



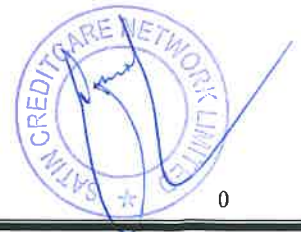
# Satin Creditcare Network Limited

(CIN: L65991DL1990PLC041796)

## SATIN EMPLOYEE STOCK OPTION SCHEME, 2017

### Scheme Document

<b>Document Title:</b>	Satin Employee Stock Option Scheme, 2017			
<b>Created By:</b>	Corporate Secretarial & Compliance Department			
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<b>Maintained By:</b>	Mr. Vikas Gupta (Company Secretary & Chief Compliance officer)			
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<b>Version 2</b>	Mr. Adhish Swaroop	Modification	May 10, 2021	Approved by the Nomination & Remuneration Committee ("NRC") on May 10, 2021
<b>Version 3</b>	Mr. Vikas Gupta	Modification	June 24, 2024	Approved by NRC on June 24, 2024
<b>Version 4</b>	Mr. Vikas Gupta	Modification	May 5, 2025	Approved by the NRC on May 5, 2025





## 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 Scheme, 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 Scheme, 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. **Illiquidity:** 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.





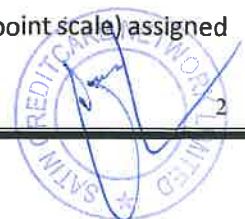
## **PART B: INFORMATION ABOUT THE COMPANY**

### **1. Business Profile of the Company:**

The Issuer was incorporated in October 1990 (original name of the company was Satin Leasing & Finance Private Limited) as an NBFC. It started operations with the objective of providing 'doorstep' credit and savings services to shopkeepers and petty traders in the market places of Delhi. It converted into a public company in 1994 and had its IPO (Initial Public Offering) in June 1996 with shares listed on Delhi, Jaipur and Ludhiana stock exchanges. Trading has been suspended for all the Issuer's listed shares due to low trading volume.

The Company has started its operations in 1990 as a provider of individual and small business loan and savings services to urban shopkeepers. We registered as an NBFC with the RBI in 1998 and converted into an NBFC-MFI in November 2013. The business of the Company primarily based on the joint liability group model of lending ("JLG Model") for providing collateral free, microcredit facilities to economically active women in both rural and semi-urban areas, who otherwise have limited access to mainstream financial service providers. In May 2008, the Issuer launched a group lending microfinance vertical based on the Grameen Model. The Issuer provides prompt, convenient and affordable credit to low income individuals in its areas of operation. The urban small business lending operation serves individuals in the informal sector involved in microenterprises or small and medium-sized businesses regardless of gender. Our operations are spread across 16 states and union territories in India including Uttar Pradesh, Bihar, Madhya Pradesh, Punjab, Uttarakhand, Rajasthan, Haryana, Maharashtra, Delhi and NCR, Jharkhand, Chhattisgarh, Gujarat, West Bengal, Jammu and Kashmir, Himachal Pradesh and Chandigarh, with a focus on rural and semi urban areas. Our Equity Shares are currently listed on the BSE Limited (the "BSE"), the National Stock Exchange of India Limited (the "NSE"), and The Calcutta Stock Exchange Limited (the "CSE") (collectively the "Stock Exchanges").

The institutional investors of the Issuer have a proven commitment to, and track record in providing growth capital for building companies engaged in the development sector. CARE has reaffirmed the "MFI1" grading (highest grading on the eight point scale) assigned





on October'2016, it shows the Issuer's improved ability to manage its microfinance operations. Additionally, CARE has changed the outlook of the long term bank facilities rating of the Issuer to BBB+/ Negative outlook on March 2017. The Issuer's founder Mr. H P Singh had the idea of financing portable generator sets to shopkeepers on credit while working as the internal auditor of the Sriram Honda Company in 1988. He soon realized that daily instalments were more convenient than monthly instalments for small shopkeepers and accordingly made daily instalments the basis of his business model when he started the Company. The Company presently provides weekly, fortnightly and monthly repayment option to its borrowers/clients. The Company commenced operations in East Delhi, which was widely considered one of the most difficult territories in Delhi for providing financial services. The Company soon expanded its area of operations to cover the entire city of Delhi. The Company expanded into rural areas through "Grameen Model" from May 2008 and at present majority of the operations is through joint liability lending in rural / semi urban area.

Mr. Singh is a law graduate and a fellow of The Institute of Chartered Accountants of India. He has over two decades of microfinance experience and has pioneered the unique concept of daily collection of repayments of loans. He has experience in the field of auditing, accounts, project financing, advisory services and company law matters. Mr. Singh is actively involved in the Issuer's day-to-day operations and has been a vital source of inspiration since the company's inception in 1990. Under Mr. Singh's leadership, Satin has grown into one of the leading microfinance institutions in North India and continues to expand its operations. He has participated in HBS Accion Program on Strategic Leadership for Microfinance.

## **2. Abridged 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:





- 1. Due to the nature of our business, we have a continuous requirement of funds and any disruption in the access to funds would adversely impact our results of operations and financial condition.***

*Considering the growth of our business, we will have a continuous requirement of funds for expanding our outreach, enhance our loan portfolio and to enable forward lending. Our ability to raise such funds on competitive terms in the future will depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition. While our borrowing costs have been competitive in the past due to our ability to structure debt products, our credit ratings and the quality of our asset portfolio, we may not be able to access such funds at competitive rates in the future. This may adversely affect our business operations, cash flows and our financial results.*

- 2. We operate in a highly competitive industry and we may be unable to compete successfully against existing or new competitors, particularly in the unorganized segment.***

*The NBFC industry in India comprises of a large number of organized and unorganized players. As a result, we face competition from other NBFCs, banks and financial institutions. The restrictions imposed by the RBI on the number of microfinance institutions which can extend loans to the same borrower, coupled with the concentration of a large number of MFIs in certain states, results in an extremely competitive environment in the semi-urban and rural regions where our target customer segment is concentrated. In addition to organized, regulated lenders, our customers are also prone to borrowing from unregulated local money lenders and non-institutional lenders which may lend at higher rates of interest. Our ability to compete effectively with the other players in the our industry is dependent on our ability to raise low-cost funding, maintain or decrease operating expenses and managing credit costs, and address adverse finance industry trends.*







**3. *We require certain statutory and regulatory approvals and licenses for conducting our business and any failure to obtain or renew them in a timely manner may adversely affect our operations.***

*NBFCs in India are subject to strict regulation and supervision by the RBI. We require a number of regulatory approvals, licenses, registrations and permissions for operating our business, including those at a corporate level as well as at the level of each of our branches. In particular, we are required to comply with various conditions stipulated in our registration certificate as NBFC in order to carry on the business as an NBFC. If we fail to obtain or renew any applicable approvals, licenses, registrations and permits in a timely manner, we may not be able to expand our business on time, or at all, which could affect our business and results of operations, and may also be subject to penalties in the event that we conduct our business operations without holding the relevant approval, license, registration or permit.*

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 option grantee will not be entitled to attend and vote in the meeting or receive any dividend in respect of unexercised options.





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## **PART C: PARTICULARS OF THE COMPANY**

### **1. Introduction of the Scheme**

The Satin Employee Stock Option Scheme, 2017 was approved and recommended by the Nomination and Remuneration Committee on May 26, 2017 and the Board of Directors of the Company has adopted the same on May 26, 2017 subject to the approval of the members of the Company.

The Scheme has been aligned with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 by Nomination and Remuneration Committee and Board of Directors in their meeting held on May 5, 2025 and May 7, 2025 respectively.

The Scheme 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 Scheme is designed to provide equity-based incentives to key employees of the Company.

### **2. Purpose of the Scheme**

Satin Creditcare Network Limited, a Company limited by shares, incorporated under the Companies Act, 1956, having its registered office at 5th Floor, Kundan Bhawan Azadpur Commercial Complex, Azadpur Delhi 110033, has structured this scheme for its employees. The Principle purposes of this scheme are as under:

- a) To motivate the Employees to contribute to the growth and profitability of the Company.
- b) To provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company;
- c) 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







- d) 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 scheme, 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 laws"** 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 and Sweat Equity) Regulations, 2021 (hereinafter referred as SEBI (SBEB & SE) Regulations, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, RBI Circular, 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 **"Clawback"** means a contractual arrangement that allows the company to ask the Grantee to the return any of previously paid or accrued benefit in case of gross negligence or misconduct or violation of the company's code of conduct, policies or terms of employment. The Nomination & Remuneration Committee may decide to invoke the Clawback provision to deferred compensation if Committee deems it to be necessary and justified and as per the Company's Nomination and Remuneration Policy.





- 3.4 "**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.
- 3.5 "**Committee**" or "**Compensation Committee**" means the Nomination and Remuneration Committee of the Board that has been constituted by the Board and *inter-alia* for administration and superintendence of this scheme pursuant to Clause 6 below.
- 3.6 "**Company**" shall mean Satin Creditcare Network Limited, a company limited by shares, incorporated and registered under the Companies Act, 1956, having its registered office at 5<sup>th</sup> Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur Delhi - 110033.
- 3.7 "**Corporate Action**" shall have meaning as understood under the SEBI (SBEB & SE) Regulations including issue of bonus shares, split or rights issue or consolidation of Shares, merger, de-merger, reconstitution, spin-off, amalgamation.
- 3.8 "**Earlier ESOS Scheme**" means Satin ESOP 2009, Satin ESOP I 2010 Satin ESOP II 2010 *(repealed pursuant to the Shareholders' Resolution dated July 6, 2017.)*
- 3.9 "**Employee**" means-
- i. An employee as designated by the company, who is exclusively working in India or outside India; or
  - ii. a director of the company, whether a Whole-Time Director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director;
  - iii. An employee as defined in clause (a) or (b) of a Subsidiary Company 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.





- 3.10** "Exercise" means making of an application by the Employee to the Trust for transfer of Shares against the Vested Options in the Employee in pursuance to this scheme on payment of the Exercise Price.
- 3.11** "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 Exercises part of his Vested Options.
- 3.12** "Exercise Period" means the time period after vesting within which the Grantee may exercise the options vested in him under the Scheme.
- 3.13** "Exercise Price" means the price payable by the Employee to Trust for exercising the Vested Option Granted to him in pursuance of the scheme, in accordance with Clause 11 hereof and shall be communicated in the Grant Letter.
- 3.14** "Grant" means the process by which the company issues options to the Grantee.
- 3.15** "Grant date" means the date on which the Nomination & Remuneration Committee approves the grant;
- 3.16** "Grant letter" means the letter by which Grant of Options is communicated to the Grantee.
- 3.17** "Grantee" shall mean an Eligible Employee pursuant to Clause 9 hereof of the scheme, at the time of Grant of the Option to be eligible to participate under the scheme.
- 3.18** "Lapsed Option" shall mean options granted to an employee, whether vested or not, that get lapsed from the hands of the employee for the reasons of non-exercisability / termination / abandonment etc.
- 3.19** "Malus" means an arrangement that allows the company to withhold cash bonuses or prevent vesting of all or part of Options granted to a Grantee or other portion of variable pay. The





Malus provision can be invoked to deferred compensation if the Committee deems necessary and justified and as per the Company's Nomination and Remuneration Policy.

**3.20** "Market Price" means the latest available closing price on a recognised stock exchange on which the shares of the company 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;

**3.21** "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 Clause 9 hereof.

**3.22** "Permanent Incapacity" means any incapacity of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents a Grantee from performing any specific job, work or task which the said Grantee was capable of performing immediately before such incapacitation, as determined by the Committee based on a certificate of a Medical Practitioner as identified by the Company.

**3.23** "RBI Circular" means RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 bearing reference number DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, as amended from time to time.

**3.24** "Relative" shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013.

**3.25** "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 or to the trust by the employee;





- 3.26** "**Scheme**" shall mean the Satin Employee Stock Option Scheme 2017 and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.
- 3.27** "**SEBI (SBEB & SE) Regulations**" means the Securities Exchange Board of India (Share Based Employee Benefit & Sweat Equity) Regulations, 2011, and shall include any alterations, amendments, additions, deletions, modifications, or variations thereof from time to time.
- 3.28** "**Share**" means an Equity Share of the Company of face value of Rs10/- each.
- 3.29** "**Trust**" shall mean the Satin Employee Welfare Trust established by the Company under the provisions of Indian Trusts Act, 1882, including any statutory modification or re-enactment thereof, for implementing the Satin Employee Stock Option Schemes or for this Scheme;
- 3.30** "**Unvested Option**" means an Option, which is not a Vested Option.
- 3.31** "**Vesting**" means the process by which the employee becomes entitled to receive the benefit of a grant made to him under the schemes;
- 3.32** "**Vesting Period**" means the period during which the Vesting of the Options Granted to the Employee in pursuance of the Scheme takes place.
- 3.33** "**Vested Option**" means an Option, which has vested in pursuance to Clause 10 hereof with the Employee/ Beneficiary and has thereby become exercisable.
- 3.34** "**Vesting Date**" means the date on and from which the Option Vests with the Employee/Beneficiary and thereby becomes exercisable.
- 3.35** "**Whole Time Director**" shall have the same meaning as defined in section 2(94) of the Companies Act, 2013, as amended from time to time.

*Interpretation:*

*In this document, unless the contrary intention appears:*







- a) *Any clause/article referring to the Employees of the Company shall include the Employees of a Subsidiary Company, in India or outside India, of the Company;*
- b) *The singular includes the plural and vice versa;*
- c) *The word "person" includes an individual, a firm, a Body Corporate or unincorporated body or authority;*
- d) *Any word or expression importing the masculine, feminine or neutral genders only, shall be taken to include all genders;*
- e) *Any word which is not defined under the Scheme and is not otherwise elaborated or addressed in the Grant Letter or in the Company's Nomination and Remuneration Policy. shall be interpreted in line with SEBI (SBEB & SE) Regulations, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 or the Companies Act, 2013, RBI Circulars and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation, as the context requires.;*
- f) *Articles, headings are for information only and shall not affect the construction of this document;*
- g) *A reference to an article is respectively a reference to an Article of this document; and*
- h) *Reference to any act, rules, statute or notification shall include any statutory modification, substitution or re-enactment thereof.*

#### **4. Implementation of the scheme**

The Company proposes to implement the Satin Employee Stock Option Scheme, 2017, through the Trust Route wherein the Trust will utilize the shares of the company, held by it. The Company believes that the implementation of ESOS through trust will be in the best interests of the Company and its shareholders and will enable the Company to retain quality talent.

In accordance with the Scheme the trust will transfer these shares to eligible employees on exercise of stock options.

The shareholding of the trust shall be disclosed to the stock-exchange as "non-promoter and non-public" shareholding and the shares held by the trust shall not form part of the public shareholding which needs to be maintained at a minimum of twenty- five per cent as prescribed under Securities Contracts (Regulation) Rules, 1957.





The trustees of a trust, which is governed under these regulations, shall not vote in respect of the shares held by such trust, so as to avoid any misuse arising out of exercising such voting rights.

#### **5. Shares Pool of the Scheme**

The total pool of options under the Scheme is 4,82,946<sup>1</sup>. The share pool shall also include such number of shares, lying with the Trust, as the case may be, pursuant to non-exercisability of options outstanding under the 'earlier ESOS Schemes' of the company. Forfeited / lapsed options under this Scheme can be re-issued by the Committee at its discretion. Further, the maximum number of Shares that can issued pursuant to the exercise of the granted options shall stand automatically enhanced in case of Corporate Actions. The Company reserves the right to increase or reduce such number of shares as it deems fit, in accordance with the Applicable Laws.

#### **6. Administration of the scheme**

The Scheme shall be administered by the Nomination and Remuneration Committee of the Company, hereinafter referred to as 'NRC' or 'Committee', which may delegate its duties and powers in whole or in part as it may determine. The Committee is authorized to interpret the scheme, to establish, amend and rescind any rules and regulations relating to the scheme, and to make any other determinations that it deems necessary or desirable for the administration and implementation of the scheme. The Committee may correct any defect, omission or reconcile any inconsistency in the scheme in the manner and to the extent the Committee deems necessary or desirable. Any decision of the Committee in the interpretation and administration of the scheme, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Grantee and/or Employee and their beneficiaries or successors). The Committee shall, inter-alia, do the following:

- 1. The Right issue in the ratio of 48 rights issue shares for every 125 shares as allotted by the Rights Issue Committee (Committee constituted by Board of Directors for this purpose) on September 1, 2020 pursuant to which the necessary adjustments be made under the scheme. Consequent to the said right issue, the Pool of the scheme has been increased from 3,61,400 options to 4,82,946 options and equivalent shares.*





- I. Adopt rules and regulations for implementing the Scheme from time to time.
- II. Identification of classes of Employees entitled to participate in the Scheme.
- 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 Scheme.
- 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 1 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, split, consolidation 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 method for exercising the Vested Options, period of Exercise, etc.
- XII. Determine the procedure for cashless exercise of options under the scheme;
- 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 Scheme, of any Option Granted hereunder.





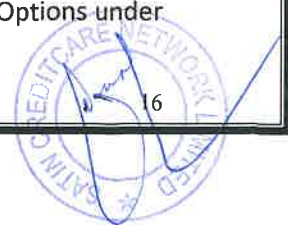
- XVI.** Determine the terms and conditions under which Vested option can lapse in case of termination of employment for misconduct.
- XVII.** To decide upon treatment of vested, unvested Options and shares so arising in the hands of Grantee pursuant to exercise of the vested options, in cases of dispute arising pursuant to Clawback and Malus Provisions between the Grantee and Company.
- XVIII.** Approve forms or agreements for use under the Scheme.
- XIX.** Transferability of Employee stock options.
- XX.** Decide the lock-in on the shares issued pursuant to exercise of options.
- XXI.** Decide all other matters that must be determined in connection with an Option under the Scheme in accordance with SEBI & SE Regulations.
- XXII.** Construe and interpret the terms of the Scheme, and the Options Granted pursuant to the Scheme.
- XXIII.** To frame suitable policies to ensure that there should be no violation of: -
  - (i) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - (ii) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations 2003.

## **7. Satin Employee Welfare Trust**

- 7.1** Satin Employee Welfare Trust is the Trust established by the Settlor i.e., Satin Creditcare Network Limited, which holds the shares of the company for the purpose of being utilised under the ESOS Schemes of the Company.
- 7.2** For the purpose of transfer of shares to the Employees under this Scheme, the shares of the company already held by the Trust will be utilized.
- 7.3** The Trust shall transfer the Shares to Employees in the manner specified in the Trust Deed. The Trustee(s) of the Trust shall administer the transfer of shares to the Grantee as per the directions of the Committee and as stipulated in the Scheme.

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

As soon as may be possible after the Scheme comes into effect and at times thereafter, as deemed fit by the, Nomination and Remuneration 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 Scheme and the terms and conditions thereof.





- i. Performance: Employee's performance during the financial year on the basis of the parameters decided by the management.
- ii. Designation: Employee's designation in the Career Group as per the HR Policy of the Company.
- iii. The present and potential contribution of the Employee to the success of the Company,
- iv. High market value/difficulty in replacing the Employee and
- v. High risk of losing the Employee to competition,
- vi. Value addition by the new entrant if any

New joiners can also participate in the Scheme based upon the discretion of Nomination and Remuneration Committee.

The 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.

Nothing in the Scheme or in any Option granted pursuant to the Scheme 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.

## **9. Grant of Options**

- 9.1 The Committee, in accordance with the terms and conditions of the Scheme 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 Committee for grant Options to one or more Employees.
- 9.2 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 Committee 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.
- 9.3 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.







- 9.4** The Employee shall accept the offer made to him by submitting signed copy of Grant Letter issued to him on or before the closing date i.e. within a period of 30 days from the date of receipt of respective Grant Letters, to the Company, in the prescribed format.
- 9.5** An offer made under this Scheme is personal to the Grantee and cannot be transferred, pledged, hypothecated or otherwise alienated in any manner whatsoever.
- 9.6** Any grant of options to a Non- Executive Non- Independent Director shall be made in compliance of Regulation 17(6)(c) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

#### **10. Vesting of Options**

- 10.1** There shall be a minimum period of one year between the grant of Options and vesting of option. Subject to Participant's continuing the employment with the Company, all the Options granted to an Employee shall vest in him or her as under:
- a. 1/3<sup>rd</sup> of Total Options granted to an Employee shall vest at the expiry of one year from the date of Grant of Options.
  - b. 1/3<sup>rd</sup> of Total Options granted to an Employee shall vest at the expiry of two years from the date of Grant of Options.
  - c. 1/3<sup>rd</sup> of Total Options granted to an Employee shall vest at the expiry of three years from the date of Grant of Options.
- 10.2** The actual vesting of options will depend upon completion of specified time in the organisation as determined by the Committee.
- 10.3** The Committee shall have the power to modify the vesting schedule on a case-to-case basis subject to the minimum gap of 1 (One) year between the grant and first vesting.

#### **11. Exercise Price**

The Exercise pricing formula of the shares will be based on the Market Price of the shares Exchange on the date immediately prior to the date of the Committee meeting.

However, if the 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. However, Exercise price shall not be less than face value of the Shares of the Company.





The Committee may provide suitable discount or charge premium upon the price arrived as per above formula.

The Committee may revise the exercise price if the scheme becomes unattractive due to fall in the price of the shares in the stock market.

## **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 Scheme during the exercise period.

**12.2** Under the Scheme, the Exercise period for the vested options will be upto 1(one) year from the date of respective vesting, failing which the vested options shall stand lapsed in the hands of the Employee.

**12.3** After Vesting, the Options can be exercised through either of the following routes:

- i) Shares route—in this route, the Grantee will receive the Shares equivalent to the number of the Options exercised in accordance with the terms and conditions of the Scheme after he has made the payment of the exercise price and the applicable income tax.
- ii) Cashless route—in this case, the Grantee will receive the sale proceeds of the Shares equivalent to the number of the Options in accordance with the terms and conditions of the Scheme after deduction of the Exercise Price and the applicable income tax from such sale proceeds.

**12.4** An Option Grantee wishing to exercise his Vested Options will submit to the Trust, an application in the form prescribed from time to time on or before the closing date of the Exercise Period. Separate applications will be submitted for shares route and cashless route.

**12.5** In case of shares route, the Company shall inform the Grantee of the amount payable by him towards the Exercise Price and towards the applicable income tax. The Grantee shall make the payment within seven working days by way of demand draft/bank transfer as under:

- i) For the Exercise Price to the Trust
- ii) For applicable income tax to the Company





On receipt of the payment as above, the Trust will deliver/transfer the relevant number of Shares in the de-mat account of the Grantee.

In case of cashless route, the Company will inform the Trust of the amount of the applicable income tax to be withheld from the sale proceeds of the Shares. The Trust will sell the relevant number of the Shares and disburse the sale proceeds (after deducting the Exercise Price and the applicable income tax) to the bank account of the Option Grantee and the applicable tax to the Company.

**12.6** Notwithstanding anything contained elsewhere in the Scheme, the Trust in consultation with the Committee may restrict the transfer of remaining vested unexercised options , unvested options and Shares pursuant to the Clawback and/or Malus provisions as defined in Clause 3.3 & Clause 3.19 above and in such an event(s) the rights and benefit granted under the Options shall lapse, forthwith, without any claim on, or recourse by the Company.

**12.7** 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 / Termination, all Unvested Options, on the date of exit, shall expire and stand terminated with effect from that date. However, all Vested Options as on that date shall be exercisable by the Grantee on or before last working day in the Company or before the expiration of Exercise Period, whichever is earlier. 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 cessation of employment due to Death** of a Grantee, all Options granted (whether Vested or Unvested) to him as on date of Death would vest in his Legal heirs / on that day. The Options would be exercisable within a period of 1 (One) year from the date of death or such other period as determined by Committee on a case-to-case basis, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.





- 2.** All other terms and conditions of the Scheme shall apply to such Options. Provided that, in order to exercise the options of the deceased Employee, his legal heirs have to submit following documents to the management:-

**IN CASE BENEFICIARY IS NOT APPOINTED**

- Copy of the Succession Certificate/Probate of Will/Letter of Administration.
- No objection certificate from the other legal heirs.
- Photo copy of the death certificate duly attested by the proper authority (English translated version in vernacular)
- Specimen signature of the person(s) whose name Shares are to be transmitted (duly attested by the bank)
- Copy of PAN card of the applicant (self-attested).
- Copy of address proof ( self-attested )

**IN CASE BENEFICIARIES APPOINTED**

- Photo copy of the death certificate duly attested by the proper authority (English translated version in vernacular)
- Specimen signature of the person(s) whose name Shares are to be transmitted (duly attested by the bank)
- Copy of PAN card of the applicant (self-attested).
- Copy of address proof ( self-attested )

- 3.** In the event of Permanent Incapacity of a Grantee while in employment, all Options granted, whether Vested or Unvested, to him as on date of Permanent Incapacitation would vest in him on that day. The Options would be exercisable within a period of 1 (One) year from the date of Permanent Incapacitation or such other period as determined by Committee on a case-to-case basis, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.

**13.3** In the event of separation from employment due to Retirement/Superannuation:

1. All Vested Options can be Exercised within a period of 1 (one) year from the date of Retirement / Superannuation or before the expiration of Exercise Period, whichever





is earlier, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.

2. All the Unvested Options will continue to vest as per the vesting schedule even after retirement or superannuation in accordance with Scheme and Company's Nomination and Remuneration Policy and the applicable law.

- 13.4 In the event of Termination of the Employment due to misconduct of a Grantee, all options granted (whether Vested or Unvested) shall stand terminated, with immediate effect.
- 13.5 In the event a dispute arises between the Grantee and the Company in relation to vested but unexercised Options, unvested Options, and/or shares arising from the exercise of Options, all rights to exercise such Options or deal with such shares shall be put on hold until the dispute is resolved to the satisfaction of the Committee, and shall remain subject to the Clawback and/or Malus provisions as applicable.
- 13.6 In the event that an employee who has been granted benefits under this scheme is transferred or deputed to an associate company or vice versa 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.

#### 14. Malus/Clawback:

- 14.1 The inclusive list of instances when Malus/Clawback arrangements may be applied as decided by the Committee in their discretion, are as defined hereunder:
  - a. Gross Negligence towards duties and willful misrepresentation of the figures, facts, data, situations etc. pertaining to the Company, before any statutory, regulatory, judicial, quasi-judicial bodies and any other such authorities;
  - b. Breach of trust, integrity and/or agreement.
  - c. Misuse or disclosing vital materialistic information of the organization including unpublished price sensitive information etc

The Company may specify a time period during which Malus and /or Clawback arrangements may be enforced/ invoked, which will also include at least Deferral Period and Retention







Period. This will be to ensure that mechanisms are applied fairly and consistently, and that Employees are aware of the likely consequences of their actions during these periods.

#### **15. Notices and correspondence**

Any notice required to be given by a Grantee to the Company or the Committee or any correspondence to be made between a Grantee 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 a Grantee or any correspondence to be made between the Company or the Committee and a Grantee 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.

#### **16. Beneficiary designation**

Each Grantee under the scheme may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit under the scheme 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 Grantee, shall be in a form prescribed by the Company and will be effective only when filed by the Grantee in writing with the Company during the Employee's lifetime.

#### **17. Non-transferability of Options**

The Options Granted under this scheme, are personal to the Employee. 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.





## **18. Corporate Actions**

- 18.1** Except as hereinafter provided, any grant made shall be subject to adjustment, by the Committee, at its discretion, as to the number and price of Options or Shares, as the case may be, in the event of 'Corporate Action'.
- 18.2** In the event of Bonus Issue, Rights Issue, sub-division or consolidation of capital, declaration of dividend, mergers etc., the Committee, subject to the provisions of applicable laws to the Stock options, shall make fair and reasonable adjustments under the Scheme, as it deems fit, with respect to the number of options, exercise price, distribution of sums and make any other necessary amendments to the Scheme for this purpose with respect to all the Corporate Actions in the Company. The vesting period and life of the options shall be left unaltered as far as possible.
- 18.3** In the event of severance of employment of a Grantee, as a part of reconstitution / amalgamation / sell-off or otherwise, the options that have vested before such reconstitution / amalgamation / sell-off, shall be exercised within 30 days from the date of such reconstitution / amalgamation / sell-off or the Exercise period as per the Scheme whichever is earlier. However, the treatment of unvested options shall be decided by the committee at its own discretion.
- 18.4** In the event of a dissolution or liquidation of the Company, any vested options outstanding under the Scheme shall be cancelled if not exercised prior to such event and no compensation shall be payable in respect of the options so cancelled.
- 18.5** In the event of a reverse merger, the treatment of vested as well as unvested options will be decided by the new management, whose decision shall be final and binding.
- 18.6** 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.



## **19. Recovery of applicable taxes**

- 19.1** All Options Granted/shares allotted under the scheme shall be subject to all applicable taxes, if any, and the Company or Committee may recover such taxes accordingly from the Grantee/beneficiary.
- 19.2** A Grantee/ beneficiary is liable to pay all tax and discharge all other liabilities to which he may be come subject to as a result of his participation in this scheme or exercise of options.
- 19.3** Notwithstanding anything else contained in this scheme, if deemed necessary, no Shares/sale proceeds therefrom, as the case may be, shall be issued/dispensed to the Employee or Beneficiary, on Exercise of the Options or on sale of shares under this scheme unless appropriate recovery of applicable taxes as required under the applicable tax laws, are discharged.

## **20. Arbitration**

In the event of a dispute arising out of or in relation to the provisions of this scheme (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 mutually between the parties. The arbitration proceedings shall be held at New Delhi, India under and in accordance with the Arbitration and Conciliation Act, 1996 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 at New Delhi.





## **21. Governing Law**

- 21.1** This scheme and all agreements thereunder shall be governed by and construed in accordance with the Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations, 2021, RBI Circulars, in this regard and other Applicable laws of India.
- 21.2** The Employee agrees and acknowledges that the Employee has received and read a copy of the scheme. The Options are subject to the scheme. Any term of the scheme 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.
- 21.3** The Courts at New Delhi shall have exclusive jurisdiction on any matter arising out of this scheme.

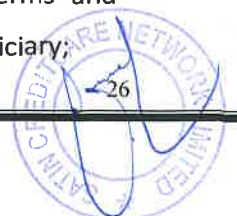
## **22. Regulatory approvals**

The implementation of the scheme, the Granting of any Option under the scheme and the issuance of any Shares under this scheme 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 scheme, the Options and the Shares issued pursuant thereto. The Employee/ Beneficiary under this scheme 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.

## **23. Modification of Scheme**

The Committee may, on its own or if required by the law, after authorization 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:

- a. Revoke, add to, alter, amend or vary all or any of the terms and conditions of the scheme or all or any of the rights and obligations of the Grantee/Employee/Beneficiary;
- b. Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Grantee/Employee/Beneficiary. Each of such sets of special terms and conditions shall be restricted in its application to those Grantee/Employee/Beneficiary;

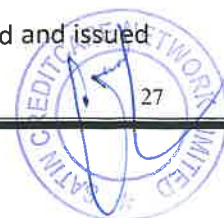




- c. Formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Grantee/Employee/Beneficiary separately and each of such sets of special terms and conditions shall be restricted in its applications to such Grantee/Employee/Beneficiary.
- d. Alter the Exercise price, if the option becomes unattractive due to fall in market price of the share. Provided that no variation, alteration, addition or amendment to the scheme can be made if it is detrimental to the interest of the Grantee/Employee/Beneficiary

#### **24. Miscellaneous provisions**

- 24.1** The Employee/Beneficiary shall have no rights as a Shareholder until the name of the Employee/Beneficiary has been entered in the register of members of the Company as the holder of the Shares provided hereunder to such Employee/ Beneficiary. Upon shares of the company being issued to him pursuant to this scheme, the employee/beneficiary shall 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.
- 24.2** This scheme shall not form part of any contract of employment between the Company and any Eligible Employee, and the rights and obligations of any Eligible Employee under the terms of his office or employment shall not be affected by his participation in this scheme or any right which he may have to participate in it and this scheme shall afford such an Eligible Employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 24.3** This scheme shall not confer on any person any legal or equitable rights against the Company or the Committee directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Committee.
- 24.4** The Company shall bear the costs of establishing and administering this scheme, including any costs of the Company's auditors or any independent financial adviser in relation to the preparation of any confirmation by them or provision of any other service in relation to this scheme.
- 24.5** A Grantee shall, before accepting a Grant, obtain all necessary consents that may be required to enable him to accept the Grant and the Company to allot and issue to him in accordance with the provisions of this scheme, the Shares due to be allotted and issued







upon the Exercise of his Vested Options. By accepting a Grant and/or submitting the Exercise form, the Grantee/Employee/Beneficiary thereof is deemed to have represented to the Company or the Committee that he has obtained all such consents. Compliance with this paragraph shall be a condition precedent to an acceptance of a Grant by a Grantee or exercise of the vested options by the Employee/Beneficiary.

- 24.6** The acceptance of the Grant is entirely voluntary and the Company or the Committee does not guarantee any return on Shares.
- 24.7** This scheme constitutes the entire document in relation to its subject matter and supersedes all prior agreements and understandings whether oral or written with respect to such subject matter.

In the event that any term condition or provision of this scheme being held to be a violation of any Applicable law, statute or regulation the same shall be severable from the rest of this scheme and shall be of no force and effect and this scheme shall remain in full force and effect as if such term, condition or provision had not originally been contained in this scheme.

## **25. Term of the Scheme**

- a. Except as provided elsewhere specifically, the scheme shall continue in effect unless terminated by the Company or the Committee or until all options available to be granted
- b. under the scheme are fully exercised.
- c. Any such termination of the scheme shall not affect Options already Granted and such Options shall remain in full force and effect as if the scheme had not been terminated unless mutually agreed otherwise between the Employee/ Beneficiary and the Committee/the Company.

## **26. Winding Up of the Scheme:**

In case of winding up of the schemes being implemented by a company through trust, the excess monies or shares remaining with the trust after meeting all the obligations, if any, shall be utilized for repayment of loan or by way of distribution to employees as recommended by the committee.





## **27. Confidentiality**

Notwithstanding anything contained in this scheme, the Grantee/ Employee/ Beneficiary shall not divulge the details of the scheme 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 Grantee/ Employee / Beneficiary. In case failure to comply with this clause by the Grantee / Employee/ Beneficiary, the grant, as the case may be, shall, unless Committee decides otherwise; stand automatically terminated without any liability to the Company.

**For and on behalf of Board of Directors**

A handwritten signature in blue ink, appearing to read 'Vikas Gupta', is written over a circular blue stamp. The stamp contains the text 'SATIN CREDIT CARE NETWORK LIMITED' around the perimeter and a small star in the center.

**Vikas Gupta**

**Company Secretary & Chief Compliance Officer**