

This SCHEME OF ESOP has been formulated by the Board of Directors of Team Lease Services limited (the "Company") and approved by the Board of Directors at their meeting held on 9<sup>th</sup> July , 2015 and by the Shareholders' at their meeting held on 10<sup>th</sup> July , 2015.

## 1. Purpose

The purpose of the ESOP is to provide the employees with an additional incentive in the form of Options to receive the Equity Shares of the Company at a future date. The ESOP is aimed to reward its employees for their continuous hard work, dedication and support. The main objective of the ESOP Scheme is to recognize employees who are performing well, a certain minimum opportunity to gain from the Company's performance thereby acting as a retention tool and to attract best talent available in the market.

The Company already has a remuneration policy, which is linked to performance of the employee, the seniority of the employee, the commitment in executing his/her duty, etc. The objective of the ESOP is not merely to have another kind of remuneration. The objective is also to use the scheme as a business strategy to enhance the Company's profitability by providing equity linked incentive to employees, so that the employees keep exploring possibilities of increasing the revenue, saving costs and enhancing the profits of the Company.

The Promoters of the Company, under the current scheme, propose to transfer shares from their current shareholding in respect of the ESOP to an employee trust viz., **TEAM LEASE EMPLOYEE STOCK PLAN TRUST** (the "Trust") that will hold these shares for the benefit of the employees. Further, in accordance with the directions and the recommendations of the Compensation Committee of the Company, the Trust shall grant Options to the employees in respect of the equity shares transferred to it. On the exercise of the Options by the employees, the Trust shall distribute to the employees the equity shares in the Company as described below.

## 2. Definitions & Interpretation

The following terms as used herein shall have the meaning specified:

- a) '**Applicable Laws**' means the legal requirements relating to stock option plans, including, without limitation, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, tax, securities or corporate laws of India, any stock exchange or quotation on which the Equity Shares shall be listed or quoted.
- b) '**Board**' means the Board of Directors for the time being of the Company.
- c) '**Company**' means 'Team Lease Services Limited', a Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at Office No.6, 3<sup>rd</sup> Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai-400 051.



**TeamLease Services Limited**, CIN No: L74140MH2000PLC124003

6th Floor, BMTC Commercial Complex, 80 Feet Road, Koramangala, Bangalore - 560095.

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- d) '**Compensation Committee**' means the Committee of Directors as constituted by the Board of Directors of the Company consisting of at least three non- executive Directors out of which not less than one half shall be Independent Directors as prescribed under section 178 of the Companies Act, 2013, as may be amended from time to time and entrusted with the authority, inter-alia, to formulate and implement the ESOP.
- e) '**Deed of Trust**' refers to the Amended and Restated Trust Deed dated 1<sup>st</sup> October 2011 executed by the Company and the Trustees, laying out the powers and functions of Trust and includes any schedules, exhibits or other attachments or addenda, if any, thereto, as the same may be amended, supplemented or modified from time to time including any modifications thereto which may be prescribed by SEBI, from time to time, and filed with the stock exchanges. [ ]
- f) '**Director**' means a member of the Board
- g) '**Disability**' shall mean "Permanent total Disability" as defined in the Workmen's Compensation Act, 1923.
- h) '**Effective Date**' for the Plan shall be a date decided by the Board of Directors of the Company.
- i) '**Eligible Employee**' means
- (a) an Employee who is employed on or after the Effective date, either through an employment contract or as an officer or a Director **but shall not include Promoters, Promoter Group**. Further any director either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity share capital of the Company at any time after the commencement of the scheme shall not be eligible under the Plan, and
  - (b) who qualifies for issue of Options under the Plan and who fulfills the minimum conditions of service and other conditions as decided in the appraisal process

All the Employees satisfying both the above mentioned clauses shall qualify for this Plan.

- j) '**Employee(s)**' means:
- (a) A permanent employee of the Company who has been working in India or outside India; or
  - (b) A Director of the Company whether whole time Director or not but excluding an Independent Director ;
  - (c) An employee as defined in clauses (a) and (b) above of a Subsidiary/ Holding/ Associate Company, in India or out of India.

Provided that an employee shall not cease to be an employee in the case of (i) any leave of absence approved by the Company/ Subsidiary or (ii) transfers between locations of the Company / Subsidiary or between the Companies, it's parent, any Subsidiary, or any successor.





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- k) **'Employee Benefits Regulations'** shall mean the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- l) **'Equity Share'** or **'Shares'** means an equity share of the Company of the current face value of [ ` 1/-] (Rupees One Only) each.
- m) **'Exercise'** is an act of a written application being made by the Eligible Employee to the Trust to exercise the Options vested in him/her under the ESOP with payment of the Exercise Price.
- n) **'Exercise Period'** means the period of time as stipulated in the Letter of Grant issued to Eligible Employees. The Options shall not be permitted to be exercised after the expiry of the exercise period. After this date, all the Options vested and remain unexercised under the Plan will lapse, however the un-purchased Shares, which were subject thereto, shall become available for future grant or sale under the Plan (unless the Plan has been terminated).
- o) **'Exercise Price'** means, the price payable by the employee for exercising the Option granted to him/her under the Plan as may be decided by the Compensation Committee from time to time.
- p) **'Exercise Date'** means the date on which a beneficiary Exercises his/her Option to acquire the Equity Shares of the Company.
- q) **'Exercise Application Form'** means the application form as may be prescribed, in which the Eligible Employee has to apply to the Trust for Exercising the Options granted to him/her.
- r) **'Exercise Period'** - shall mean the time period after Vesting within which the Eligible Employee should exercise his/her right to apply for Shares against the Options Vested in him/her in pursuance of the Plan.
- s) **'Grant'** means the process whereby the Trustees pass a resolution based on the recommendation of the Compensation Committee in accordance with this ESOP granting a specified number of Options to the Eligible Employees.
- t) **'Independent Director'** shall have the same meaning as assigned to it under clause 49 of the equity listing agreement to be entered into by the Company with the stock exchanges where the Equity Shares are proposed to be listed and as referred to in sub-section (5) of section 149 of the Companies Act, 2013.
- u) **'Key Employees'** means and includes the present and past employees of the Company to whom the Equity Share entitlements have been granted pursuant to the Plan (as defined below).
- v) **'Letter of Grant'** means the letter issued by the Trust (as defined below) intimating the Eligible Employee of the Options (as defined below) granted to him/her for acquiring a specified number of Equity Shares from the Trust (as defined below) at the Exercise Price.



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- w) **'Long Leave'** means earned leave, maternity leave and study leave as per the present Company rules and practices.
- x) **'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.  
For the purpose of the above, relevant date shall mean: (i) in the case of grant, the date of the meeting of the compensation 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
- y) **'Nominee'** means the spouse, any child of the employee or any other person nominated by the Employee as provided hereinafter.
- z) **'Options(s)'** means a right but not an obligation granted under this ESOP to the Eligible Employees to apply for acquisition from the Trust a specified number of Equity Shares of the Company at a future date at the Exercise Price.
- aa) **'Option Agreement'** means a written or electronic agreement between the Company and an Optionee evidencing the terms and conditions of an individual Option Grant. The Option Agreement is subject to the terms and conditions of the Plan.
- bb) **'Optionee'** means the holder of an outstanding Option granted pursuant to this Plan.
- cc) **'Plan'** means this **TEAM LEASE - EMPLOYEE STOCK OPTION PLAN (ESOP)** under which the Company grants a stock option to its employees.
- dd) **'Promoters'** means and includes:
- (i) **HR Off Shoring Ventures Pte Limited**, a company incorporated under the laws of Singapore and having its registered office at 150, Cecil Street, #10-06, Singapore-069543;
  - (ii) **Mr. Ashok Kumar Nedurumalli**, having PAN number – AABPN5151G residing at 6-3-1109/2, Janpriya, Rajbhavan Road, Somajiguda, Hyderabad, 500 082;
  - (iii) **Mr. Manish Sabharwal**, having PAN number – AGVPS6333F residing at 48, Hatkesh Society, N/S Road no. 7, Juhu, Mumbai 400 049;
  - (iv) **Mr. Mohit Gupta**, having PAN number – AAIPG0501G and residing at 304, 'A' Block, Elgin Apts., Langford Town, Hosur Road, Bangalore, 560025;





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(v). NED Consultants LLP having PAN number- [AALFN7491H], a limited liability partnership incorporated under the laws of India and having its registered office at 11A, Sky Gardens, 12/1, Renius Street, Richmond Town, Bengaluru 560 001;

Dhana Management Consultancy LLP having PAN number [AALFD1470G], a limited liability partnership incorporated under the laws of India and having its registered office at 9062 INNSBROOK POIN, 6<sup>TH</sup> FLOOR, BLOCK 9, WHITEFIELD ROAD, NEAR ITPL, WHITEFIELD, BANGALORE 560068] []; and

(vi). MKS Management Consultancy Services LLP having PAN number [ABAFM6498D], a limited liability partnership incorporated under the laws of India and having its registered office at .C/05, 3<sup>rd</sup> floor, laxmi towers, C-25, 'G' block, behind ICICI bank limited, Bandra Kurla Complex, Bandra €, Mumbai 400 051.

ee) '**Promoter Group**' means and includes the Promoters and all persons who are categorised as Promoter Group as per the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

ff) '**SEBI**' shall mean the Securities and Exchange Board of India.

gg) '**Subsidiary**' means M/s. IJIT Education Private Limited, India Tourism & Hospitality Skills Education Private Limited, TeamLease Education Foundation, National Employability Apprenticeship Services and / or such other Company that may be subsidiary of the Company in the future.

hh) '**Vesting**' means the point of time when the option granted under the Plan becomes capable of being exercised by the employee, which point of time shall be determined by the Compensation Committee.

ii) '**Vesting Period**' means the period between the date of grant and the date of vesting of the Option granted to the employee as per the table given below. The option shall vest over a maximum period of 4 years from the date of grant.

End of Year	% of options vested
1	25
2	25
3	25
4	25

jj) '**Trust**' means '**TEAM LEASE EMPLOYEE STOCK PLAN TRUST**' established [or to be established] by the Company under the provisions of India Trust Act, 1882 including any statutory modification or re-enactment thereof, for the purposes of administering and implementing the ESOP.

kk) '**Trustee**' means trustees appointed in accordance with the Amended and Restated Trust Deed dated [1ST OCTOBER 2011] executed by the Company for the purpose of establishing the Trust.



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In this Plan, unless the contrary intention appears:

- (a) a reference to a rule, clause, guideline or schedule or a provision thereof shall be read as a reference to that rule, clause, guideline or schedule or provision as amended from time to time;
- (b) a reference to a statute or a provision thereof shall be read as if the words "or any amendment or re-enactment thereof or provisions substituted therefore" were added thereto;
- (c) each gender includes each other gender and the singular number includes the plural and vice versa;
- (d) headings are inserted for ease of reference only and do not form part of the Deed and shall not affect the construction hereof;
- (e) whilst for convenience particular words or groups of words defined in clause 2 commence with capital or lower case letters, failure to use capital or lower case letters in those words or groups of words elsewhere in the deed does not of itself mean that those words or groups of words bear meanings different from the meanings assigned to them respectively in clause 2; and
- (f) The Schedules annexed to this Plan shall comprise part of and shall be read and construed as part of this Plan.

**3. Constitution of the Trust and the Compensation Committee**

(i) The Company shall set up a Trust which shall administer and implement this ESOP in accordance with the terms of a Amended and Restated Trust Deed to be executed by the Company and the directions given by the Compensation Committee from time to time under this ESOP. The Trustees shall Grant Options based on the recommendations of the Compensation Committee. On the Exercise of the Options by the Eligible Employees, the Trust shall distribute the Equity Shares in respect of such Options to the Eligible Employees. The Trustees shall be advised by the Compensation Committee in relation to the operation of the ESOP, which advice shall be binding upon the Trust. No member of the Compensation Committee or the Trust shall be liable for any action or determination made by him/her in good faith. No Trustee shall participate and/or vote with respect to any Option granted or to be granted to such Trustee under the ESOP. Further, no Trustee shall vote in respect of the Equity Shares held by the Trustee, so as to avoid any misuse arising out of exercising such voting rights. In addition, the Trust shall be required to make disclosures and comply with other requirements applicable to insiders or promoters under the SEBI (Prohibition of Insider Trading) Regulations, 1992 including any modifications or re-enactment thereto.

(ii) (a) The Committee shall exercise all such authorities, powers and functions as may be necessary or required for the implementation of ESOP.

(b) Without prejudice to the generality of the foregoing the Compensation Committee shall, inter-alia, determine:





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- the Eligible Employees to whom the Options are to be granted;
- the time when the Options are to be granted;
- the number of tranches in which the Options are to be granted and the number of Options to be granted in each such tranche, provided that a Grant of Options to the Employees, equal to or exceeding 1% of the issued capital (excluding warrants and conversions) of the Company at the time of Grant of Option shall be approved by the shareholders, by way of a separate resolution;
- the quantum of Options to be granted per employee at various points in time, provided that Grant of Options to Eligible Employees of a subsidiary, holding or associate company shall be authorized by the shareholders of the Company, by way of a separate resolution;
- the criteria for determining the number of Options to be granted to the Eligible Employees;
- the total number of Options to be granted under the Plan and the number of Options to be granted to each Eligible Employee;
- the terms and conditions subject to which the Options granted would vest in the Eligible Employee and conditions in case of termination of employment for misconduct under which Options which have vested in Eligible Employees may lapse;
- the vesting schedule and the date of vesting of the Options granted;
- the terms and conditions subject to which the Options vested would be exercisable by the Eligible Employee;
- decide the Exercise Period within which the Eligible Employees should exercise the Option, provided that the Option would lapse on failure to exercise the Option within the Exercise Period;
- determine the Exercise Price, provided the Company conforms to provisions of accounting policies, as set out in clause 14:
- the date by which the Options have to be exercised by the Eligible Employee;
- the number of Options to be apportioned/allocated for various grades of Eligible Employees;
- the assignment of weightage to length of service, grade and performance rating;
- the number of Options reserved, if any, for granting to new employees who would join the services of the Company;



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- the Exercise Period within which the Eligible Employee can exercise Options and that Options would lapse on failure to exercise the same within the Exercise Period;
- the time period within which the Eligible Employees must exercise the vested Options in the event of termination or resignation of an Eligible Employee;
- right of the Eligible Employee to exercise all the Options vested in him at one time or at various points of time within the Exercise Period;
- Grant, Vesting and Exercise Period in case of Eligible Employees who are on long leave;
- procedure for cashless exercise of Options;
- the procedure for making fair and reasonable adjustments in relation to the Options in case of corporate actions such as rights issues, bonus issues, sub division of shares, merger, acquisition, sale of division etc subject to compliance with the clarifications which may issued by SEBI from time to time, in relation adjustments to number of Options and Exercise Price in case of any such corporate actions. The number and price of the Options to be adjusted in such manner that the total value to the Eligible Employees of the Options remains the same after the corporate action. In addition, the Compensation Committee shall ensure that the Vesting Period and the life of the Options should remain unaltered as far as possible to protect the rights of the Eligible Employees to the extent such changes are detrimental to the interests of Eligible Employees;
- In case of a secondary acquisition for implementation of the Plan, separate shareholder approval shall be obtained, by mentioning the percentage of secondary acquisition (subject to limits specified under the Employee Benefits Regulations) that could be undertaken;
- In case of a secondary acquisition by the Trust in case the share capital expands due to capital expansion undertaken by the Company, including preferential allotment of Equity Shares or qualified institutions placement, to maintain the 5% cap (as prescribed under the Employee Benefits Regulations) of such increased capital of the Company, separate shareholder approval shall be obtained; and
- Further, the explanatory statement to the notice and the resolution proposed to be passed by the shareholders for the Plan shall include the information as specified by SEBI in this regard, from time to time.

*Ashwin*







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The terms and conditions prescribed by the Compensation Committee shall be final and binding on all the Employees and the Trust subject to any additional terms and conditions which may be specified by the SEBI in this regard.

The Compensation Committee shall also frame, at appropriate time, suitable policies and systems for the purpose of ensuring that there is no violation of:

- a) SEBI (Insider Trading) Regulations, 1992, as amended and the SEBI (Prohibition of Insider Trading) Regulations, 2015; and
- b) SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.

by any Employee.

With respect to any matters that are not specifically provided for, the Compensation Committee shall have absolute discretion to decide such matters in the manner deemed fit by it and any such decision of the Compensation Committee shall be binding on all Eligible Employees and the Trust.

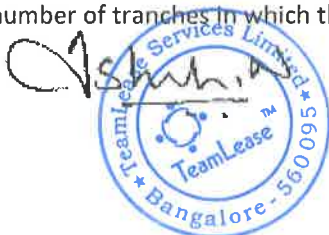
#### 4. Total number of Equity Shares in respect of which Options could be Granted

Options to be granted under the scheme shall not exceed 2,01,114 equity shares of Rs.10/ each- as on date. Subject to the compliance with the Applicable Laws, the promoters of the Company shall transfer 2,01,114 Equity Shares of Rs. 10/- each to the Trust. These shares are inclusive of 72,921 equity shares of Rs. 10/- each which were under the old scheme and will be transferred to the employees and the balance of 1,28,193 equity shares of Rs. 10/- each are under the new scheme which will be in the custody of the trust. The Board of Directors of the company in their meeting held on 9<sup>th</sup> March 2015 has permitted for accelerating the vested rights under old scheme and transfer those shares to the trust and on completion of the vesting period the shares will be transferred to the employees from the trust.

Notwithstanding what is stated herein above the Company reserves the right to issue further Equity Shares and/or such other instruments convertible into Equity Shares to the Trust at its discretion, for the purposes of the ESOP or any further scheme/plan as may be determined by the Company, subject to compliance with the Applicable Laws. The Trust shall hold the said Equity Shares/other instruments for the benefit of the Eligible Employees. The Trust shall in turn issue Options to the Eligible Employees in accordance with the terms and conditions specified herein.

The Trust would, on the basis of the decision of the Compensation Committee, Grant from time to time the Options to the Eligible Employees.

The Compensation Committee in its absolute discretion would be authorized to determine the number of tranches in which the Trust would Grant the Options.



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5. Options allocated for various grades/ groups of grades of Eligible Employees and for individual allotment based on length of service and/or grade and/or performance rating.

The Compensation Committee would have the authority to allocate a certain percentage out of the total available Options for being granted by the Trust to various grades/group of grades of Eligible Employees. The Compensation Committee would also have in its absolute discretion the authority to further allocate a certain percentage out of the aforesaid, for grant of the Options by the Trust to individual Eligible Employees based on length of service and/or grade and/or performance rating. The Compensation Committee shall inform the Trust about such allocation, based on which the Trust shall Grant Options to the Eligible Employees.

The criteria for eligibility of the Eligible Employees for the Grant of Options will be decided by the Compensation Committee based on number of years' of service and/or grade and/or performance rating of the beneficiaries. The Compensation Committee may review and revise the criteria for eligibility as aforesaid in keeping with the needs of the business and remuneration policies.

6. Basis of determining the number of Options to be granted

The actual number of Options to be granted to each Eligible Employee would be in accordance with the criteria determined by the Compensation Committee in its absolute discretion, and communicated to the Trust, provided that the disclosures, as specified by SEBI, from time to time in this regard, are made by the Company to the prospective Option grantees.

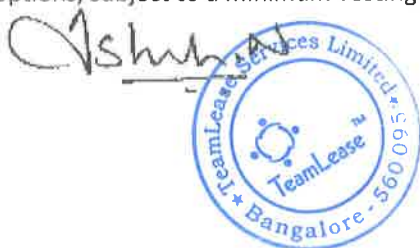
The Compensation Committee may not recommend the Grant of any Options or may not recommend the vesting of Options already granted in the event the Eligible Employee has not performed up to the expectations or has not attended the office for a substantial period of the financial year of the Company or in case of misconduct of the Employee or in such other circumstances as it may deem fit in its absolute discretion.

7. Vesting of the Options Granted

Options shall vest over a maximum period of four (4) years from the date of the grant. A minimum of one (1) year's vesting period shall apply to grants under the plan and 25% of the options granted will vest after the completion of the first, second, third and fourth year from the date of Grant as per the table given below.

End of Year	% of options vested
1	25
2	25
3	25
4	25

Notwithstanding the above, the Compensation Committee, shall in its absolute discretion, have the authority to waive the aforesaid restrictions relating to the vesting of Options and shall communicate to the Trust, at the time of Grant, the time and the manner of vesting of Options, subject to a minimum vesting period of one (1) year.





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In case where Options are Granted by the Company under the Plan in lieu of Options held by a person under an employee stock option plan in another company which has merged or amalgamated with the Company, the period during which the Options Granted by the transferor company were held by the Eligible Employee shall be adjusted against the minimum Vesting Period required under this clause.

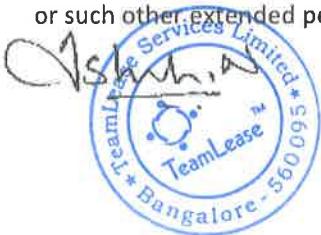
**8. Procedure of Granting and exercising Granting**

The Trust shall upon the recommendation of the Compensation Committee issue a Letter of Grant to all Eligible Employees who have been granted Options, within such time from the date of Grant as it may deem fit, containing such terms and conditions relating to the vesting and exercise of the Options as may be prescribed by the Compensation Committee and in particular the following:

- a. **Employment Agreement:** 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.
- b. **Number of Equity Shares, Exercise Price and Pricing Formula:** Each Option shall state the total number of Equity Shares to which it pertains, the Exercise Price and the pricing formula on the basis of which the Exercise Price is arrived at.
- c. **Vesting of Options:** The Options granted pursuant to this ESOP shall vest in the manner laid down in Clause 7 above.
- d. **No rights of Shareholders:** An Eligible Employee shall not have any of the rights of a shareholder of the Company until the Equity Shares are transferred to him, and no adjustments shall be made for dividends or other rights for which the record date is prior to the date such Equity Shares are transferred to the Eligible Employee.

**Exercise of Options**

- a. An Eligible Employee wishing to exercise the Options vested in him/her shall submit an application in the specified format to the Trust.
- b. In case the Eligible Employee wishes to exercise the Options, the Eligible Employee shall submit the Exercise Application Form to the Trust along with a cheque/demand draft for the Exercise Price being the number of Options exercised multiplied by the Exercise Price per Equity Share as indicated in the Letter of Grant. Such cheque/ demand draft should be drawn on any bank payable at par and shall be drawn in favour of "TEAM LEASE EMPLOYEE STOCK PLAN TRUST".
- c. Subject to the provisions of Clause 10, the Options vested in the Eligible Employees shall be exercised by him/her over a period of four (4) years from the date of Grant of Options or such other extended period as may be decided by the Compensation Committee.



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The Eligible Employee may Exercise any number of Options during each tranche subject to the following conditions:-

- (i) The Options vested in an Eligible Employee must be exercised by him/her by the end of four (4) years from the date of grant of the Options or such other extended period as may be decided by the Compensation Committee, failing which the Options shall lapse.

The Options remaining unexercised at the end of four (4) years from the date of grant or such extended period as may be decided by the Compensation Committee, shall lapse.

- d. For all Options exercised during a calendar quarter being either January 1, to March 31, April 1 to June 30, July 1 to September 30 or October 1 to December 31, the Trust shall take appropriate steps to transfer the relevant number of Equity Shares as soon as possible but not later than two months of the subsequent quarter and shall thereafter either deliver share certificates to the concerned employees for the relevant number of Equity Shares or credit the relevant number of Equity Shares to their designated depository account within two (2) months from the end of the quarter. The period aforesaid for grouping of Exercise and transfer of Equity Shares would be subject to review by the Compensation Committee from time to time.
- e. The Eligible Employees who wish to exercise the Options will have the right to include the names of their spouse, children and/or their parent(s) as the second and third holders of the shares to be transferred consequent to the exercise of the Options.

#### **PRICING FORMULA**

**The value of price per share to be charged for the purpose of exercising the options from the employees will be at the face value of the shares at the time of allotment and without any premium. However the difference in the market value of the shares and face value will be taxed from the employees under Indian Income Tax as taxable perquisite.**

#### **Lock-in-period:**

There shall be a minimum period of one (1) year between the Grant of Options and the Vesting of Options. The Employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of Options granted to him, till Shares are issued on Exercise of Options.

The Equity Shares acquired pursuant to the Options shall have one (1) year lock-in period. The Equity Shares would carry voting rights and other rights in accordance with the provisions of the Companies Act, 1956, as applicable and the notified provisions of Companies Act, 2013 and rules made thereunder, or its modification from time to time or re-enactment, and the Articles of Association of the Company in force from time to time.



9. **Termination of Options:**

If an Optionee ceases to be an employee of the Company/ Subsidiary, his or her rights to exercise the Option then held shall be only as follows:

**a) Death:**

If an Optionee dies while he or she is employed by the Company, all unvested options shall, at the discretion of the Compensation Committee stand vested. The Optionee's estate / Nominee shall have the right for a period of six (6) months (or such longer period as the Compensation Committee may determine at the Date of Grant or during the term of the option) after the date of death to exercise the Option to the extent the Optionee was entitled to exercise the Option on that date, provided the Exercise Date is in no event after the expiration of the term of the Option. To the extent the Option is not exercised within this period, the Option will terminate. An Optionee's "estate" shall mean the Optionee's legal representative or any person who acquires the right to exercise an Option by reason of the Optionee's death.

**b) Disability:**

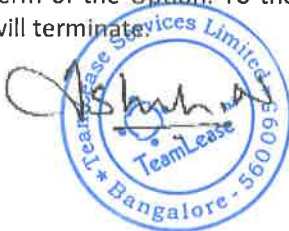
If an Optionee's employment with the Company ends because the Optionee becomes disabled, all unvested Options shall, at the discretion of the Compensation Committee stand vested. The Optionee or his or her Nominee (in the event of the Optionee's mental disability) shall have the right for a period of six (6) months after the date on which the Optionee's employment ends to exercise the Option to the extent the Optionee was entitled to exercise the option on that date, provided the date of exercise is in no event after the expiration of the term of the Option. To the extent the Option is not exercised within this period, the Option will terminate.

**c) Resignation:**

If an Optionee voluntarily resigns from the Company/ its Subsidiary, the Optionee shall have the right for a period of one month after the date of resignation to exercise the Option to the extent the Optionee was entitled to exercise the Option on that date, provided that Exercise Date is in no event after the expiration of the term of the Option. To the extent Option is not exercised within this period, the Option will terminate.

**d) Termination for reasons other than cause:**

If an Optionee's employment is terminated by the Company/ its Subsidiary for the reasons other than cause, the Optionee shall have the right for a period of one (1) month after the date of termination to exercise the Option to the extent the Optionee was entitled to exercise the Option on that date, provided the Exercise Date is in no event after the expiration of the term of the Option. To the extent the Option is not exercised within this period, the Option will terminate.



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The termination of an Optionee's employment by the Company/ Subsidiary will be for reasons other than cause if the termination is not due to an act by the Optionee of embezzlement, fraud, dishonesty or breach of fiduciary duty to the Company/ Subsidiary, or deliberate disregard by the Optionee of the rules of the Company /Subsidiary resulting in loss, damage, or injury to the Company/Subsidiary, or any un-authorized disclosure by the Optionee of any of the secrets or confidential information of the Company/ Subsidiary, or the Optionee's having induced any client or customer of the Company/ Subsidiary to break any contract with the Company/ Subsidiary, or the Optionee's having induced any principal for whom the Company/ Subsidiary acts as agent to terminate the agency relationship, or any conduct of the Optionee that constitutes unfair competition with the Company/ Subsidiary.

**e) Other reasons:**

If an Optionee's employment with the Company/ Subsidiary ends for any reason not mentioned above in this clause (including without limitation, termination for cause), all rights of the Optionee in Options to the extent that it has not been exercised, shall stand terminated on the date on which the Optionee's employment ends.

**10. Adjustments Upon Changes in Capitalization, Merger or Asset Sale:**

**a) Changes in Capitalization:**

Subject to any required action by the shareholders of the Company, the number of Shares covered by each outstanding Option, and the number of Shares, which have been authorized for issuance under the Plan but as to which no Options have yet been granted or which have been returned to the Plan upon cancellation or expiration of an Option, as well as the price per Share covered by each such outstanding Option, shall be proportionately adjusted for any increase or decrease in the number of issued shares resulting from a stock split, reverse stock split, stock dividend, bonus issue, combination or reclassification of the Shares, or any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company. The conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of Shares of stock of any class, or securities convertible into Shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of the Shares subject to an Option.

**b) Dissolution or Liquidation:**

In the event of the proposed dissolution or liquidation of the Company, the Compensation Committee shall notify each Optionee as soon as practicable prior to the effective date of such proposed transaction. The Compensation Committee in its discretion may provide for an Optionee to have the right to Exercise his or her Option until fifteen (15) days prior to such transaction as to all of the Optioned Stock covered thereby, including Shares as to which the





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Option would not otherwise be exercisable. To the extent it has not been previously exercised, an Option will terminate immediately prior to the consummation of such proposed action.

**c) Merger or Asset Sale:**

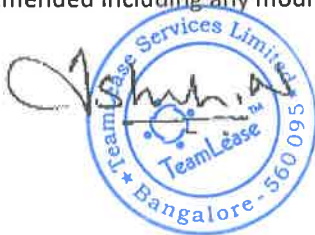
In the event of a merger of the Company with or into another corporation, or the sale of substantially all of the assets of the Company, each outstanding Option shall be assumed or an equivalent Option substituted by the successor corporation or a parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the Option, the Optionee shall fully vest in and have the right to Exercise the Option as to all of the Optioned Stock, including Shares as to which it would not otherwise be vested or exercisable. If an Option becomes fully vested and exercisable in lieu of assumption or substitution in the event of a merger or sale of assets, the Compensation Committee shall notify the Optionee in writing that the Option shall be fully exercisable for a period of fifteen (15) days from the date of such notice, and the Option shall terminate upon the expiration of such period. For the purposes of this paragraph, the Option shall be considered assumed if, following the merger or sale of assets, the Option confers the right to purchase or receive, for each Share subject to the Option immediately prior to the merger or sale of assets, the consideration (whether stock, cash, or other securities or property) received in the merger or sale of assets by holders of Shares for each Share held on the effective date of the transaction (and if the holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the merger or sale of assets is not solely Equity Shares (or their equivalent) of the successor corporation or its parent, the Compensation Committee may, with the consent of the successor corporation, provide for the consideration to be received upon the Exercise of the Option, for each Share subject to the Option, to be solely Equity Shares (or their equivalent) of the successor corporation or its parent equal in Market Price to the per Share consideration received by holders of Share in the merger or sale of assets.

**d. Change of Control:**

All unvested options shall vest immediately in the case of merger, dissolution or change in management. For the purpose of this clause, change in management shall mean change of the majority of the directors constituting the Board of Directors of the Company at any one instance coupled with a change in 'control', as defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011, as amended.

**e. Buy Back Rights:**

In future, the Company/Trust may, but is not obliged to, buy back the whole or any part of the Equity Shares from its shareholders, including Employees, in accordance with the provisions of the Companies Act, 1956, as applicable and the notified provisions of Companies Act, 2013 and the rules made thereunder, the SEBI (Buy Back of Securities) Regulations, 1998, as amended including any modification or re-enactment thereof.



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**11. Non-Transferability of Options:**

The Options may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised during the lifetime of the Optionee, only by the Optionee.

**12. Terms and Conditions of the Shares:**

All Shares allotted on Exercise of Options will rank *pari-passu* with all other Equity Shares of the Company for the time being in issue.

**13. Lapsed Options**

When an Option lapses under any of the circumstances mentioned above, then the Eligible Employee shall have no right, title or interest in respect thereof or any claim against the Trust or the Company. In the event of the lapse of any Options, the Trustees shall be entitled to, on the recommendation of the Compensation Committee, create fresh Options in lieu of the lapsed Options, and Grant such Options to such of the Eligible Employees as recommended by the Compensation Committee.

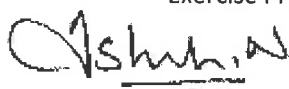
**14. Accounting Policies**

The Company shall follow the requirements of the 'Guidance Note on Accounting for employee share-based Payments' (Guidance Note) or accounting standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein, for implementation of the Plan.

Where the existing guidance note or accounting standard do not prescribe accounting treatment or disclosure requirements for the Plan then the Company shall comply with the relevant accounting standard as may be prescribed by the Institute of Chartered Accountants of India from time to time.

**15. Other Conditions**

- (a) The Eligible Employee shall not, directly or indirectly, sell, pledge, assign or otherwise transfer or dispose of (hereinafter collectively referred to as 'alienation') all or any unexercised portion of the Options or the rights and benefits attached thereto.
- (b) If any bonus and/or rights Equity Shares are issued by the Company or the Equity Shares of the Company are split up reducing the face value per Equity Share, then the Trust would, on the recommendations of the Compensation Committee, make a fair and reasonable adjustment to the number of outstanding Options and/or to the Exercise Price.









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Similarly, if the Company takes any action which in the opinion of the Compensation Committee requires any adjustment to the number of outstanding Options and/or the Exercise Price, then the Trust would, on the recommendations of the Compensation Committee, make a fair and reasonable adjustment to the number of outstanding Options and/or to the Exercise Price.

- (c) The Options granted herewith shall be affected by any takeover by/of, merger with, or amalgamation of any other entity with the Company or in the event of restructuring of the capital of the Company only to the extent as specified above. In such an event, the Trust on the recommendation of the Compensation Committee would have the authority to alter all or any of the terms relating to the Grant and would also have the authority to do all such acts and deeds as it may deem fit in its absolute discretion and as permitted under law, so to ensure that the benefits under the Grant are passed on to the Eligible Employees.
- (d) PROVIDED HOWEVER THAT what is provided in sub-clauses (b) and (c) hereinabove shall not apply to the issue of Equity Shares by the Company either on a preferential basis, subject to the approval of its members in General Meeting, to certain persons, whether they are existing shareholders of the Company or not, or under an initial public offering by the Company, or under an offer for sale by the existing shareholders of the Company.
- (e) The date of exercise shall be the date on which the Eligible Employee submits the Exercise Application Form (complete in all respects) for exercising the Options granted to him, to the Trust.
- (f) Grant, vesting and exercise of Options will be liable to tax, if any, in the hands of the Eligible Employee in accordance with the provisions of the Income-tax Act, 1961, as amended and the rules framed there under from time to time. The Company or the Trust will deduct tax at source, wherever necessary, from any payments to the Employee concerned in respect of his entitlements under the ESOP. Alternatively, the employee who exercises the option shall be liable to produce proof of payment of the tax, if any, payable in respect of exercise of the options, prior to the Trust transferring the shares to the designated depository account of the Employee. The Trust will transfer the shares to the designated depository account of the Employee only after it receives a confirmation from the Company on the submission of proof of payment of taxes including penalty if any payable by the Employee. The Company/Trust shall have lien on all the shares of Employees who have not produced the proof of payment of the taxes and shall be free to deal with the shares in such manner as it may deem fit for recovery of the tax liabilities of the Employee. The Trust for this purpose shall also be permitted to transfer the shares as required for payment of the taxes and if necessary, the Trust may also sell or otherwise dispose of part of the Equity Shares to be distributed to the Eligible Employees who have received their Options, and to retain the proceeds thereof towards deductions of tax or otherwise required to meet any tax obligation of the Eligible Employee. The Company/ Trust shall be authorized to execute transfer forms and other documents as it may require in this respect.



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- (g) The Equity Shares shall rank *pari-passu* with the existing Equity Shares of the Company in all respects except that they shall be entitled to a pro rata dividend for the financial year in which they are allotted. It is expressly provided that an Option holder shall not have any right to receive dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of the Options granted to him, till the Equity Shares are issued to him on Exercise of the Options.
- (h) The Equity shares allotted to the employees under the scheme should not involve in any sort of violation of Insider Trading guidelines issued by Security Exchange Board of India and further amendments thereof. Also the Employees to whom the equity shares allotted under scheme should not involve in the Contra Trading which is prohibitive under the SEBI Guidelines.

The decision of the Trust on the recommendation of the Compensation Committee on any of the above matters including the date of Exercise of Options will be final and binding on the Eligible Employees.

16. **Reservation of Equity Shares**

The Company, during the term of this ESOP, shall issue and transfer, and will seek or obtain, from any regulatory authority having jurisdiction, any approval or consent necessary to issue to Equity Shares to the Trust. The Trustees during the term of this ESOP, will at all times reserve and keep available and will seek or obtain from any regulatory body having jurisdiction, any approval or consent, necessary to transfer the Equity Shares to satisfy the requirements of this ESOP. The inability of the Company and/or the Trust to obtain from any regulatory authority the requisite approval or consent for the lawful issuance and transfer of the Equity Shares hereunder shall relieve the Company and/or the Trustees of any liability in respect of the failure to issue or transfer the Equity Shares.

17. **Effective Date of the ESOP**

The ESOP shall be effective from the date that the ESOP is approved by the Compensation Committee and shall continue in effect till its termination by the Compensation Committee.

18. **Exit Mechanism**

The Employee would be entitled to transfer the Equity Shares at any time, subject to lock-in requirement, in accordance with the provisions of the Articles of Association of the Company and the Applicable Laws.

19. **Variation of Terms of ESOP**

The Company can vary the terms of the ESOP by passing a special resolution in the general meeting of the shareholders in respect of the Options which have not yet been exercised by the Eligible Employees provided such variation is not prejudicial to the interests of the Eligible Employees.







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Further, the Company may re-price the Options which have yet not been exercised by the Eligible Employees, whether or not they have been vested if the Options are rendered unattractive due to fall in the share price.

The Company will ensure that such re pricing of Options shall not be detrimental to the interests of the Eligible Employee in any manner and approval of shareholders in general meeting has been obtained for such re pricing.

20. **Representation**

Neither the Company nor the Compensation Committee nor the Trust makes any representation regarding the performance of the Company or the future value of the Equity Shares. Each Employee should take the decision to exercise the Options granted to him/her after considering all the provisions of this ESOP and other relevant factors.

21. **Certificate from auditors**

The Board shall at each annual general meeting place before the shareholders a certificate from the auditors of the Company that the Plan has been implemented in accordance with the Employee Benefits Regulations and in accordance with the resolution of the Company in the general meeting.

The Plan, shall at all times be in compliance with, and the provisions of the Plan shall be read so as to give effect to the Employee Benefits Regulations, including, but not limited to the provisions in relation to listing, compliance and conditions and disclosures.

This represents the complete Plan.



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