



# WeP Solutions Limited

## Employees Stock Option Plan 2016 - 'ESOP-2016'

Sr. No	Particulars
1	Name, Objective and Term of the Plan
2	Definitions and Interpretations
3	Authority and Ceiling
4	Administration
5	Eligibility and Applicability
6	Vesting Conditions
7	Grant of Options and Exercise
8	Other Terms and Conditions
9	Deduction of Tax
10	Appointment of Nominee
11	Authority to Vary Terms
12	Miscellaneous
13	Notices
14	Governing Law and Jurisdiction
15	Income Tax Rules
16	Plan A
17	Plan B

For WeP Solutions Limited

*Sujata Lele*  
Sujata Lele  
Company Secretary

## 1. Name, Objective and Term of the Plan

- 1.1 This Plan shall be called the **"WeP Solutions Limited - Employees Stock Option Plan, 2016"** (hereinafter referred to as **"ESOP 2016"**).
- 1.2 The objective of the ESOP 2016 is to attract, retain and reward Employees performing services for the Company by sharing the value created by them and thus, motivating such Employees to contribute to the growth and profitability of the Company. The Company views employee stock options as instruments that would enable the Employees to share the value they create for the Company in the years to come.
- 1.3 This Scheme will come into effect from **1<sup>st</sup> October 2016**, subject to receipt of necessary approvals.
- 1.4 The Nomination and Compensation Committee may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the ESOP 2016.

## 2. Definitions and Interpretation

### 2.1 Definitions

The terms defined in this ESOP 2016 shall for the purposes of this ESOP 2016, have the meanings herein specified and terms not defined in this ESOP 2016 shall have the meanings as defined in the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014, or in any statutory modifications or re-enactments thereof, as the case may be.

- i. **"Agreement"** means the Employee Stock Option Agreement between the Company and the Option Grantee evidencing the terms and conditions of an individual Employee Stock Option. The Agreement is subject to the conditions of the ESOP 2016.





- ii. **"Applicable Laws"** means the legal requirements relating to Employee Stock Options, including, without limitation, the Companies Act, 2013, the SEBI Act, Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, Income Tax Act, 1961 and all relevant tax, securities, exchange control or corporate laws of India, or of any other relevant jurisdiction or of any Stock Exchange on which the shares may be listed or quoted in future.
- iii. **"Board"** means the Board of Directors of the Company.
- iv. **"Cause"** shall mean conduct, as determined by the Nomination and Compensation Committee involving the commission of an act of theft, misconduct, embezzlement, fraud, dishonesty or moral turpitude, the deliberate disregard of the rules of the Company or the terms of employment or on such other disciplinary grounds which resulted in or on the Nomination and Compensation Committee's determination may result in loss, damage or injury to the Company, the unauthorized disclosure of any trade secret or confidential information of the Company or conduct in contravention of the Company Employee Policies.
- v. **"Companies Act"** means the Companies Act, 2013 and includes any statutory modifications or re-enactments thereof.
- vi. **"Company"** means 'WeP Solutions Limited'.
- vii. **"Company Employee Policies"** shall mean the Company's policies for employees and the terms of employment as contained in the employment letter and the company handbook.
- viii. **"Nomination and Compensation Committee"** means a Committee constituted by the Board of Directors of the Company from time to time.



- ix. **"Director"** means a member of the Board of the Company.
- x. **"Eligibility Criteria"** means the criteria as may be determined from time to time by the Nomination and Compensation Committee for granting the Employee Stock Options to the Employees.
- xi. **"Employee"** means
  - (i) A permanent employee of the Company working in India or out of India;  
or
  - (ii) A Director of the Company whether whole time director or not, but excluding an Independent Director;  
or
  - (iii) An Employee as defined in clause (i) or (ii) of a Subsidiary, in India or outside India, or of a Holding Company of the Company or of an Associate Company but does not include -
    - a) An employee who is a Promoter or belongs to the Promoter Group;
    - b) A director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company.
- xii. **"Employee Stock Option" or "Option"** means the option granted to an Employee, which gives such Employee the right, but not the obligation, to purchase or subscribe at a future date the Shares underlying the option at a pre-determined price.
- xiii. **"ESOS Shares"** means equity shares of the Company arising out of the Exercise of Employee Stock Options granted under the ESOP 2016.
- xiv. **"Exercise"** of an Option means expression of an intention by an Employee to the Company to purchase the Shares underlying the Options Vested in him, in





pursuance of the ESOP 2016, in accordance with the procedure laid down by the Company for exercise of Options.

- xv. **"Exercise Period"** means such time period after Vesting within which the Employee should Exercise his right to apply for shares against the Options Vested in him in pursuance of the ESOP 2016.
- xvi. **"Exercise Price"** means the price payable by an Employee in order to exercise the Option granted to him in pursuance of the ESOP 2016.
- xvii. **"Fair Value"** of Stock Options means the fair value calculated in accordance with the SEBI Guidelines and applicable accounting standards prescribed by the Institute of Chartered Accountants of India.
- xviii. **"Grant"** means issue of Options to the Employees under the ESOP 2016 Plan A or Plan B as the case may be.
- xix. **"Grant Letter"** shall mean the letter issued by the Company to the Employee giving details of the Options granted to them as determined by the Nomination and Compensation Committee. The Grant Letter would clearly state the date of grant of Options, the number of Options granted, the Vesting Conditions, the Vesting Period for the Options, the Exercise Price to be paid for the Options and the Exercise Period.
- xx. **"Intrinsic Value"** means the excess of the Market price of the share over the exercise price of stock options (including upfront payment, if any) or as may be defined in the SEBI Guidelines.
- xxi. **"Nominee" or "Nominees"** means any of the parents, spouse, any child, brother or sister of the employee or any other person nominated by the employee under the plan ESOP 2016 who will be eligible to exercise the Options given to an employee on the employee's premature death.



- xxii. **"Option Grantee"** means an Employee having a right but not an obligation to Exercise an Employee Stock Option in pursuance of the ESOP 2016.
- xxiii. **"Permanent Employee"** mean employees who are on the payroll of the Company.
- xxiv. **"Permanent Incapacity"** means any disability of whatsoever nature be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the Employee was capable of performing immediately before such disablement, as determined by the Nomination and Compensation Committee based on a certificate of a medical expert identified by the Nomination and Compensation Committee.
- xxv. **"Promoter"** means -
- (a) The person or persons who are in over-all control of the Company;
  - (b) The person or persons who are instrumental in the formation of the Company or Programme pursuant to which the shares of the Company were offered to the public;
  - (c) The person or persons named in the offer document as promoter(s).  
Provided that a director or officer of the Company if they are acting as such only in their professional capacity will not be deemed to be a promoter.
- xxvi. **"Promoter Group"** means -
- (a) An immediate relative of the promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse);
  - (b) Persons whose shareholding is / may be aggregated for the purpose of disclosing in the offer document under the heading "Shareholding of the Promoter Group".





- xxvii. **"Recognized Stock Exchange"** means the Bombay Stock Exchange (BSE), National Stock Exchange (NSE) or any other Stock Exchange in India on which the Company's Shares are listed or to be listed.
- xxviii. **"Retirement"** means retirement as per the rules of the Company.
- xxix. **"Scheme / Plan / ESOP 2016"** means this 'WeP Solutions Limited - Employee Stock Option Plan 2016' under which the Company is authorized to grant Employee Stock Options to the Employees.
- xxx. **"SEBI Act"** means the Securities and Exchange Board of India Act, 1992 as amended, and includes all regulations, guidelines, rules, circulars, notifications and clarifications issued there under.
- xxxi. **"SEBI Guidelines"** means the Securities and Exchange Board of India (Share Based Employees Benefit) Guidelines, 2014, as amended and includes all regulations and clarifications issued there under.
- xxxii. **"Shares"** means equity shares of the company and securities convertible into equity shares and shall include American Depositary Receipt (ADR), Global Depositary Receipt (GDR) or other depository receipt representing underlying equity shares or securities convertible into equity shares.
- xxxiii. **"Vesting"** means earning by the Option Grantee, of the right to apply for Shares of the Company against the Employee Stock Options granted to him in pursuance of the ESOP 2016.
- xxxiv. **"Vesting Conditions"** means the conditions of Vesting specified in the Grant Letter subject to which the Options would vest with the Option Grantee.
- xxxv. **"Vesting Period"** means the period during which the Vesting of the Employee Stock Option granted to the Employee, in pursuance of the



ESOP 2016 takes place i.e. the period elapsed between the date of grant and the date of vesting of the stock options granted to the employees.

## 2.2 Interpretation

In this Plan, unless the contrary intention appears:

- a) The clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) A reference to a clause number is a reference to its sub-clauses;
- c) Words in singular number include the plural and vice versa;
- d) Words importing a gender include any other gender;
- e) A reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

## 3. Authority and Ceiling

- 3.1 The Shareholders in their General Meeting held on **Thursday, 22<sup>nd</sup> September 2016** resolved to issue under the ESOP 2016, Employee Stock Options exercisable into not more than 6,00,000 (Six Lakhs) Equity Shares, 2% of authorised capital of the company, of Face Value Rs.10/- each to Employees, with each such Option conferring a right upon the Employee to apply for one equity share of the Company, in accordance with the terms and conditions of such issue.
- 3.2 The stock options which are surrendered, cancelled or forfeited are eligible to be reissued as fresh grants as per the provisions of this Scheme.
- 3.3 Where Shares are issued consequent upon exercise of an Employee Stock Option under the ESOP 2016, the upper limit on the number of Shares referred to in Clause 3.1 above will stand reduced to the extent of such Shares issued.
- 3.2.1 In case of a share-split where the face value of the shares is reduced below Rs. 10/- per shares, the maximum number of shares available for being granted under





ESOP 2016 shall stand modified accordingly, so as to ensure that the cumulative face value prior to such split remains unchanged after the share split.

#### 4. Administration

- 4.1 The ESOP 2016 shall be administered by the Nomination and Compensation Committee. All questions of interpretation of the ESOP 2016 or any Employee Stock Option shall be determined by the Nomination and Compensation Committee and such determination shall be final and binding upon all persons having an interest in the ESOP 2016 or such Employee Stock Option.
- 4.2 The Nomination and Compensation Committee shall in accordance with this Scheme and Applicable Laws determine *inter alia*:
- (a) The quantum of Employee Stock Options to be granted per Employee under the Plans A, and B as provided in the Annexure of the Scheme, subject to the over all ceiling as specified in Para 3.1;
  - (b) To select the Employees to whom Options may from time to time be granted under this Plan;
  - (c) Determine Exercise Price;
  - (d) To determine the Vesting Conditions, Vesting Period and the Exercise Period;
  - (e) The procedure for making a fair and reasonable adjustment in case of a corporate action such as stock split / consolidation, rights issues, bonus issues, merger, sale of division and others, to ensure that the Option holders are compensated appropriately in case of any diminution in the value of their stock options as a result of such corporate action;
  - (f) The conditions under which Options Vested in Employees may lapse in case of termination of employment for misconduct;



- (g) The procedure and terms for the Grant, Vest and Exercise of Employee Stock Option in case of Employees who are on long leave;
- (h) Frame suitable policies and systems to ensure that there is no violation of
  - (a) SEBI (Prohibition of Insider Trading) Regulations, 2015 and
  - (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, by any Employee; and
- (i) Approve forms, writings and/or agreements for use in pursuance of the ESOP 2016.

## 5. Eligibility and Applicability

- 5.1 All Employees as defined under this ESOP 2016 are eligible for being granted Employee Stock Options under ESOP 2016. The specific employees to whom the options would be granted and their eligibility criteria would be determined by the Nomination and Compensation Committee.

## 6. Vesting Conditions

Options granted under ESOP 2016 would Vest not less than One (1) year and not more than Five (5) years from the date of Grant of such Options. Vesting of Options would be subject to continued employment with the Company and thus the Options would vest on passage of time.

In addition to this, the Nomination and Compensation Committee may also specify certain performance parameters subject to which the Options would vest.

The specific Vesting Conditions subject to which Vesting would take place would be outlined in the Grant Letter.





## 7. Grant of Options and Exercise

- a) The Nomination and Compensation Committee shall have the powers to grant the stock options under the ESOP 2016 to the identified eligible employees other than the Directors; and the Board of Directors shall have the powers to grant stock options to the eligible Directors.
- b) The Nomination and Compensation Committee or the Board, as the case may be, shall grant such stock options to the prospective grantees and issue a letter of grant containing, inter alia, the following details and make necessary disclosures as mentioned in the applicable SEBI guidelines:
- Name of the Employee/ Director;
  - No. of stock options being granted;
  - Vesting period/ date
  - Exercise period; and
  - Exercise price of the each stock option

The maximum number of stock options granted to anyone employee in a year shall be less than 1% of the issued Equity Share Capital of the company at the time of grant of the stock options.

The exercise price is payable by the employees at the time of exercise of stock options through crossed cheque or a demand draft drawn in favour of the Company, or in such other manner as the compensation committee may decide.

- c) The Employee Stock Options granted should be exercised within a period of Five Years (5 years) from the date of Vesting of the respective Employee Stock Options, beyond which the Options would lapse.



d) Discontinuation of services before vesting:

- i. In the event of the Grantee's services being discontinued on account of resignation, termination, or otherwise, the stock options granted to him but not vested under the ESOP 2016 as on the date of such resignation/ termination shall lapse.
- ii. It is clarified that, on the demise of a Grantee or on the termination of service due to permanent incapacity of the Grantee, the stock options granted to such Grantee pending vesting under the ESOP 2016 shall vest on the date of such event in the Grantee or in the name of the nominee of the Grantee in case of the Grantee's death and shall be exercisable in accordance with the normal vesting schedule.
- iii. In case of superannuation of a Grantee, all unvested stock options on the date of the superannuation shall lapse, unless otherwise decided by the Nomination and Compensation Committee at its discretion.

e) The options can be exercised as per the provisions outlined in the table below:

Conditions for exercising Vested Options	
1 While in Employment	Can be exercised within a period as stated in the Grant Letter.
2 Resignation / Termination (other than due to misconduct or breach of company policies/terms of employment)	All the Vested Options as on that date shall be exercisable by the Employee immediately after, but in no event later than three (3) months from the last working day with the Company or three (3) years from the date of Vesting, whichever is earlier.
3 Termination for Cause	All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.
4 Retirement / Early Retirement approved by the Company	All the Vested Options as on that date shall be exercisable by the Employee immediately after, but in no event later than three (3) months from the last working day with the Company or three (3) years from the date of Vesting, whichever is earlier.





		Conditions for exercising Vested Options
5	Death	All Vested Options may be Exercised by the Option Grantee's nominee or legal heirs immediately after, but in no event later than 12 months from the date of Death of the option holder.
6	Termination due to Permanent Disability	All Vested Options may be Exercised by the Option Grantee or, in case of his death, the nominee or legal heirs, immediately after, but in no event later than 12 months from the date of such disability.
7	Abandonment*	All the Vested Options shall stand cancelled.
8	Separation due to reasons other than those mentioned above	The Nomination and Compensation Committee of the Board will decide whether the Vested Options on the date of separation can be exercised by the employee or not, and such decision shall be final.

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

All the Options cancelled, lapsed for any reason whatsoever, shall be available for Grant to the other Employees of the Company as decided by the Nomination and Compensation Committee.

## 8. Other Terms and Conditions

- 8.1 The Employee shall not have a right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of Employee Stock Options granted, till Shares underlying such Employee Stock Options are allotted on Exercise of such Employee Stock Option.
- 8.2 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company in respect of any Shares covered by the Grant unless the Option Grantee exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.
- 8.3 If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee. Only if the Employee Stock Options are vested and exercised and the Option Grantee is a valid



holder of the Shares of the Company, the Option Grantee would be entitled for bonus or rights shares as other shareholders of the Company. However, an adjustment to the number of Options or the Exercise Price or both may be made in accordance with Clause 5.2(e) of ESOP 2016.

- 8.4 Employee Stock Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case the relevant clause in this Scheme would apply.
- 8.5 No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option except in the event of the death of the Option Grantee holder, in which case the relevant clause in this Scheme would apply.
- 8.6 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 8.7 All Shares allotted on Exercise of the Options, will rank pari-passu with all other shares of the Company for the time being in issue (save as regards any right attached to such shares by reference to a record date prior to the date of allotment).

## 9. Deduction of Tax

The Company shall have the right to deduct from the Employee's salary, or recover from the Employee, any of the Employee's tax obligations arising in connection with the Employee Stock Option or the Shares acquired upon the Exercise thereof. The Company shall have no obligation to deliver Shares or to release Shares in pursuance of the Agreement until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee.





## 10. Appointment of Nominee

The Grantee may appoint any person as nominee(s) for the purpose of exercising the rights, subject to the obligations, in terms of the ESOP 2016.

The Grantee concerned shall appoint such nominee(s) as per Form as may be prescribed. The Grantee has the right to revoke such nomination at any time and a fresh nomination may be made on such revocation.

In the event of death of the Grantee, the nominee specified as aforesaid shall alone be entitled to exercise the rights of the Grantee concerned and Company shall not be liable in relation to any rights and obligations amongst the legal heir's inter-se the Grantee concerned.

Where the Grantee has not made the nomination as above, then the person appointed as nominee by the Grantee as per the Provident Fund rules, shall be deemed to be the nominee for the purposes of ESOP 2016.

If the Grantee fails to make a nomination as mentioned above in any case, the stock options shall vest on legal heirs in the event of death.

## 11. Authority to vary terms

The Nomination and Compensation Committee may, if it deems necessary, vary the terms of ESOP 2016, subject to the Applicable Laws.

## 12. Miscellaneous

### 12.1 Government Regulations

This ESOP 2016 shall be subject to all Applicable Laws, and approvals from governmental authorities. The Grant and the allotment of Shares under this ESOP 2016 shall also be subject to the Company requiring Employees to comply with all Applicable Laws and be subject to the approval of the Company's Counsel.



**12.2 Inability to obtain authority**

The inability of the Company to obtain authority from any regulatory body having jurisdiction, or under any Applicable Laws for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such Shares.

12.3 The Grant of an Employee Stock Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person and the Company, give such person any right entitlement or expectation to have an Employee Stock Option granted to him in respect of any number of Shares or any expectation that an Employee Stock Option might be granted to him whether subject to any condition or at all.

12.4 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Employee Stock Option shall give such individual any right entitlement or expectation that he has or will in future have any such right entitlement or expectation to participate in this Plan by being granted an Employee Stock Option on any other occasion.

12.5 The rights granted to an Option Grantee upon the grant of an Employee Stock Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

12.6 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 an Employee Stock Option in whole or in part in consequence of the loss or termination of his office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).





## 12.7 Confidentiality

The Option Grantee who holds any Options/Shares under the Plan shall not divulge the details of the Plan and his holding to any person except with the prior permission of the Company obtained in writing. The Option Grantee shall enter into such agreements, as the Company may desire, from time to time, to more fully and effectively implement the Plan.

## 12.8 General Risks

Participation in the Plan shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the equity and the risks associated with the investments is that of the Option Grantee alone. The Option Grantee is encouraged to make considered judgment and seek adequate information /clarifications essential for appropriate decision.

## 13. Notices

All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP 2016 shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company and any communication to be given by an Option Grantee to the Company in respect of ESOP 2016 shall be sent to the address mentioned below:

*To,*

*The Company Secretary*

*WeP Solutions Limited*

*40/1A, Basappa Complex, Lavelle Road, Bangalore 560 001.*

## 14. Governing Law and Jurisdiction

14.1 The terms and conditions of the ESOP 2016 shall be governed by and construed in accordance with the laws of India.

14.2 The Courts of Bangalore, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2016.



Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP 2016 or in any other court of competent jurisdiction.

## 15. Income Tax Rules

The applicable Income Tax Laws and Rules as in force will be applicable.

### PLAN - A

Grant Date	As decided by the Nomination and Compensation Committee.
Vesting Period	The minimum vesting period would be one year from the date grant.
Vesting Schedule	The vesting shall be on the basis of number of years of service in the company as mentioned in the letter of grant.
Grant Price	The equity shares would be issued at a market price (Exercise Price), which would be the latest available closing price on the Stock Exchange (BSE), on the date prior to the date of the meeting of the Board/Committee at which options are granted, but not less than Rs.10/- or at such price as the Board/Committee may determine on the date(s) of grant of option(s) but not less than Rs. 10/-.
Eligibility	Full time employees
Exercise Period	The stock options granted under ESOP 2016 shall be exercisable within a period of 60 months from the date of vesting and shall be exercisable under such conditions as may be determined by the Compensation Committee from time to time. The options shall be exercisable in whole within the exercise period permitted under the Plan.

### PLAN - B

Grant date	As decided by the Nomination and Compensation Committee.
Vesting Period	The minimum vesting period would be one year from the date grant and maximum of Five years.
Vesting Schedule	The vesting shall be on the basis of achievement of milestones and/or number of years of service in the company as mentioned in the letter of grant.
Grant Price	The equity shares would be issued at a market price (Exercise Price), which would be the latest available closing price on the Stock Exchange (BSE), on the date prior to the date of the meeting of the Board/Committee at which options are granted, but not less than Rs.10/- or at such price as the Board/Committee may determine on the date(s) of grant of option(s) but not less than Rs. 10/-.
Eligibility	Full time employees
Exercise Period	The stock options granted under ESOP 2016 shall be exercisable within a period of 60 months from the date of vesting and shall be exercisable under such conditions as may be determined by the Compensation Committee from time to time. The options shall be exercisable in whole within the exercise period permitted under the Plan.

