

Disclosure under Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”) as on March 31, 2020

The Company currently has three (3) Employee Stock Option Schemes pursuant to Special Resolutions passed at the General Meetings of the Company. Following are the Employee Stock Option Schemes under which stock options are granted to eligible employees / directors of the Company from time to time:

1. Quess Corp - Employees’ Stock Option Scheme, 2009 (“ESOP 2009”)
2. Quess Corp Limited - Employees’ Stock Option Scheme, 2015 (“ESOP 2015”)
3. Quess Stock Ownership Plan- 2020 (“QSOP-2020)

I. Details related to Schemes as per SEBI SBEB Regulations are given below:

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| A. | Relevant 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 | The same has been appropriately disclosed in the note 46 of the standalone financial statements for the year ended March 31, 2020, which is also available on the website of the Company viz., www.quesscorp.com |
| B. | Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with IND AS 33 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time | The same has been appropriately disclosed in the statement of Profit and loss for the year ended March 31, 2020 mentioned in the Annual Report 2019-20, which is also available on the website of the Company viz., www.quesscorp.com . |

II. Details related to Employee Stock Option Schemes:

| Sr. No. | Particulars | ESOP 2009 | ESOP 2015 | QSOP 2020 |
|---------|----------------------------------|--------------------|---|----------------|
| 1. | Date of Shareholder’s approval | December 23, 2015. | December 23, 2015, November 26, 2016, July 24 2019 and March 31, 2020 | March 31, 2020 |
| 2. | Total Number of options approved | 33,69,256 | 19,00,000 were approved initially by the shareholders. On March 31, 2020, the shareholders through postal ballot approved amendment in the ESOP 2015 by way of re-deployment of the balance 17,51,560 employee stock options (“Options”) and equity shares from the aggregated number of 19,00,000 (Nineteen Lakhs) Options and equity shares under the ESOP 2015 to QSOP 2020 and reduced the total number of options to be granted under ESOP 2015 | 36,50,000 |

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| | | | to 1,48,440 options, thereby entitling the option grantee to acquire not exceeding 148,440 equity shares, without any retrospective effect on existing options granted under the ESOP 2015. | |
| 3. | Vesting Requirement | Minimum vesting period of one year from the date of grant. | | |
| 4. | Pricing Formula/ Exercise Price | The exercise price would be determined by the Nomination & Remuneration Committee, provided that the exercise price per option shall not be less than the face value of the Equity Shares of the Company. | | Rs. 10 per share. |
| 5. | Maximum term of options granted (Years) | 5 (five) years | | Vesting over a period of 6 (Six) years |
| 6. | Source of Shares | Primary | | |
| 7. | Variation in terms of ESOP | None | | |
| III. Option Movement during the year ended March 31, 2020 | | | | |
| 1. | No. of Options outstanding at the beginning of the year | 6,71,340 | 1,64,786 | - |
| 2. | Options Granted during the year | - | - | - |
| 3. | Options forfeited during the year | - | - | - |
| 4. | Options lapsed during the year | - | 16,346 | - |
| 5. | Options vested during the year | - | 50,354 | - |
| 6. | Options exercised during the year | 5,38,680 | - | - |
| 7. | Number of shares arising as a result of exercise of options | 5,38,680 | - | - |
| 8. | Money realized by exercise of options (Rs.) if scheme is implemented directly by the Company | 53,86,800/- | - | - |
| 9. | No. of options outstanding at the end of the year | 1,05,525 | 1,14,347 | - |
| 10. | No. of options exercisable at the end of the year | 1,05,525 | 1,14,347 | - |
| 11. | Method of Accounting | Fair value Method in accordance with Ind- AS 102: Share based payment | | |
| 12. | Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so | Not Applicable. | | |

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| | computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company | |
| 13. | Weighted-average exercise prices and weighted- average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock | Please refer Note 46 to Standalone financial statements |

IV. Employee wise details of options granted during the financial year 2019-20:

| Sr. No. | Particulars | ESOP 2009 | ESOP 2015 |
|---------|---|--|-----------|
| 1. | Senior Managerial Personnel | - | - |
| 2. | any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during FY20 | - | - |
| 3. | identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant | - | - |
| 4. | A description of the method and significant assumptions used during FY19 to estimate the fair value of options including the 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 b) The method used and the assumptions made to incorporate the effects of expected early exercise c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based | Please refer Note 46 to Standalone financial statements. | |

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| | <p>on historical volatility d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition</p> | |
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V. Disclosures in respect of grants made in three years prior to IPO

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| 1. | <p>Until all options 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</p> | <p>Please refer Note 46 to standalone financial statements.</p> |
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VI. The Company has not implemented schemes for the benefit of their employees involving dealing in shares, directly or indirectly, in the form of stock appreciation rights scheme, general employee benefits scheme and retirement benefit scheme.

For and on behalf of Board of Director of
Quess Corp Limited

Date: May 27, 2020
Place: Bengaluru

Sd/-
Ajit Isaac
Chairman & Managing Director
DIN: 00087168