

Disclosures under TeamLease Services Limited - Employee Stock Appreciation Rights Plan 2019 (ESAR Plans) in terms of Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI Regulations), as on date

Sr. No.	Particulars	Disclosures
A	Disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time	Note No. 38 of Notes to standalone financial statements forms part of the Annual Report.
B	Diluted EPS on issue of shares pursuant to the ESAR Plans covered under the SEBI Regulations in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time	Rs. 13.16
C	Details related to ESAR Plans	TeamLease Services Limited - Employee Stock Appreciation Rights Plan 2019
(i)	Description of ESAR Plans	
	(a) Date of Shareholder's approval	August 23, 2019
	(b) date of first amendment (Shareholder's Approval)	September 04, 2020
	(c) date of second amendment (Shareholder's Approval)	September 03, 2021
	(d) Total number of Equity Shares underlying ESARs	2,56,450 (Two Lakh Fifty Six Thousand Four Hundred and Fifty) of ESARs exercisable into 2,56,450 (Two Lakh Fifty Six Thousand Four Hundred and Fifty) Equity Shares of the Company of Rs. 10/- each unless otherwise intended to be settled by way of cash at the discretion of the Committee. The Options to be granted to the Eligible Employees under ESAR 2019, in one or more tranches, shall not result in issue of equity shares in not more than 1.5% of the paid up capital of the Company as on the date of this resolution aggregating to 2,56,450 (Two Lakhs Fifty Six Thousand Four Hundred and Fifty) Options. This ceiling will be adjusted for any future right issue, bonus issue of shares or stock splits or consolidation of shares and also may further be adjusted at the discretion of the Board/Committee for any corporate action(s).
	(e) Eligible Classes of employees entitled to participate	Permanent employees of Company and its Subsidiaries, whether working in India or out of India, including Directors whether whole time or otherwise (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), as determined by the Board.
	(f) Vesting Requirements	Vesting of ESARs would be subject to continued employment with the Company and its Subsidiaries and certain performance parameters as may be specified by the Board. The ESARs would vest not earlier than 1 (one) year and not later than 5 (five) years from the date of grant.
	(g) ESAR price or pricing formula	The ESAR Price per ESAR shall be equal to the Market Price per Share as on grant date of ESARs. The grant date will be Board meeting date. The "market price" means the latest available closing price, prior to the date of the meeting of the Board of Directors in which options are granted/ shares are issued, on the stock exchange on which the shares of the company are listed.
	(h) Lock-in Period for Equity Shares	The Equity Shares arising out of exercise of vested ESARs will not be subject to any lock - in period
	(i) Exercise Period	ESARs can be exercised anytime within 5 years from date of vesting of the ESARs during the tenure of employment with the Company, and upon separation shall be as per Board decision or the ESAR 2019.
	(j) Maximum number of ESARs to be issued per employee	The Maximum number of ESARs to be issued per employee shall not exceed 100,000 in number of ESARs.
	(k) Appraisal process for determining the eligibility of employees to the ESAR 2019	As decided by the Board from time to time.
ii	Method of ESARs valuation	Fair Value Method
iii	The conditions under which the option vested in employees may lapse e.g. in case of termination of employment for misconduct:	A condition in any Option granted that the Eligible Employee shall agree to remain in the employment of and to render services to, the Company, or the Subsidiary company, for a period of time (specified in the Agreement) following the Grant. The Grant of an Option shall, however, not impose upon the Company any obligation to employ the Eligible Employee for any period of time
iv	A statement to the effect that the Company shall comply with the applicable accounting standards	The Company shall comply with all the applicable disclosure and Accounting Policies in respect of options granted as required under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, SEBI (Share Based Employee Benefits) Regulations 2014 and under other Applicable Laws and follow the accounting policies prescribed as per SEBI Regulations and Guidelines and the Guidance Note issued by the Institute of Chartered Accountants of India.
v	The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee; and	The Nomination and Remuneration Committee is empowered to determine the time period within which the Eligible Employees must exercise the vested Options in the event of termination or resignation of an Eligible Employee.
vi	Whether the Plan is to be implemented and administered directly by the company or through a trust;	The Scheme is to be implemented directly.

vii	Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both	The Plan involves new issue of shares by the Company
viii	The amount of loan to be provided for implementation of the Plan by the company to the trust, its tenure, utilization, repayment terms, etc	Not Applicable
ix	Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s)	Not Applicable
x	SARs movement as on date:	
	Number of SARs outstanding at the beginning of the year	1,67,300
	Number of SARs granted during the year	49,050
	Number of SARs forfeited/ lapsed during the year	NA
	Number of SARs vested during the year	NA
	Number of SARs exercised during the year	NA
	Number of Shares arising as a result of exercise of SARs	NA
	Money realised by exercise of SARs	NA
	Total number of SARs in force	-
	Number of SARs outstanding at the end of the year	1,18,250
	Number of SARs exercisable at the end of the year	NA
xi	Weighted average exercise prices and the weighted average fair values of SARs shall be disclosed for options whose exercise price either equals or exceeds or is less than the market price of the stock	NA
xii	Employee wise details (name of employee, designation, number of SARs granted during the year, exercise price) of options granted to –	
	(a) Senior Managerial Personnel as on date	<u>Please refer Note No. 1</u>
	(b) Any other employee who receives a grant as on date of Option amounting to 5% or more of SARs granted during that year.	<u>Please refer Note No. 2</u>
	(c) Identified employees who were granted SARs, during the year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant;	<u>Please refer Note No. 3</u>
xiii	A description of the method and significant assumptions used during the year to estimate the fair values of options, including following information:	
	(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model	<u>Please refer Note No. 4</u>
	(b) the method used and the assumptions made to incorporate the effects of expected early exercise	NA
	(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	NA
	(d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	NA
	Disclosures in respect of grants made in three years prior to IPO under each ESAR Plans:	
xiv	Until all SARs granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made.	NA

Note 1			
SARs granted to Senior Management Personnel as on date			
Sr. No.	Name	Grade	ESARs granted as on date
1	Sudeep George	LST	4000
2	Mahesh Bhatt	LST	4000
3	Mayur Taday	LST	4000
4	Anusuya Chaman	LST	2000
5	Sumit Sarabhai	L9	2000
6	Sunil Chemmankotil	LST	3600
7	Nanduri Siva Prasad	LST	1300
8	Bhagi Naren Kumar Sandilya	L10	300
9	Krishna Vij	L10	650
10	Jameel Ahmed	L10	650
11	Dheeraj Kumar Juneja	L9	650
12	Munira Loliwala	L10	650
13	Abhishek Shukla	L8	650
14	Pagadala Venkata Nagasree	L9	650
15	Puram Hemanth Kumar	L9	650
16	M P Somanna	L9	650
17	Sudha S	L9	650
18	E J Samuvel	L9	650
19	Bhanu Prakash G	L9	650
20	Santosh Reddy Namgari	L9	650
21	Suhail Aboli	L10	2000
22	Y Krishna Kishore	L10	2000
23	Sumit Sabharwal	LST	5000
24	Priya Gopalakrishnan	LST	6000
25	Reshmi Raghavachari	L9	750
26	Anukhya B	L9	1500
27	Rashmi Nair	L9	1500
28	Rajeesh T	L10	650
29	Deepak Rasquinha	L9	650

Note 2			
Employees who have received a grant as on date amounting to 5% or more of SAR granted			
Sr.No.	Name of the employee	Grade	ESARs granted as on date
NIL			

Note 3

Employees who were granted options, as on date, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant

Sr.No.	Name of the employee	Grade	ESARs granted as on date
Nil			

Note 4

The weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model.

Vesting Period

Subject to meeting the Vesting Conditions and being in compliance with the Covenants (see below) set forth in this Grant Letter, all the ESARs shall vest upon you at the end of the maximum period stipulated in the ESARs Plan 2019, it is being clarified that the Company proposes to amend the ESARs Plan 2019 to stipulate that such maximum period for vesting shall be 5 (five) years from the Grant Date, and upon and subject to receipt of the requisite corporate approvals in this regard, the Company shall notify you in writing and the ESARs granted to you shall vest at the end of 5 (five) years from the Grant Date ("**Vesting Period**"). The Vesting Period shall commence from the Grant Date and the ESARs shall vest upon you at the end of the Vesting Period, provided that you are in continuous employment with the Company or its Subsidiary or Associate Company (in case of transfer), as applicable, during the entire Vesting Period without commencement of and/or serving of any notice period during such Vesting Period. Kindly note that any period of leave taken as a sabbatical shall be excluded while determining the Vesting Period. Further, if you are on garden leave, it shall be deemed to be a part of notice period for the purposes of this Grant Letter. In all other events, including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Committee.

Vesting Conditions

The following conditions are applicable:

1. You are required to meet the profit before tax targets on a cumulative basis ("**Targets**") as set forth in **Annexure A** hereto ("**ESAR Performance Targets**") for the entire Vesting Period, provided that in the event of any corporate action such as mergers and acquisitions, the Company shall have the sole discretion to change such Targets based on various business and other factors. Additionally, the Committee has the right to make changes and adjustments in calculating the performance measures taking into account non-recurring events, including, without limitation, mergers and acquisitions, changes in tax and accounting rules and regulations; extraordinary gains and losses; and purchases or sales of substantial assets by the Company.

Accordingly, upon the end of the Vesting Period, the percentage of ESARs that may Vest shall be as follows:

ESAR Performance Target Achievement	Percentage of ESARs that will Vest
<70%	NIL
=>70 to <= 80%	50%
>80 to <= 90%	80%
>90%	Linear with a cap at 100%

2. The annual budgets approved by the Board shall not have any bearing on the ESAR Performance Targets provided under this Grant Letter.
3. In the event you fail to meet the respective quarterly ESAR Performance Targets for **3 (Three) quarters** consecutively and the Company changes your role/designation/profile/scope of work, the Company reserves the right to forfeit the ESARs which are being granted to you based on your current

role and position with the Company. It is clarified that in such an event, the Company may, in its sole discretion, allow you to participate in the ESARs Plan 2019 in such new role or position as applicable, it being agreed that neither the existence of the ESARs Plan 2019 nor the fact that you have participated in the ESARs Plan shall give you any right, entitlement or expectation that you will, in future, have any such right, entitlement or expectation to participate in the ESARs Plan 2019 or any future plan on any other occasion.

4. The Grant of ESARs shall, unless otherwise specifically stated herein and forming part of this Grant Letter, in no manner affect any other aspects of your employment with the Company or guarantee such employment in any manner and you will continue to be governed by the processes, Company Policies/Terms of Employment. In the event of any conflict between any of the foregoing documents applicable to you and the terms of this Grant Letter, the terms of this Grant Letter will prevail. The Company retains the right to make any changes to the structure of the team and your roles and responsibilities and/or the roles and responsibilities of your team members, as applicable
5. The right granted to you hereunder shall not accord you any rights or additional rights to compensation or damages in consequence of the loss or termination of your office or employment with the Company for any reason whatsoever.

Exercise of ESAR

The ESAR price per unit of ESAR shall be equal to the Market Price as on the Grant Date of such ESAR. The ESAR Price shall have relevance for the purpose of determination of Appreciation and you are not required to pay the ESAR Price. However, you will pay the face value of the Shares prevailing at the time of such allotment as specified in the ESAR Plan 2019.

Subject to being in compliance with the Vesting Conditions, Covenants and the other terms contained in this Grant Letter, you shall have the right to Exercise the ESARs anytime from the date of Vesting of the ESAR but no later than 5 (Five) years from the date of Vesting of the ESAR, subject further to other conditions as mentioned in the ESAR Plan 2019.

Further, as a condition to the Exercise of the Vested ESARs, the Committee may require you to satisfy any and all qualifications that may be necessary or appropriate, to evidence compliance with any and all Applicable Laws and the provisions of the ESAR Plan 2019 and this Grant Letter and to furthermore make any further representations or warranties or provide certifications or undertakings in relation thereto as may be required by the Board, based on the recommendation of the Committee.

Other Terms

1. Please make note of the disclosures set forth in **Annexure C** hereto. The Grant is being made subject to the disclosures made by the Company in **Annexure C**.
2. The ESARs shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
3. The ESARs shall not be transferable except in the event of your death or Permanent Incapacity, as set forth in the ESAR Plan 2019.
4. You will be bound by the confidentiality obligations as set forth in the ESAR Plan 2019.

ANNEXURE C
Disclosures
Part A: Statement of Risks

All investments in ESARs are subject to risk as the value of Shares may go down or go up. In addition, the ESARs 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 ESARs.
3. **Illiquidity:** The ESARs cannot be transferred to anybody, and therefore the employees cannot mitigate their risks by selling the whole or part of their benefits before they are exercised.
4. **Vesting:** The ESARs will lapse if the employment is terminated prior to vesting. Even after the ESARs are vested, the unexercised ESARs may be forfeited if the employee is terminated as set forth in the ESARs Plan, including for misconduct.

Part B: Information about the Company

Please refer to the corresponding links on the Company's Website for latest information

1. **Business of the company:** <https://www.teamleasegroup.com/about-teamlease>
2. **Abridged financial information:** <https://www.teamleasegroup.com/quarterly-results>
3. **Risk Factors:**
<https://www.teamleasegroup.com/sites/default/files/CS/Risk%20Management%20Policy.pdf>
4. **Continuing disclosure requirement:** The continuing disclosures as required under Applicable Law will be available here from time to time can be referred to here:
<https://www.teamleasegroup.com/disclosures-made-stock-exchange-statutory-announcements>