

Employee Stock Option Plan, 2013

1. Short title, extent, commencement and objectives

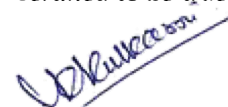
- 1.1 This employee stock option plan shall be called the Employee Stock Option Plan, 2013 (the "Plan").
- 1.2 The Plan applies to:
 - 1.2.1 the Employees (as defined in Clause 2 (*Definitions*) below) from amongst the pool of employees of the Group;
 - 1.2.2 all Options granted by the Company under the Plan; and
 - 1.2.3 all employee stock options granted (whether vested or unvested) or Shares to be transferred by the Trust under any previous employee stock option or employee stock purchase scheme or plan of the Group and all such employee stock options and Shares shall be deemed to have been granted or allotted under this Plan.
- 1.3 The Plan shall be deemed to have come into force on the date on which the shareholders of the Company approve the Plan either in a general meeting or by way of a postal ballot ("**Effective Date**").
- 1.4 The principal objectives of this Plan which is framed in accordance with Applicable Laws are to:
 - 1.4.1 attract, retain and motivate talented and critical Employees;
 - 1.4.2 encourage Employees to align individual performance with the Group's objectives;
 - 1.4.3 reward Employee performance with ownership in proportion to their contribution;
 - 1.4.4 align Employee interest with those of the Group.

2. Definitions

For the purpose of this Plan, unless the context otherwise requires, the following terms shall have the meaning respectively assigned to them as under:

- 2.1 "**Applicable Laws**" means the legal requirements governing the employee stock option plans, including, without limitation, the tax, securities or corporate laws of India, particularly the Companies Act, SEBI Guidelines, rules and bye-laws of other regulatory bodies and any stock exchange in which the Shares are listed or quoted;
- 2.2 "**Clause**" means a clause of this Plan;
- 2.3 "**Company**" means Sonata Software Limited;
- 2.4 "**Companies Act**" means the Companies Act, 1956, as modified or replaced from time to time;

Certified to be true



Mangal Kulkarni
Company Secretary
Sonata Software Limited

- 2.5 “**Compensation Committee**” means the Nomination and Remuneration committee or other committee of the board of directors of the Company comprising of majority of independent Directors;
- 2.6 “**Director**” means a director of the Company;
- 2.7 “**Disclosure Document**” means the document containing all disclosures required to be made to an Employee at the time of the Grant in accordance with the SEBI Guidelines, a copy of which is attached as **Annexure 3** to this Plan;
- 2.8 “**Effective Date**” has the meaning set out in Clause 1.3;
- 2.9 “**Employee**” means a permanent employee of the Company who is eligible to receive, and to whom the Trust (acting on the instructions of the Compensation Committee) has offered, Options in accordance with the provisions of this Plan;
- 2.10 “**Exercise**” means making of an application by the Employee to the Trust for issue of Shares against the Options vested in him in pursuance of the Plan;
- 2.11 “**Exercise Period**” in relation to an Option means the time period from the date on which the Option vests until the Employee is in employment with the Company after Vesting within which the Employee should exercise his right to apply for Shares against the Options vested in him in pursuance of the Plan;
- 2.12 “**Exercise Price**” means the price payable by the Employee to the Trust for exercising the Option(s) granted to him in pursuance of the Plan;
- 2.13 “**Grant**” means the issue of Options to Employees under the Plan in accordance with Clause 5 (*Grant*);
- 2.14 “**Grant Notice**” has the meaning set out in Clause 5 (*Grant*);
- 2.15 “**Group**” means the Company and its wholly owned subsidiaries;
- 2.16 “**Group Policies**” means the policies of the Group from time to time including the policies and systems formulated by the Compensation Committee under Clause 3.1.17;
- 2.17 “**Option**” means an option granted pursuant to the Plan to the Employees, comprising of a right, but not an obligation, to purchase from the Trust, at a future date, the Shares at the Exercise Price, subject to the requirements of Vesting in accordance with the terms of this Plan;
- 2.18 “**Plan**” has the meaning set out in Paragraph 1.1;
- 2.19 “**SEBI Guidelines**” means the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as modified or replaced from time to time;
- 2.20 “**Shares**” means the equity shares of the Company having a face value of Rs.1/- each;
- 2.21 “**Trust**” shall mean Sonata Software Limited Employees Welfare Trust;
- 2.22 “**Trustee(s)**” shall mean the trustee(s) of the Trust;
- 2.23 “**Vesting**” means the process by which the Employee is given the right to transfer Shares from the Trust against the Options granted to him in pursuance of the Plan;
3. **Administration of the Plan / Disclaimer**

Certified to be true

Mangal Kulkarni

Mangal Kulkarni
Company Secretary
Sonata Software Limited

- 3.1 The Compensation Committee shall be responsible for the administration and superintendence of the Plan and shall formulate the detailed terms and conditions of the Options and shall decide all matters in relation to the Options, including:
 - 3.1.1 the quantum of the Options to be granted under the Plan to an individual Employee or in aggregate;
 - 3.1.2 the conditions under which Options which have vested in an Employee may lapse in case of termination of such Employee's employment for misconduct;
 - 3.1.3 the specified time period within which an Employee must exercise the Options that have vested in the event of the termination of such Employee's employment or resignation of such Employee;
 - 3.1.4 the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions Including, but not limited to a rights issues, bonus issue, merger, demerger, capital reduction, and/or sale of business division or substantial assets;
 - 3.1.5 the granting, vesting and exercise of Options in case of Employees who are on long leave;
 - 3.1.6 the procedure of cashless exercise of Options;
 - 3.1.7 the policies and systems to ensure that there is no violation of:
 - (i) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and/or
 - (ii) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market} Regulations, 2003;and
 - 3.1.8 any other matters as required under Applicable Laws.
- 3.2 The Trust shall act and take all actions in relation to the Plan only on the specific written instructions of the Compensation Committee.
- 3.3 *The Company shall issue and allot the Shares to the Trust from time to time for the purpose of implementing the Plan. The Trust shall also be authorized to acquire Shares of the Company from any other person or from the secondary securities market and that to utilize such shares for the implementation of the Plan in such a manner as may be determined by the Nomination & Remuneration Committee (erstwhile Compensation Committee) of the Company.
- 3.4 The terms and conditions of the Plan are subject to change from time to time.
- 3.5 This Plan shall be subject to all Applicable Laws and to such approvals by any Governmental or other agency or agencies as may be required. The issue of Shares under this Plan shall entitle the Company (including the Compensation Committee) or the Trust (acting on the instructions of the Compensation Committee} to require an Employee to comply with such requirements of Applicable Laws and/or approvals as may be necessary in their opinion.
- 3.6 Participation in this Plan shall not be construed as any guarantee of return on the equity investment. Any loss due to this investment and the risks associated with the investment are that of the Employee alone.
- 3.7 This Plan shall not form or be construed as forming part of the contract of employment between the Company and the Employee.

Certified to be true

**Amended by a special resolution passed at the Annual General Meeting held on July 31, 2023 for enabling secondary acquisition by the Trust.*

4. Eligibility

- 4.1 The Employees who will be eligible to receive Options under the Plan and the quantum of Options to be granted and vesting dates shall be as decided by the Compensation Committee and communicated to Trust by the Authorized Director of the Company from time to time.
- 4.2 Employees shall not be eligible to receive Options under this Plan if they are not eligible to receive stock options in accordance with the SEBI Guidelines.
- 4.3 No individual Employee shall be eligible for Options which on exercise or conversion give rise equity shares comprising of more than [10]% of the equity share capital of the Company at any point in time.

5. Grant

- 5.1 The number of Options granted to each Employee shall be confirmed by a notice in the form attached as **Annexure 1** to this Plan ("**Grant Notice**") executed by the Trust acting on the instructions of the Compensation Committee.
- 5.2 The Grant Notice shall contain, among others, the number of Options to which the Employee is entitled; the Exercise Price at which the Options may be exercised; and the schedule of Vesting in relation to such Options.
- 5.3 Each Employee shall countersign the Grant Notice to indicate his acknowledgement and acceptance of the terms of the Grant Notice and its terms.
- 5.4 The Grant shall be effective from the date of the Grant Notice.
- 5.5 A copy of the Plan and the Disclosure Document shall be attached to the Grant Notice.

6. Vesting

The Options will vest in the Employee in accordance with the following schedule of Vesting:

<i>Vesting from the date of the Grant Notice</i>	<i>Percentage of Options vested</i>
Vesting at the end of 1 st year	25
Vesting at the end of 2 nd year	25
Vesting at the end of 3 rd year	25
Vesting at the end of 4 th year	25

7. Exercise

- 7.1 Each vested Option shall be convertible into one Share upon Exercise.

Certified to be true



Mangal Kulkarni
Company Secretary
Sonata Software Limited

- 7.2 The Options granted under the Plan and vested with the Employees shall be exercisable by the Employee within the Exercise Period. All vested Options not exercised within the Exercise Period shall lapse.
- 7.3 During the Exercise Period, the Employees may Exercise the Options in whole or in part by sending to the Company and the Trust a written notice of the intent to Exercise in the form attached as **Annexure 2** to this Plan ("**Exercise Notice**").
- 7.4 The Exercise Notice shall specify, among other, the number of Options to be exercised, the Exercise Date, the method of payment of the Exercise Price.
- 7.5 The Employee shall pay the Exercise Price in respect of which the Option has been exercised on the same date on which he or she sends the Exercise Notice.
- 7.6 The Exercise Price shall be paid by a cheque or demand draft in favour of the Trust payable at Bangalore.
- 7.7 Upon payment of the full amount of the Exercise Price in respect of any Options validly exercised by the Employee, the Trustees shall within 30 days of the payment therefor, transfer the vested Shares to the Employee.
- 7.8 The Employee shall not acquire any rights as a shareholder (including right to receive dividend or to vote) unless the transfer of Shares from the Trust to the Employee is duly registered by the Company.
- 7.9 The Shares purchased by the Employee from the Trust following an Exercise shall not be subject to any lock in restrictions and the Employee shall be free to transfer or encumber the shares following an Exercise at his or her discretion
- 8. Exercise Price**
- The Exercise Price for each Option shall be the closing market price of the Shares on National Stock Exchange of India Ltd on the trading day immediately preceding the date of the Grant Notice.
- 9. Shareholder approval**
- The Plan shall be subject to approval by the shareholders of the Company. Such shareholder approval shall be obtained in the manner prescribed under Applicable Law.
- 10. Non Transferability**
- 10.1 Options granted in accordance with this Plan shall not be transferable to any person.
- 10.2 The Option granted to the Employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 10.3 Save as set out in Clause 13 (*Termination of Employment*), no person other than the Employee to whom the Option is granted shall be able to Exercise the Option.
- 11. General**
- 11.1 Compliance with laws:

Certified to be true



Mangal Kulkarni
Company Secretary
Sonata Software Limited

Shares shall not be issued pursuant to any Exercise of an Option unless the Exercise of such Option and the transfer and delivery of such Shares shall be in compliance with Applicable Laws.

11.2 Compliance with regulatory approvals:

The inability of the Company to obtain the authority or approval from any regulatory body having jurisdiction, which authority or approval is deemed by the Compensation Committee to be necessary for the lawful transfer and sale of any Shares in accordance with this Plan, shall relieve the Company and the Trust of any liability in respect of the failure to transfer the Shares pursuant to any Exercise as to which such requisite authority shall not have been obtained.

11.3 Compliance with Company Policies:

The Grant, Vesting, Exercise and cancellation of Options shall be subject to the Group Policies at all times. Each Employee shall comply with the provisions of the Group Policies at all times.

11.4 No effect on employment; additional rights:

The rights and obligations of any individual under the terms of his office or employment with the Company shall not be affected by his participation in this Plan or any right which he may have to participate in it and nothing in this Plan shall be construed as affording such an individual any additional rights as to compensation or damages in consequences of the termination of such office or employment for any reason.

11.5 No legal or equitable rights:

This Plan shall not confirm on any person any legal or equitable rights (other than to which he would be entitled as an ordinary member of the Company) against the Company either directly or indirectly or give rise to any cause of action in law or in equity against the Company.

12. Term of the Plan

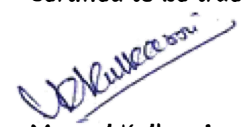
12.1 The Plan shall come into force on the Effective Date and shall continue in effect unless terminated or replaced by the Company.

12.2 Any 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 and the Company, which agreement must be in writing and signed by the Employee and the Company.

13. Termination of Employment

13.1 *In the event of death* of the Employee while in employment of the Company, all the Options granted till such date shall vest in the legal heirs of the deceased Employee. The legal heirs of the Employee shall be entitled to Exercise such Options vested with the Employee within a period of six months from date of death, on the production of satisfactory documents evidencing their rights as legal heirs as certified by the

Certified to be true

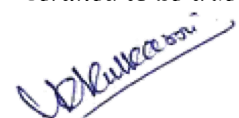


Mangal Kulkarni
Company Secretary

Sonata Software Limited

- Company. All vested Options, not exercised within the above mentioned period shall lapse.
- 13.2 *In case the Employee suffers a permanent incapacity* while in employment of the Company, all the Options granted as on the date of permanent incapacitation shall vest on that day. The Employee shall be entitled to Exercise such Options vested with the Employee within a period of six months from the date of such total or permanent disability. All vested Options, not exercised within the above mentioned period shall lapse.
- 13.3 *Subject to Clause 13.4, in the event of resignation or retrenchment of the Employee*, all Options not vested as on that day shall expire. The Employee shall be entitled to Exercise such Options vested with the Employee within a period of three months from the date of such resignation or retrenchment. All vested Options, not exercised within the above mentioned period shall lapse.
- 13.4 If the termination of the Employee has resulted due to misconduct or breach of the employment agreement entered into between the Employee and the Company, all the Options vested until the date of termination will lapse.
- 13.5 In the event of liquidation of the Company, all vested but unexercised Options and the unvested Options of the Employee shall expire.
14. **Amendment and Termination of the Plan**
- 14.1 Amendment and Termination:
The Compensation Committee may subject to Clause 14.2 below, at any time amend, alter, suspend or terminate the Plan provided that such variation is not prejudicial to the interest of any Option holder.
- 14.2 Shareholder approval:
The Compensation Committee shall obtain shareholder approval by way of a separate special resolution in a general meeting of the Company for any amendment to the Plan to the extent necessary and desirable to comply with Applicable Laws. The notice for passing special resolution shall contain the information as prescribed by under Applicable Laws.
- 14.3 Effect of Amendment or Termination:
No amendment, alteration, suspension or termination of the Plan shall impair the rights or be prejudicial or detrimental to the interests of an Option holder.
15. **Confidentiality**
- 15.1 Employees shall not disclose any information about the terms of the Plan and/or the contents of the Grant Notice to any person at any time for any reason whatsoever.
16. **Notices**
- 16.1 Any notices under this Plan shall be in writing and shall be deemed sufficiently given if either hand delivered, sent by fax, sent by courier or through registered post.

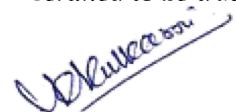
Certified to be true



Mangal Kulkarni
Company Secretary
Sonata Software Limited

- 16.2 Notices sent by mail shall be deemed to be delivered seven business days after being mailed but in no event later than the date of actual receipt.
- 16.3 Notices shall be directed:
- 16.3.1 if to an Employee, then to the Employee's address as per the records of the Company; and
- 16.3.2 if to the Company or to the Trust then addressed to the Compensation Committee at the registered office of the Company as well as the Trust at the registered office of the Trust situated at 208 TV Industrial Estate, 2nd Floor, S. K. Ahire Marg, Worli, Mumbai - 400 030.
17. **Taxes**
- 17.1 Any liability in relation to any tax arising on account of Grant, Vesting, Exercise or cancellation of the Option(s) granted in accordance with this Plan, shall be borne by the Employee. If the Company or Trust is required whether under Applicable Law or by any tax authority to pay the same, the Employee will on demand forthwith pay the same to the Company or Trust as applicable.
- 17.2 If the Company or Trust is advised or is required at any time to deduct any tax at source, the Employee hereby authorizes Company or Trust to deduct such tax from the salary or any other amount payable by the Company or Trust to the Employee.
- 17.3 Further, any tax liability arising on sale of the Shares acquired by the Employees pursuant to this Plan shall also be borne by the Employee disposing the Shares.
18. **Governing law and jurisdiction**
- 18.1 The Plan shall be governed by the laws of India as amended from time to time.
- 18.2 All disputes arising out of or in connection this Plan shall be subject to the jurisdiction of the courts of Bangalore.

Certified to be true



Mangal Kulkarni
Company Secretary
Sonata Software Limited

ANNEXURE 1
GRANT NOTICE

Sonata Software Limited Employees Welfare Trust
Option Grant Notice
Employee Stock Option Plan, 2013

Date:

To

[Name of the Employee]

[Address]

Sonata Software Limited Employees Welfare Trust (the "Trust"), pursuant to the Stock Option Plan, 2013 (the "Plan"), hereby grants to the Employee the Option to purchase the Shares set forth below. This Option is subject to all of the terms and conditions as set forth herein and in the Plan, all of which are attached hereto and incorporated herein in their entirety.

Capitalised terms used but not defined herein shall have the meanings ascribed to them in the Plan.

Employee : _____

Date of Grant : _____

Exercise Period : As per Plan

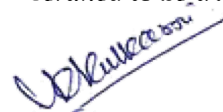
Number of Shares Subject to Option : _____

Exercise Price (Per Share) : _____

Vesting Schedule:

<i>Description</i>	<i>Date</i>	<i>No. of Options</i>
Vesting at end of Year 1		
Vesting at end of Year 2		

Certified to be true



Mangal Kulkarni
Company Secretary
Sonata Software Limited

Vesting at end of Year 3		
Vesting at end of Year 4		

Additional Terms/Acknowledgements:

The undersigned Employee acknowledges receipt of, and understands and agrees to, this Grant Notice and the Plan. The Employee further acknowledges that as of the Date of Grant, this Grant Notice and the Plan set forth the entire understanding between the Employee and the Trust regarding the acquisition of Shares and supersede all prior oral and written agreements on that subject.

Thanking you.

Yours faithfully,

For Sonata Software Limited Employees Welfare Trust

[_____]

Name:

Date:

Acknowledged and Agreed

[Employee's signature]

Name:

Designation:

Date:

Attachments:

- (a) Employee Stock Option Plan, 2013
- (b) Disclosure Document

Certified to be true

Mangal Kulkarni

Mangal Kulkarni
Company Secretary
Sonata Software Limited

ANNEXURE 2
EXERCISE NOTICE

Date:

To

Sonata Software Limited Employees Welfare Trust (the "Trust")
208 TV Industrial Estate,
2nd Floor, S. K. Ahire Marg,
Worli,
Mumbai - 400 030

Sonata Software Limited
208 TV Industrial Estate,
2nd Floor, S. K. Ahire Marg,
Worli,
Mumbai - 400 030

The undersigned hereby exercises Options vested pursuant to Stock Option Plan, 2013 (the "Plan") and the Grant Notice dated [●] to purchase _____ Shares of the Company at a price of Rs. [●] per share, for a total purchase price of Rs. [●].

Capitalised terms used but not defined herein shall have the meanings ascribed to them in the Plan.

Payment details:

Payment method	Details of demand draft/ cheque		
	Number	Date	Bank, Branch
<input type="checkbox"/> Demand Draft			
<input type="checkbox"/> Crossed Cheque			

Request you to transfer the shares to below demat account:

Client ID

Certified to be true

Mangal Kulkarni

Mangal Kulkarni
Company Secretary
Sonata Software Limited

DP ID :

I hereby acknowledge that the Shares acquired by me pursuant to this Exercise Notice will be subject to the terms and conditions contained in the Plan.

Thanking you.

Yours faithfully,

[Employees signature]

Name:

Certified to be true



Mangal Kulkarni
Company Secretary
Sonata Software Limited