliver the best, Transcorp relentlessly work to understand and simplify the currency exchange process of its valued customers. So be it purchase and sale of all types of foreign currency notes and sale of Traveller's Cheques of international brands, or conversion and reconversion of currencies, outward remittance for education, medical expenses, film shootings and other permissible purposes Transcorp is your trusted partner. At Transcorp, we constantly aim to deliver the best currency exchange services to our clients. With the most updated communication network and extremely proficient workforce of 90 persons, Transcorp Forex division strives to be an anytime, anywhere, service provider leading to effective and efficient controls and adherence to all compliance rules.

The money changing services of Transcorp Forex division include sale and purchase of

- Foreign Currency Notes
- Travellers Cheques
- Travel Cards

### Travellers Cheques by AMEX

To make your travel safe and hassle free, Transcorp Forex Division provides Travellers Cheques (TCs), one of the most convenient tools of international currency exchange which is widely accepted as payment across the world.

### Travel Cards

Transcorp Forex Division provides Travel Cards to further simplify overseas travel. Apart from being one of the easiest ways of carrying foreign currency, the card offers other features such as travel insurance, emergency assistance and advanced account management. Transcorp Forex offers primarily three Travel Cards:

- Axis Bank Travel Card
- ICICI Bank Travel Card
- HDFC Bank Travel Card

### Currency

Transcorp Forex deals in purchase and sale of all major currency notes at the most competitive rates. The rates of exchange are displayed at all the branches on the electronic rate boards for the convenience of our customers.

### Outward Remittance

Transcorp Forex Division is providing outward remittance services for the following purposes:-

S. No.	Purpose of Release
1	Remittance by tour operators/travel agents to overseas agents/principals/hotels
2	Remittance by traveller travelling abroad out of foreign exchange drawn for private travel
3	Fee for participation in global conferences and specialized training
4	Remittance for participation in international events/ competitions towards training, sponsorship and prize money)
5	Film Shooting
6	Medical Treatment abroad
7	Disbursement of crew wages

8	Overseas Education
9	Remittance under educational tie up arrangements with universities abroad
10	Remittances towards fee for examination held in India and abroad and addition score sheets for GRE, TOEFL etc.
11	Employment and Processing consultancy fees for overseas job applications
12	Emigration and Emigration consultancy fees
13	Skills/credential assessment fees for intending migrants
14	Visa Fees
15	Processing fees for registration of documents as required by Portuguese/other Govt.
16	Registration/ Subscription/ Membership fee to International organization

### **Inward Remittances (Money Transfer)**

Being WESTERN UNION's principal agent, Transcorp conducts global inward money transfer in minutes from more than 200 countries, making the process the fastest way of receiving money worldwide. With more than 45 own locations and a 7000-strong franchisee network throughout the country, Transcorp provides an efficient, reliable, convenient and easy way to receive money.

### **Pre-Paid Instrument Business:-**

Transcorp International Limited is licensed by Reserve Bank of India for issuing semi closed payment systems. Under this license following activities can be undertaken:-

- Domestic Money Transfer
- Prepaid Cards / Wallets
- Cash Collection
- EMI and Insurance collection
- Recharges and Bill Payments
- API distribution
- E – Commerce tie up

Transcorp has its product named Transcash for this activity.

### **SBI Kiosk (National BC of SBI)**

Transcorp is a national Business Correspondent of State Bank of India and is undertaking various activities such as bank account opening, loan documentations etc.

### **General Insurance**

Transcorp International Limited is having corporate agency of Bajaj Allianz General Insurance Co. Ltd. and is providing all types of general insurances.

## **2. Financial Information:**

The financial information of the Company for the last 5 (Five) years will be provided along with the Grant Letters to be given to the Employees at the time of grant of options to the Employee.

## **3. Risk Factors for the Company:**

The Management of the Company has a perception that the following risks or uncertainties may occur during the course of business such as:

Credit Risk, volatility in foreign currency rates, change in rules and regulations by the regulators which may adversely affect the business of the company. Political Turmoil is an inherent risk faced by all the operating business. Any significant change in Government policies or policies of regulators including but not limited to Reserve bank of India that adversely affect the business and economic conditions in India could also adversely affect the business, future financial performance and the price of the company's Equity Shares.

The above risks and uncertainties include but are not limited to risk and uncertainties regarding dependencies on the few customers and suppliers, changes in the regulatory framework, adverse development in the any of the customer industries to whom substantial part of the product is given, downgrading of our credit worthiness, political instability, legal restrictions and general economic conditions affecting our industry.

#### **4. Continuing Disclosure Requirement:**

The Grantee would be entitled to receive copies of all documents that are sent to the members of the Company. This shall include the annual accounts of the Company as well as notices of the meetings and the accompanying explanatory statements. However, the Grantee will not be entitled to attend and vote in the meeting or receive any dividend in respect of unexercised options.

## Table of Contents

<b>S. No.</b>	<b>Content</b>	<b>Page No.</b>
1	Introduction of the Plan	6
2	Purpose of the Plan	6
3	Definitions	6-9
4	Implementation & Administration	9
5	Nomination & Remuneration Committee	9-10
6	Shares Pool of the Plan	10
7	Appraisal and Eligibility of an Employee	10-11
8	Grant of Options	11
9	Method of acceptance	11-12
10	Vesting of Options	12
11	Exercise Price	12
12	Exercise of Options	13
13	Cessation of Employment	13-14
14	Terms & Conditions of Shares	14
15	Insider Trading, Company Rules and Policies	14
16	Notices and correspondence	15
17	Beneficiary designation	15
18	Non-transferability of Options	15
19	Change in Capital Structure	15-16
20	Recovery of applicable taxes	16
21	Arbitration	16
22	Governing Law	16
23	Regulatory approvals	16
24	Modification of Plan	16-17
25	Term of the Plan	17
26	Confidentiality	17
27	Formats	18-23

## 1. Introduction of the Plan

The Employee Stock Option Plan 2017 will be placed at the meeting of the Board of Directors of the Company to be held on 27.05.2017. The same will be recommended and approved by Board of Directors subject to the approval of the members of the company in Annual General Meeting of the company to be held on 11<sup>th</sup> August 2017.

The Plan has been formulated, keeping in mind the objectives of attracting key Employees to the Company and inducing key Employees to continue with the Company, and encourage them to increase their efforts to make the Company's business more successful. In furtherance thereof, this Stock Option Plan is designed to provide equity-based incentives to key Employees of the Company.

## 2. Purpose of the Plan

Transcorp International Limited, a Company limited by shares, incorporated under the Companies Act, 1956, having its registered office at Plot No. 3, HAF Pocket, Sector 18A, Dwarka, Phase-II, New Delhi-110075, has structured this Plan for its Employees. The Principle purposes of this Plan are as under:

- a) To motivate the Employees to contribute to the growth and profitability of the Company.
- b) To retain the Employees for the growth of the Organization.
- c) To provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company;
- d) To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long term interests of the Company; and
- e) To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come.

## 3. Definitions

In this Plan, except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against. Further, unless the context otherwise requires, words denoting the masculine gender shall include the feminine gender and words denoting the singular shall include the plural and vice versa.

**3.1 "Applicable Law"** means every law relating to Employee Stock Options in force, including, without limitation to, Companies Act, 2013, Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred as SEBI Regulations), SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and all relevant revenue, tax, securities or exchange control regulations or corporate laws of India or any relevant jurisdiction. The Applicable Law includes any provision of the applicable law, rules, regulations, notifications, circular(s) or any other similar form of directives issued by the competent authority under the relevant applicable law.

**3.2 "Board"** means the Board of Directors of the Company and includes any Committee(s) consisting of one or more members of the Board and/or one or more officials of the Company, which the Board may constitute to exercise powers of the Board.

**3.3 "Category of Employees"** mean the Permanent/confirmed Employees, including the Executive / Whole time Directors, who will be eligible for grant of options under the Plan, as per SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 as amended from time to time

**3.4 "Change in Capital Structure"** means a change in the capital structure of the Company as a result of re-classification of Shares, sub-division of Shares, consolidation, issue of bonus Shares, conversion of

Shares into other shares or Securities of the Company and any other change in the rights or obligations in respect of Shares, issue of shares on rights basis and any other form of equity share issuance.

**3.5 "Closing date"** means the last date on which the Grant of Options by the Company to a Grantee can be accepted. In case the last date is a non working day, then it shall be the immediately next working day.

**3.6 "Committee"** means the Nomination and Remuneration Committee of the Board consisting of majority of independent directors that has been constituted by the Board *inter-alia* for administration and superintendence of this Plan.

**3.7 "Company"** shall mean Transcorp International Limited (CIN : L51909DL1994PLC235697), a Company limited by shares, incorporated under the Companies Act, 1956, having its registered office at Plot No. 3, HAF Pocket, Sector 18A, Dwarka, Phase-II, New Delhi-110075

**3.8 "Employee"** means

- i. A permanent/confirmed Employee of the Company who has been working in India or outside India; or
- ii. A Director of the Company (including Managing Director), whether a whole time director or not but excluding an independent director; or
- iii. an employee as defined in clause (i) or (ii) of a subsidiary of the company but does not include:
  - a. An Employee who is a promoter or a person belonging to the promoter group; or
  - b. A director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

**3.9 "Eligibility Criteria"** means the criteria, as may be determined from time to time by the Nomination & Remuneration Committee of the company based on internal ratings including loyalty, performance and designation of an Employee for granting Employee Stock Options to the Employees.

**3.10 "ESOP Tax Provisions"** means the Income tax provisions notified pursuant to Section 17(2)(iii) of the Income tax Act, 1961.

**3.11 "Exercise"** means making of an application by the Employee to the Company for issuance of Shares against the Vested Options in the Employee/Beneficiary in pursuance to this Plan on payment of the Exercise Price.

**3.12 "Exercise date"** means the date on which the Employee exercises his Vested Options and in case of partial Exercise shall mean each date on which the Employee/Beneficiary Exercises part of his Vested Options.

**3.13 "Exercise Period"** means the time period after vesting within which an Employee should exercise his right to apply for Shares against the vested option in pursuance of the Plan.

**3.14 "Exercise Price"** means the price payable by the Grantee for exercising the options granted to him and vested in him in pursuance to the Plan covered under Part A of Chapter III of SEBI (SBEB) Regulations, 2014. Under this Plan, the Exercise Price will be informed to the Grantee, by the Committee, through grant letter.

**3.15 "Grant"** means the process by which the Company issues options.

**3.16 "Grant Date"** means the date of meeting on which the Options are granted to an Employee by the Nomination and Remuneration Committee under the Plan.

**3.17 "Grant letter"** means the letter by which Grant of Options is communicated to the Grantee.

**3.18 "Grantee"** shall mean an Eligible Employee at the time of Grant of the Option to be eligible to participate under the Plan.

**3.19 "Market price"** means the latest available closing price on a recognized stock exchange on which the shares of the Company are listed on the date immediately prior to the relevant date.

**3.20 "Option"** means a right, but not an obligation to purchase or subscribe at a future date, the shares offered by the Company, directly or indirectly, at a pre- determined price, in accordance with this Plan.

**3.21 "Option Acceptance Agreement"** shall mean the agreement that the Grantee has to submit indicating his acceptance of the Grant made to him to participate in the Plan.

**3.22 "Relevant Date"** means

- (i) in the case of grant, the date of the meeting of the 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 Company;

**3.23 "Plan"** shall mean the Employee Stock Option Plan 2017 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.

**3.24 "SEBI Regulations"** means the Securities Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.

**3.25 "Share"** means an Equity Share of the Company of face value of Rs. 2/- each.

**3.26 "Termination date"** means the date of termination of employment of the Employee with the Company.

**3.27 "Unvested Option"** means an Option, which is not a Vested Option.

**3.28 "Vesting"** means the process by which the Employee becomes entitled to receive the benefit of a grant made to him under the Plans.

**3.29 "Vesting period"** means the period during which the Vesting of the Options Granted to the Employee in pursuance of the Plan takes place.

**3.30 "Vested Option"** means an Option, which has Vested in pursuance to Clause 10 hereof with the Employee/Beneficiary and has thereby become exercisable.

**3.31 "Vesting Date"** means the date on and from which the Option Vests with the Employee/Beneficiary and thereby becomes exercisable.

Interpretation:

In this document, unless the contrary intention appears:

- a) The singular includes the plural and vice versa;
- b) The word "person" includes an individual, a firm, a body corporate or unincorporated body or authority; and
- c) Any word or expression importing the masculine, feminine or neuter genders only, shall be taken to include all three genders.

Article Headings:

Article headings are for information only and shall not affect the construction of this document.



## References:

- a) A reference to a Clause or Schedule is respectively a reference to a Clause or Schedule of this document. The Schedules to this document shall for all purposes form part of this document.
- b) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.

## 4. Implementation & Administration

Subject to Applicable Laws, and the broad policy and the framework laid down by the Board of Directors, the Plan shall be administered by the Nomination and Remuneration Committee. The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Plan.

The Board may correct any defect, omission or reconcile any inconsistency in the Plan in the manner and to the extent the Board deems necessary or desirable.

## 5. Nomination & Remuneration Committee

The Nomination and Remuneration Committee of the Company means the Committee as may be constituted or re-constituted by the Board of Directors from time to time, for effective administration of the Plan. This Committee for all purposes under SEBI (Share Based Employee Benefits) Regulations, 2014 will be considered as Compensation Committee. The Committee shall be entitled to invite any person to attend its meetings and participate in the discussion and deliberations, if it may so deem fit. The Committee, in 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 fully and effectively discharge its duties.

### 5.1 The powers of the Committee, inter alia, include the power to:

- I. Adopt rules and regulations for implementing the Plan from time to time.
- II. Identification of classes of Employees entitled to participate in the Plan.
- III. Grant Options to the identified Eligible Employee and determine the Grant date.
- IV. Determine the number of Options to be Granted to each Grantee and in aggregate subject to the ceiling under the Plan.
- V. To decide the specified time period within which the Employee shall exercise the vested options in the event of termination or resignation of an Employee;
- VI. To accelerate the vesting of options on a case to case basis, as the Committee deems fit, subject to completion of minimum 1 year from the date of grant of options;
- VII. To modify the vesting schedule on a case to case basis, as the Committee deems fit, subject to completion of minimum one year from the date of grant of options;
- VIII. To decide upon 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;
- IX. The Vesting and Exercise of option in case of Employees who are on long leave i.e. who are on leave of more than 3 months;
- X. The procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues etc.. In this regard, the following shall, inter alia, be taken into consideration by the compensation committee:
  - i. the number and price of options shall be adjusted in a manner such that total value to the Employee of the options remains the same after the corporate action;

- ii. the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the Employee(s) who is granted such options;
- XI. Determine the treatment of options granted in case of merger, de-merger, sale, acquisition etc. of the company.
- XII. Determine the method for exercising the Vested Options, period of Exercise, etc.
- XIII. Determine the Exercise price of the Options Granted.
- XIV. Re-pricing of the options which are not exercised, whether or not they have been vested if Employee stock options rendered unattractive due to fall in the price of the shares in the market.
- XV. Determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option Granted hereunder.
- XVI. Determine the terms and conditions under which Vested option can lapse in case of termination of employment for misconduct.
- XVII. Approve forms or agreements for use under the Plan.
- XVIII. Transferability of Employee stock options.
- XIX. Decide all other matters that must be determined in connection with an Option under the Plan in accordance with SEBI Regulations.
- XX. Construe and interpret the terms of the Plan, and the Options Granted pursuant to the Plan.
- XXI. To frame suitable policies to ensure that there should be no violation of: -
  1. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  2. Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations 2003.

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

**5.3** No member of the Committee shall be personally liable for any decision or action taken in good faith with respect to the Plan.

**5.4** A member of the Committee shall abstain from participating in and deciding on any matter relating to grant of any Option to him.

## **6 Shares Pool of the Plan**

The maximum number of options that may be issued pursuant to this Plan is 1271309 (Twelve Lacs Seventy One Thousand Three Hundred Nine) Options representing 5% of the paid-up capital of the company as on the date of approval of shareholders of the company, to be convertible into equal number of Equity Shares of the Company.

Forfeited / lapsed options under this Plan can be re-issued by the Committee at its discretion. Further, the maximum number of options that can be granted shall stand automatically enhanced in case of bonus issue, Consolidation and Split. The Company reserves the right to increase or reduce such number of shares as it deems fit, in accordance with the Applicable Laws.

## **7. Appraisal and Eligibility of an Employee**

As soon as may be possible after the Plan comes into effect and at times thereafter, as deemed fit by the Nomination and Remuneration Committee, the Committee shall based on the following criteria, including but not limited to, decide on the Employees who are eligible for the grant / vesting of Options under the Plan and the terms and conditions thereof.

- i. Loyalty: It will be determined on the basis of tenure of employment of an Employee in the Company.
- ii. Performance: Employee's performance during the financial year on the basis of the parameters decided by the management.

- iii. Designation: Employee's designation in the company as per the HR Policy of the Company.
- iv. The present and potential contribution of the Employee to the success of the Company,
- v. High market value/difficulty in replacing the Employee and
- vi. High risk of losing the Employee to competition,
- vii. Value addition by the new entrant if any

The Nomination and Remuneration Committee may in its absolute discretion vary or modify such criteria and/or selection and/or the terms and conditions for granting any Option to any Employee or class of Employees.

New Joinees may also participate under the Plan upon discretion of Committee.

Nothing in the Plan or in any Option granted pursuant to the Plan shall confer on any individual, any right to continue in the employment of the Company or interfere in any way with the right of the Company to terminate the individual's employment at any time.

i) The ESOP Plan shall extend to all permanent employees (existing and future) on the rolls of the Company and its Subsidiaries, who satisfy the following eligibility criteria:

- Employees who have completed one year of service and are in Grade B2 and above.
- Employees who have completed three years of service and are in Grade D1 to C1
- Employees who become eligible as per the aforesaid norms in future

ii) The ESOP Plan shall not extend to any promoter or those belonging to the promoter group or to any director, who either by himself or through his relative(s) or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

## **8. Grant of Options**

8.1 The Committee, in accordance with the terms and conditions of the Plan for the time being in force and subject to Employee's continuity in the employment, his performance, hierarchy and other parameters as set out by the Board grant options to one or more Employees.

8.2 The maximum number of Options that can be granted to any eligible Employee during any one-year shall not equal or exceed 1% of the issued capital of the Company at the time of grant of Options. The Board may decide to grant such number of options equal to or exceeding 1% of the issued capital to any eligible Employee as the case may be, subject to the separate approval of the shareholders in a general meeting.

8.3 The Employee shall accept the offer made to him by submitting his acceptance within a period of 30 days from the date of receipt of respective Grant Letters, to the Company, in the prescribed format.

8.4 Each Option granted shall be advised to the Grantee in writing, specifying the date, number of Options granted, the Exercise Price, the Vesting schedule of the Option, the earliest date on which the Options under the grant shall be eligible for Vesting, and other terms and conditions thereof.

8.5 Unless agreed otherwise between the Company and any Employee and subject to the Corporate Action(s) in the Company, the grant of 1 (One) Option to an Employee under this Plan shall entitle the holder of the Option to apply for 1 (One) Equity Share in the Company upon payment of Exercise Price.

## **9 Method of acceptance**

9.1 Any Grantee who wishes to accept the Grant made pursuant to Clause 8 hereof, must deliver an Option Acceptance Agreement, prescribed by the Committee from time to time, duly completed as required therein to the Committee on or before the Closing date stated in the Grant letter.

9.2 Any Grantee who fails to return the Option Acceptance Agreement on or before the Closing date shall, unless the Committee determines otherwise, be deemed to have rejected the Grant.

9.3 Any Acceptance Agreement received after the Closing date shall not be valid.

9.4 Upon Acceptance, the Committee may issue to the Employee a statement, in such form as it deems appropriate, showing the number of Options to which the Employee is entitled pursuant to the acceptance of such Grant and the number of Shares for which the Employee will be entitled to subscribe pursuant to such Grant.

9.5 Subject to the terms contained herein, the acceptance in accordance with this clause, of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option.

## 10 Vesting of Options

10.1 Vesting period shall commence after 1 (One) year from the date of grant of Options and may extend upto 5 (Five) years from the date of grant in following manner:-

S.No.	Entitlement	When
1	30% of entitlement	At the end of 1 <sup>st</sup> year
2	30% of entitlement	At the end of 2 <sup>nd</sup> year
3	40% of entitlement	At the end of 3 <sup>rd</sup> year

10.2 Actual Vesting of performance in the hands of the Employee may further be evaluated on the basis of the grade of the Employee, in Annual Performance Appraisal system of the Company.

10.3 The Committee shall have the power to modify or accelerate the vesting schedule on a case-to-case basis subject to the minimum gap of 1 (One) Year between the grant and first vesting.

10.4 The vesting Plan can be different for different sets of Employees.

10.5 The options which get lapsed due to Performance Appraisal in any of the vesting, will get lapsed from the hands of the Employee and will add-back to the pool of ungranted options of this Plan, and will be available for further grants under the Plan.

## 11 Exercise Price

11.1 Under this Plan, the Exercise price of the Shares will be the Market Price of the Shares one day before the date of the meeting of the Committee wherein the grants of options of that particular year will be approved.

The Committee has a power to provide suitable discount or charge premium on such price as arrived above. However, in any case the Exercise price shall not go below the par value of Equity Share of the Company.

Further Committee has the power to re price the grants in future if the Grant made under the Plan is rendered unattractive due to the fall in the price of Shares in the Stock Market.

11.2 The payment of applicable taxes, if any, in respect of exercise of the Options shall be made by the Grantee to the Company, as the Committee, may prescribe, at the time of Exercise.

However the Company have the right to recover tax from the Grantee, by deducting the respective amount of tax from Grantee's salary.

## **12 Exercise of Options**

12.1 The vested Options shall be exercisable either wholly or in part, according to the terms and conditions as determined and mentioned under the Plan during the exercise period.

12.2 Under the Plan, the Exercise period for the vested options will be upto 3 (Three) years from the date of respective vesting, failing which the vested options shall stand lapsed in the hands of the Employee.

12.3 The Grantee, for issuance and allotment of Shares pursuant to the vested options, may, at any time during the Exercise Period, and subject to fulfillment of the conditions on which the Options have been granted, Exercise the vested Options by submitting an application along with the Exercise Price and the applicable taxes.

The Aggregate Exercise Price shall be paid in full upon the exercise of the vested options by a cheque or demand draft drawn on the name of "Transcorp International Limited".

12.4 An Employee can Exercise the vested Options subject to the adherence of Insider Trading Code of Conduct of the Company.

## **13 Cessation of Employment**

13.1 In the event of Resignation, all Unvested Options, on the date of exit, shall expire and stand terminated with effect from that date unless otherwise determined by the Committee whose determination will be final and binding. However, all Vested Options as on that date shall be exercisable by the Employee before his last working day in the organisation. The vested options not so exercised shall lapse irrevocably and the rights there under shall be extinguished.

13.2 Notwithstanding anything elsewhere stated in this document:-

1. In the event of death of an Employee while in employment with the Company, all the options granted to him till such date shall vest in the beneficiary of the deceased Employee on that day. All the unvested options granted to the Employee shall continue to vest in beneficiary of the deceased Employee notwithstanding the condition of continued employment but subject to all other conditions pursuant to Plan or any other condition specifically waived by the Committee (such as performance condition, etc.). The beneficiary of the deceased Employee can Exercise all the Vested Options during the exercise period. Any vested options not exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period and the contract referred to in Clause shall stand automatically terminated without any liability to the employing entity/ Company.

In the event of Permanent Disability of an Employee, all the Options granted to him till such date of permanent incapacitation and lying unexercised shall Vest in him on that day. The Employee can Exercise all the Vested Options during the exercise period. Any vested options not exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period and the contract referred to in Clause shall stand automatically terminated without any liability to the employing entity/ Company.

13.3 In the event of separation from employment due to Retirement/Superannuation: In case service of the Employee with the Company is terminated due to retirement on attaining superannuation age (as per Company Policy), all the unvested options granted to him shall continue to vest notwithstanding the condition of continued employment but subject to all other conditions pursuant to the Plan or any other condition specifically waived by the Committee (such as performance condition, etc.). The Employee can Exercise all the Vested Options during the exercise period. Any vested options not exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period and the contract referred to in Clause shall stand automatically terminated without any liability to the

employing entity/ Company.

13.4 In the event that an Employee who has been granted benefits under this Plan is transferred or deputed to an associate company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

13.5 In the event of an Employee going on Long Leave, the treated of options granted to him/her, whether vested or not, shall be determined by the Committee, whose decision shall be final & binding.

13.6 In the event of Termination of the Employment due to misconduct of an Employee, all options granted shall stand terminated, with immediate effect unless otherwise determined by the Committee, whose determination will be final and binding. The Committee, at its sole discretion shall decide the date of termination of a Grantee, and such decision shall be binding on all concerned.

13.7 In the event where arises a Dispute between Employee and the Company, exercise will be put on hold till the date of settlement.

#### **14 Terms & Conditions of Shares**

14.1 Nothing herein is intended to or shall give the Grantee, any right to status of any kind as a shareholder of the Company in respect of any share covered by the grant unless the Grantee exercises the options & becomes the Registered Shareholder of the Company.

14.2 The 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 an Employee Stock Option in whole or in part.

14.3 The shares allotted to the Employees by the company shall be listed immediately on stock exchanges, where the equity shares of the Company are listed.

14.4 The Shares allotted to the Employees pursuant to the exercise will be subject to a lock in period of 1 year from the date of allotment.

#### **Ranking of Shares:**

The Shares issued on the exercise of Options shall rank pari-passu with all the existing equity shares of the Company. The Shares issued on the exercise of Options shall be eligible for dividend from the date of their allotment and pro-rata for the financial year for which the dividend is declared.

#### **15 Insider Trading, Company Rules and Policies**

15.1 The Employee shall ensure that he abides by and there is no violation of:

- i. Insider Trading Regulations of any country and/or the recognized stock exchange(s) on which the shares of the Company are listed.
- ii. Other applicable restrictions for prevention of fraudulent and / or unfair trade practices relating to the securities market.
- iii. The rules, regulations, policies and systems laid down by the Company from time to time for the employees in general and in particular to the financial services market.

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

15.3 Any violation of the above may, at the discretion of the Board / Committee result in cancellation of grant. The decision of the Board /Committee shall be final and binding on the concerned.

## **16 Notices and correspondence**

Any notice required to be given by an Employee to the Company or the Committee or any correspondence to be made between an Employee and the Company or the Committee may be given or made to the Company/ Committee at the corporate office or registered office of the Company or at the place as may be notified by the Company/ Committee in writing.

Any notice, required to be given by the Company or the Committee to an Employee or any correspondence to be made between the Company or the Committee and an Employee shall be given or made by the Company or the Committee on behalf of the Company at the address provided by the Employee in his acceptance letter.

## **17 Beneficiary designation**

Each Employee under the Plan may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit under the Plan is to be delivered in case of his or her death before he receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Employee, shall be in a form prescribed by the Company and will be effective only when filed by the Employee in writing with the Company during the Employee's lifetime.

## **18 Non-transferability of Options**

The Options cannot be assigned, alienated, pledged, attached, hypothecated, sold, or otherwise transferred or encumbered by the Employee otherwise than by will or by the laws of descent, to the extent permitted under the Applicable Law, and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void and unenforceable against the Company.

## **19 Change in Capital Structure**

19.1 Except as hereinafter provided, any grant made shall be subject to adjustment, by the Nomination & Remuneration Committee, at its discretion, as to the number and price of Options or Shares, as the case may be, in the event of 'Change in Capital Structure' as defined herein.

19.2 If there is a 'Change in the Capital Structure' of the Company before the Options granted under this Plan are Exercised, the Employee shall be entitled on Exercise of the Options, to such number of Resultant Shares to which he would have been entitled as if all the then outstanding Options exercised by him, had been exercised before such 'Change in the Capital Structure' had taken place and the rights under the Options shall stand correspondingly adjusted. In the event of a Bonus Issue, sub-division or consolidation of capital, the Nomination & Remuneration Committee, subject to the provisions of applicable laws to the Stock options, shall make fair and reasonable adjustments under the Plan, as it deems fit, with respect to the number of options, exercise price, distribution of sums and make any other necessary amendments to the Plan for this purpose. The vesting period and life of the options shall be left unaltered as far as possible.

19.3 In the event of severance of employment of a Grantee, as a part of reconstitution / amalgamation / sell-off or otherwise, the options granted and not exercised before such reconstitution / amalgamation / sell-off, shall be exercised as per the terms and conditions determined by the Committee at that time.

19.4 In the event of a dissolution or liquidation of the Company, any vested options outstanding under the Plan shall be cancelled if not exercised prior to such event and no compensation shall be payable in respect of the options so cancelled.

19.5 In the event of a reverse merger, the treatment of vested as well as unvested options will be decided by the Committee, whose decision shall be final and binding.

19.6 In the event of demerger of the Company, the respective Committees of the Resulting & the De-merged Company will take the decision regarding the time period for the exercise of the vested options and the treatment of unvested options.

## **20 Recovery of applicable taxes**

20.1 All Options Granted/Shares allotted under the Plan shall be subject to all applicable taxes, if any, and the Company or Committee may recover such taxes accordingly from the Employee.

20.2 An Employee beneficiary shall pay all tax and discharge all other liabilities to which he may become subject to as a result of his participation in this Plan or exercise of options.

## **21 Arbitration**

In the event of a dispute arising out of or in relation to the provisions of this Plan (including a dispute relating to the construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such dispute through an amicable settlement. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after reasonable attempts, which attempt shall continue for not more than 30 days, gives 10 days notice thereof to the other party in writing. In case of such failure, either party may refer the dispute to a single arbitrator to be appointed by Managing Director of the Company. The arbitration proceedings shall be held in New Delhi, India under and in accordance with the Arbitration and Conciliation (Amendment) Act, 2015 and any statutory modification or re-enactment thereof. The arbitrator shall give a reasoned award in writing. The arbitrator shall also decide on the costs of the arbitration proceedings. The parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law in New Delhi.

## **22 Governing Law**

This Plan and all agreements there under shall be governed by and construed in accordance with the Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014 and other Applicable laws of India.

The Employee agrees and acknowledges that he Employee has received and read a copy of the Plan. The Options are subject to the Plan. Any term of the Plan that is contrary to the requirement of the SEBI Guidelines or any other Applicable Law or other Indian regulations shall not apply to the extent it is contrary.

The Courts in New Delhi shall have exclusive jurisdiction on any matter arising out of this Plan.

## **23 Regulatory approvals**

The implementation of the Plan, the Granting of any Option under the Plan and the issuance of any Shares under this Plan shall be subject to the procurement by the Company and the Employee/Beneficiary of all approvals and permits, if any, required by any regulatory authorities having jurisdiction over the Plan, the Options and the Shares issued pursuant thereto. The Employee/Beneficiary under this Plan will, if requested by the Committee/ Company, provide such assurances and representations to the Company or the Committee, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.



## **24 Modification of Plan**

The Committee may, on its own or if required by the law, after authorisation by the shareholders/ Board of Directors, as the case may be, by way of special resolution, (wherever required) at any time and from time to time:

24.1 Revoke, add to, alter ,amend or vary all or any of the terms and conditions of the Plan or all or any of the rights and obligations of the Employee;

24.2 Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Employee/Beneficiary. Each of such sets of special terms and conditions shall be restricted in its application to those Employee;

24.3 Formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Employee separately and each of such sets of special terms and conditions shall be restricted in its applications to such Employee.

24.4 However, any amendment, variation or modification under the Plan shall not be prejudicial to the interest of the Employees of the Company.

## **25 Term of the Plan**

25.1 Except as provided elsewhere specifically, the Plan shall continue in effect unless terminated by the Company or the Committee or until all options available to be granted under the Plan are fully exercised.

25.2 Any such termination of the Plan shall not affect Options already Granted and such Options shall remain in full force and effect as if the Plan had not been terminated unless mutually agreed otherwise between the Employee/ Beneficiary and the Committee/the Company.

### **General Risks:**

Participation in this ESOP Plan shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the market price of the equity and the risks associated with the investments is that of the Employee alone.

## **26. Confidentiality**

Notwithstanding anything contained in this Plan, the Employee shall not divulge the details of the Plan and/or his holdings to any person except with the prior written permission of the Committee unless so required to do under the Applicable laws or any statutes or regulations applicable to such Employee.

Formats

**GRANT LETTER**

Date: \_\_\_<sup>th</sup> \_\_\_\_\_, 20\_\_

To,

\_\_\_\_\_  
\_\_\_\_\_

Dear Sir/Madam,

The ESOP Compensation/Nomination and Remuneration Committee of TRANSCORP INTERNATIONAL LIMITED has pleasure in inviting you to participate in the Employee Stock Option Scheme 2017 under the Companies Act, 2013 (hereinafter referred as Scheme) of the Company.

By virtue of scheme, you are being offered the options convertible into equity shares of .....

The details of number of options granted, vesting date, exercise date, exercise price and manner of exercising the options and other terms and conditions are given in Form I.

The offer shall lapse if not accepted on or before the closing date mentioned in Form I. If the offer is acceptable to you, kindly sign acceptance form (enclosed as Form II) in token of your acceptance.

You are requested to study the same carefully and familiarize yourself with the scheme enclosed.

Thanking you,

Yours faithfully,

For **For Transcorp International Limited**

.....

**Encl: As above**

**FORM I**

**GRANT LETTER**

<b>NAME IN FULL: .....</b>		
<b>I. GRANT DETAILS</b>		
<b>Description</b>	<b>Grant Date</b>	<b>No of options</b>
Total Options Granted		
<b>II. VESTING DETAILS</b>		
<b>Description</b>	<b>Vesting Date</b>	<b>No. of options</b>
Vesting		
<b>III. EXERCISE DETAILS</b>		
<b>Number of options - .....</b>	<b>Last Date for Exercise</b>	<b>Exercise Price</b>
Exercise of ..... Option		Rs. ___/- per options
Exercise of ..... Option		Rs. ___/- per options
Exercise of .....Option		Rs. ___/- per options

**Terms and conditions:**

- Hereinafter, the grant letter issued to the employees shall be termed as grantee or participant.
- The options granted are personal to the grantee and cannot be transferred in any manner whatsoever.
- Each Option will entitle the participant to one Share of the Company and options issued to the grantee shall always be convertible into equity shares only.
- Grantee who wishes to accept an offer made must deliver duly filled Acceptance Form (enclosed as Form II) at the registered office of the Company addressed to Ms..... on or before closing date i.e. .... Further grantee shall mention his/her name, address precisely in the acceptance form.
- Grantee who fails to return the Acceptance Form on or before the Closing date is deemed to have rejected the offer and Acceptance Form received after the Closing date shall not be valid.
- Options granted shall vest on aforementioned vesting dates.
- The grantee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are issued on exercise of option.
- Subsequent to vesting date, grantee shall exercise the Vested Options on or before aforementioned exercise dates.
- For the purpose of exercise, grantee must deliver duly filled exercise form (enclosed as Form III) in writing along with exercise Price of Rs. 2/- per options by enclosing cheque in favor ..... on or before aforementioned exercise dates addressed to ..... at the registered office of the Company.
- The compensation committee shall verify and accordingly communicate to the employees about valid exercise.
- Shares issued pursuant to exercise of options under the scheme would be in lock in for the period of .....months in case of existing employees and ..... months in case of new joining.

- Each grantee under the Scheme may nominate, any Beneficiary or Beneficiaries to whom any benefit under the Scheme is to be delivered in case of his or her death before he or she receives all of such benefit by delivering nomination form (enclosed as Form IV) to the company at the registered office of the Company addressed to Mr.....

- For other terms and condition relating to eligibility of employees, administration of the scheme, granting of options, method of acceptance, vesting of options, exercise price, exercise of options, termination of employment, notices and correspondence, nomination, non-transferability of options, corporate action, arbitration, regulatory approvals, accounting method and method of valuation, miscellaneous provisions, modification of scheme and term of the scheme, employees are requested to study and familiarize with scheme enclosed.

- In case of any clarification please contact ..... or e-mail at \_\_\_\_\_

For.....

**b**

**FORM II**

**ACCEPTANCE FORM**

Date:

From:

To

The Compensation/Nomination and Remuneration Committee,  
TRANSCORP INTERNATIONAL LIMITED,

Address : \_\_\_\_\_,

City : \_\_\_\_\_

Pin Code : \_\_\_\_\_

State : \_\_\_\_\_

India

Dear Sir,

This is with reference to the Grant Letter of Offer dated ..... issued under the Employee Stock Option Scheme 2017 of the Company.

I have read the terms and conditions stipulated in the Grant Letter and ESOP Scheme 2017 and wish to subscribe to \_\_\_\_\_ options granted to me.

I undertake to be bound by the terms and conditions of the ESOP Scheme which I confirm that I have understood fully.

Yours faithfully

\_\_\_\_\_

**FORM III**  
**EXERCISE FORM**

Date

From

To

Compensation/Nomination and Remuneration Committee

TRANSCORP INTERNATIONAL LIMITED  
New Delhi

Kind Attn: .....

I exercise my right to convert \_\_\_\_\_ options out of \_\_\_\_\_ options already vested in me.  
Please find enclosed herewith cheque in favour of

I am furnishing the required information below:

<b>I. PERSONAL DETAILS</b>				
Name in Full				
Address				
Income Tax PAN No.				
<b>II. GRANT &amp; EXERCISE DETAILS</b>				
Particulars	Date	No of options		
Total Options Granted				
Options Vested				
Options Exercised				
<b>III. PAYMENT DETAILS</b>				
Subscription for _____ Shares @ Rs. ____/- per share	Cheque Date	Cheque No.	Name of Bank	Amount Rs.____/-
<b>Total Amount</b>				

Yours faithfully

Name and Signature

**FORM IV**  
**NOMINATION FORM**

Date:

To,

The Compensation/Nomination and Remuneration Committee

Kind Attn:

Dear Madam/Sir,

In respect of the options to be exercised by me under the Employee Stock Option Scheme (ESOP) of the Company, I hereby appoint my nominee in accordance with Clause XV of the ESOP Scheme. The details of the nomination are as follows:

**Name of Employee in Full :**

**NOMINEE DETAILS**

Name in Full :

Relationship with the Employee :

Address :

City :

Pin Code :

State :

Country :

Age :

Guardian :

**GUARDIAN DETAILS :**

Name in Full :

Relationship with Nominee :

Address :

City :

Pin Code :

State :

Country

Yours faithfully,

		<b>Signature</b>	<b>Place</b>	<b>Date</b>
Name of Employee				
Name of Nominee/ Guardian				

*Thanks & Regards,*

.....