



TWO YEAR SWIGGY LIQUIDITY PROGRAM (SLP)

1. Objective

Swiggy has planned two Liquidity Events for its employees, in July'22 and July'23, in which eligible employees can liquidate their vested ESOPs in the manner set out in this policy. The objective of this document is to provide a detailed program construct and guidelines of these planned events.

The framework in this document is designed to create a transparent process of ESOP liquidity and enable employees to effectively utilize the program.

2. Liquidity Events

As of now, Swiggy has planned two Liquidity events in which eligible employees can liquidate their ESOPs.

- 1) July'22
- 2) July'23

The details on eligibility and program construct will follow.

3. Eligibility

The current Liquidity events are applicable for such employees:

- who are active and not on Notice Period on 1st July 2022 / 1st July 2023 for respective year liquidity event
- Employees must have at least a fraction of their ESOPs vested as on 1st April of the year in which a liquidity event is conducted.
- ESOPs vested on or before 1st April 2022 + performance linked grants vesting on 1st May 2022 / 1st July 2022 (Supr Daily) / 11th August 2022 will be considered as eligible vested ESOPs for liquidity event on 1st July 2022
- ESOPs vested on or before 1st April 2023 will be considered as eligible vested ESOPs for liquidity event on 1st July 2023

4. Two Year Swiggy liquidity program Framework:

For the purpose of framework, please refer to following definitions :

Active Grants : All grants which have been made to the employee as of 31st March of the respective year of liquidity(including ESOPs exercised for shares and held in the Swiggy Liquidity Trust), but excluding ESOPs already surrendered for liquidity prior to 2022 (whether through surrender of options or exercise for shares where such shares have been sold thereafter) .

Vested ESOPs : All grants which are vested as on 1st of April of respective year of liquidity (including performance linked grants vesting on 1st May 2022 / 1st July 2022 (Supr Daily) / 11th August 2022 will be considered for Jul'22 event), including units which are exercised and held by employees in Swiggy Liquidity Trust. It excludes the vested ESOPs which have been liquidated in the past event before 2022.

Year 1 Liquidity Criteria :

Active Grants : considered as on 31st March 2022 (excludes performance linked grants provided to employees as on 1st April 2022)

Vested ESOPs: considered as on 1st April 2022 (including performance linked grants vesting on 1st May 2022 / 1st July 2022 (Supr Daily) / 11th August 2022 will be considered for Jul'22 event)

Grade	Eligible Liquidity criteria	Max capping for Year 1 in terms of liquidity value received
Category A Grade 9 and above	<ul style="list-style-type: none"> ● 30% of Total Vested ESOPs as on 1 April 2022** ● Half of 30% of Total Vested ESOPs as on 1 April 2023 (excluding performance linked grants granted as on 1st April 2022) ● Half of 20% of Total Active Grants eligible for the liquidity event as on 31 March 2023 (excluding performance linked grants granted as on 1st April 2022) <p><i>whichever is lower</i> will be eligible for the year 1 of the program.</p>	INR 3 Cr
Category B Tech roles* (G8 and below)	<ul style="list-style-type: none"> ● 30% of Total Vested ESOPs as on 1 April 2022** ● Half of 30% of Total Vested ESOPs as on 1 April 2023 (excluding performance linked grants granted as on 1st April 2022) ● Half of 30% of Total Active Grants eligible for the liquidity event as on 31 March 2023 (excluding performance linked grants granted as on 1st April 2022) <p><i>whichever is lower</i> will be eligible for the year 1 of the program.</p>	INR 3 Cr
Category C SM and below (other roles)	<ul style="list-style-type: none"> ● 30% of CTC as on 1st April 2022 ● ESOPs vested as on 1st April 2022** 	30% of CTC

	whichever is lower will be eligible for the year 1 of the program.	
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*Tech Roles Include following Jobs : Engineering, Product Management, Design, Data Science, Applied Research

**Including performance linked grants vesting on 1st May 2022 / 1st July 2022 (Supr Daily) / 11th August 2022

Year 2 Liquidity Criteria :

Active Grants : considered as on 31st March 2023

Vested ESOPs : considered as on 1st April 2023

Grade	Eligible Liquidity criteria	Cumulative capping for Year 1 + Year 2 in terms of liquidity value received
Category A Grade 9 and above	<ul style="list-style-type: none"> 30% of Total Vested ESOPs as on 1 April 2023 minus units liquidated in Year 1 20% of Total Active Grants eligible for the liquidity event as on 31 March 2023 minus units liquidated in Year 1 <p>whichever is lower will be eligible for the year 2 of the program.</p>	INR 6 Cr
Category B Tech roles* (G8 and below)	<ul style="list-style-type: none"> 30% of Total Vested ESOPs as on 1 April 2023 minus units liquidated in Year 1 30% of Total Active Grants eligible for the liquidity event as on 31 March 2023 minus units liquidated in Year 1 <p>whichever is lower will be eligible for the year 2 of the program.</p>	INR 6 Cr
Category C SM and below (other roles)	<ul style="list-style-type: none"> 60% of CTC as on 1st April 2023 minus units liquidated in Year 1 ESOPs vested as on 1st April 2023 minus units liquidated in Year 1 <p>whichever is lower will be eligible for the year 2 of the program.</p>	60% of CTC

*Tech Roles Include following Jobs : Engineering, Product Management, Design, Data Science, Applied Research

Note :

1. In case an employee does not avail full liquidity (within eligibility range) in first year, he/she will be allowed to cumulate the same and encash in subsequent year
2. All ESOP units will be rounded to 4 decimal places for computation of liquidity.
3. If an employee is eligible for <1 unit as per the framework, he/she will be allowed to encash 1 unit / decimal unit, if they have those units vested on 1 April of the respective year of liquidity.
4. In case of promotion and change in construct / capping, the employee will be offered the plan which is more beneficial to him/her

5. Illustrations:

1) Grade 9 or above

a) Year 1 computation:

Total Active Grants as on 31st March 2023***	Total Vested ESOPs (1 April 2022)**	Total Vested ESOPs (1 April 2023)***	Minimum of			Eligible Units for 1 July 2022
			Half of 20% of Total Active Grants	30% of vested ESOP (upto 1 April 2022)	Half of 30% of vested ESOP (upto 1 April 2023)	
43	31.5	39	4.3000	9.4500	5.8500	4.3000

*Overall capping of INR 3 Cr in Year 1

**Including PL Grants vesting on 1st May 2022 / 1st July 2022 (Supr Daily) / 11th August 2022

***excluding performance linked grants made on 1st April 2022

b) Year 2 computation:

Assuming 10 ESOPs were granted to employee on 1st April 2022, with 25% vesting each year

Total Active Grants as on 31st March 2023	Total Vested ESOPs (1 April 2023)	Overall 2 Year eligibility			Eligibility for Year 2 (Overall Eligibility minus ESOPs liquidated in Year 1)****
		20% of Total Active Grants	30% of vested ESOP upto 1 April 2023	Overall Eligibility for Year 1 + Year 2	
53	41.5	10.6000	12.4500	10.6000	6.3000

****Cumulative capping of INR 6 Cr in Year 2

- In case of increase in fair market value ('FMV'), the liquidity value may increase, however upper caps as defined in framework continues to apply (i.e. 3 Cr per year or 6 Cr cumulative in 2nd Year)

2) Tech Roles (Grade 8 or below)

a) Year 1 computation:

Total Active Grants as on 31st March 2023***	Total Vested ESOPs (1 April 2022)**	Total Vested ESOPs (1 April 2023)***	Minimum of			Eligible Units for 1 July 2022
			Half of 30% of Total Active Grants	30% of vested ESOP (upto 1 April 2022)	Half of 30% of vested ESOP (upto 1 April 2023)	
22	6.2	12.8	3.3000	1.8600	1.9200	1.8600

*Overall capping of INR 3 Cr in Year 1

**Including PL Grants vesting on 1st May 2022 / 1st July 2022 (Supr Daily) / 11th August 2022

***excluding performance linked grants made on 1st April 2022

b) Year 2 computation:

Assuming 10 ESOPs were granted to employee on 1st April 2022, with 25% vesting each year

		Overall 2 Year eligibility			
Total Active Grants as on 31st March 2023	Total Vested ESOPs (1 April 2023)	30% of Total Active Grants	30% of vested ESOP upto 1 April 2023	Overall Eligibility for Year 1 + Year 2	Eligibility for Year 2 (Overall Eligibility minus ESOPs liquidated in Year 1)****
32	15.3	9.6000	4.5900	4.5900	2.7300

****Cumulative capping of INR 6 Cr in Year 2

3) All other Grades (8 or below)

a) Year 1 computation:

Total Vested ESOPs (1 April 2022)**	CTC (1st April 2022)	Minimum of		Eligible Units for 1 July 2022
		Vested ESOPs (upto 1 April 2022)	30% of CTC (converted to ESOP units at Liquidity price)	
10	2300000	10.0000	1.6190	1.6190

*Overall capping of INR 3 Cr in Year 1

**Including PL Grants vesting on 1st May 2022 / 1st July 2022 (Supr Daily) / 11th August 2022

***excluding performance linked grants made on 1st April 2022

b) Year 2 computation :

Assuming 5 ESOPs were granted to employee on 1st April 2022, with 25% vesting each year

Total Vested ESOPs (1 April 2023)	CTC (1st April 2023)	Overall 2 Year eligibility			Eligibility for Year 2 (Overall Eligibility minus ESOPs liquidated in Year 1)****
		Vested ESOPs (upto 1 April 2023)	60% of CTC (converted to ESOP units at Liquidity price)	Overall Eligibility for Year 1 + Year 2	
16.25	2500000	16.2500	2.9917	2.9917	1.3727

****Cumulative capping of 60% of CTC will apply in Year 2

4) What happens if an employee is eligible for <1 Unit as per framework?

- Employees who possess 1 full vested unit, but can liquidate only a fraction of such unit based on the liquidity eligibility criteria, will be eligible to liquidate the full unit.
- Employees who possess only a fraction of unit vested, will be eligible to liquidate the entire fraction of unit

<p>Example 1:</p> <p>Total Active Grants : 4</p> <p>Total Vested Unit (for July 2022 liquidity) : 1</p> <p>Total Vested Unit (for July 2023 liquidity) : 2</p> <p>20% of Active Grants : 0.8 (4*20%)</p> <p>30% of vested units = 0.6 (2*30%)</p> <p>Min of 20% of Active Grants and 30% of vested units = 0.6</p> <p>However, since employee has at least 2 whole vested unit, eligibility to encash is = 1 Unit in 2022 and 1 unit in 2023</p>	<p>Example 2:</p> <p>Total Active Grants : 3</p> <p>Total Vested Unit for Jul 2022 liquidity : 0.8</p> <p>Total Vested Unit for Jul 2023 liquidity : 1.6</p> <p>20% of Active Grants : 0.6 (3*20%)</p> <p>30% of total vested units = 0.48 (1.6*30%)</p> <p>Min of 20% of Active Grants and 30% of vested units = 0.48</p> <p>However, since employee has only fractional unit in Year 1 , he/she can encash entire 0.8 unit in Year 1 and remaining 0.8 units in Year 2</p>
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5) What happens if the employee does not want to avail full liquidity (within liquidity eligibility criteria) in year 1?

- He/she can opt for partial/ no liquidity in year 1 and
- He/she will be allowed to accumulate the same and liquidate in subsequent year (subject to maximum cap provided as per framework)
- In case an employee does not want to opt for liquidity throughout the liquidity event, he/she may continue to hold the vested units.
- ESOP Liquidity price for Year 2 will be determined by the Company prior to the Year 2 liquidity event.
- In the event of an IPO, the liquidity plan will be discontinued.
- Liquidity events will be facilitated by the Company, preferably through a secondary market sale or internal company financed liquidity event.

Company reserves the right to terminate or amend this policy unilaterally as applicable to the Year 1 event at any time up to the surrender of options by employees as part of the Year 1 event, and with respect to the Year 2 event at any time up to surrender of options by employees as part of the Year 2 event.

Frequently asked Questions

1. What will be the liquidity mechanism for the July'22 event?

The July'22 Liquidity event will be an Inhouse Surrender/cancellation Event where employees will surrender/cancel their eligible vested ESOPs and they will be compensated with equivalent ex-gratia bonus computed at the liquidity event price as a one time payment.

2. What will be the liquidity mechanism for the Jul'23 event?

The liquidity mechanism for the July 23 liquidity event will be communicated closer to the date of the event in July'23.

3. What is the current FMV of ESOP?

Current FMV of an ESOP is INR 5,01,375.87.

4. At what price will I be able to liquidate my eligible ESOP units in the July'22 Liquidity event?

or

How much liquidity payout will I be receiving for liquidating my ESOPs in Jul'22?

or

Will the liquidity happen at FMV value in Jul'22?

For the July'22 Liquidity event, employees will be able to surrender/ cancel their eligible ESOPs at a 15% discount on the current FMV i.e. INR 4,26,169.5 per ESOP. Total no of units which they can surrender are computed based on the parameters set out in the policy. To assist with computation, each individual's eligibility numbers will be sent to them on their official email ID.

5. Why are we giving a 15% discount on the FMV for the Liquidity event in July'22?

Considering the global sell offs in some of the listed late stage consumer tech companies and resultant contractions in global valuations, we are considering a nominal trading discount of 15% to our latest Series K round in arriving at the liquidity price. However, do note that our company valuation (basis the latest Series K round) remains unimpacted and will not change basis this liquidity event. We remain optimistic about our long term future and are confident of enhancing value for our continuing shareholders over time.

6. Will the liquidity price for Jul'23 remain the same as Jul'22?

The liquidity price for the July 23 event will be communicated closer to the date of the event in July'23. Current liquidity price does not give any indication for the Jul'23 event.

7. What is the current Share price?

1 ESOP converts into 1,401 shares on exercise, hence the FMV of 1 equity share = INR 357.87 (501,375/1,401).

8. What is the criteria to participate in the ESOP Liquidity event?

Eligibility Criteria:

- Employees who are active and not on Notice Period as on 1st July 2022 / 2023 for respective year liquidity event
- Employees must hold at least a fraction of vested ESOP as on 1st April of the year in which a liquidity event is conducted.
 - *For the July'22 event, ESOPs vested on or before 1st April 2022 + performance linked grants vesting on 1st May 2022 / 1st July 2022 (for Supr Daily) will be considered as eligible vested ESOPs.*
- ESOPs vested on before 1st April 2023 will be considered as eligible vested ESOPs for liquidity event on 1st July 2023

9. When will the payout for the Liquidity event happen for Jul'22 event?

or

When will the one time liquidity payout against the surrendered units happen for Jul'22 event?

The payout against surrendered units will happen by Jul'22.

10. How many of my granted ESOPs are eligible for Liquidity in July'22?

The number of ESOPs which can be liquidated out of the overall ESOPs held depends on the number of Active and Vested ESOPs.

Depending on your grade and role, please refer to the relevant section of the 'Liquidity Program Framework' in the policy document, with 5 detailed illustrations to understand the liquidity eligibility calculations.

You will also receive an email with specific details of your eligibility from esopliquidity@swiggy.in

11. Can decimal units be liquidated?

Yes, employees are eligible to liquidate their complete eligibility including the decimal portion. E.g. If the eligibility comes to 2.5489 units, employees can liquidate the entire eligibility including the decimal portion.

In case the eligibility is less than 1 unit below will apply :

- Employees who hold 1 full vested unit, but can liquidate only a fraction of such a unit based on the liquidity eligibility criteria, will be eligible to liquidate the full unit.
- Employees who hold only a fraction of the unit vested, will be eligible to liquidate the entire fraction of the unit.

12. How much tax will I need to pay for the ESOP liquidity for Jul'22 event?

This (Jul'22 event) is an Inhouse Surrender/ cancellation event, where employees will surrender/ cancel their eligible vested ESOPs and they will receive a one time payment computed in accordance with the policy against such surrender/ cancellation. On this payout, regular income tax slabs, as per the individual taxable income, will apply.

Since employees will surrender/ cancel ESOPs, there will be no Perquisite tax, Short / Long term capital gains tax associated with this transaction.

13. How much Exercise price will I need to pay for the Liquidity Event in July'22?

As the employees are not exercising the ESOPs in this event, no exercise price is required to be paid.

14. Is participation in the liquidity program voluntary or mandatory?

The liquidity event in its entirety is a voluntary plan. Employees can opt for partial / no liquidity in year 1 and they will be allowed to accumulate the same and liquidate in subsequent year (Maximum cumulative pay-out per grade as specified in the policy).

In case an employee does not want to opt for liquidity throughout the liquidity event, he/she may continue to hold the vested units.

15. Can I liquidate less than my maximum eligibility?

Yes, individuals can choose to surrender only a portion of their maximum eligible ESOPs (whole units only).

16. Where can I view the details of the ESOPs which are eligible for Liquidity in July'22?

All eligible employees will receive email from esopliquidity@swiggy.in capturing the details of their eligibility for the liquidity event.

17. I hold 0.6 vested units as on 1 April 2022. Can I participate in the Liquidity event in July'22?

Yes. Employees must have at least a fraction of their ESOPs vested as on 1st April 2022 (including PL ESOP units vesting on 1 May 2022 / 1 July 2022 for SuprDaily employees) to be eligible to participate.

- Employees who hold 1 full vested unit, but can liquidate only a fraction of such unit based on the liquidity eligibility criteria, will be eligible to liquidate the full unit.
- Employees who hold only a fraction of unit vested, will be eligible to liquidate the entire fraction of unit

18. I have received 10 additional ESOP grants on 1 April 2022. Will this change my eligibility for the July'22 event?

Grants made on 1st April 2022 or post the same (upto 31st March 2023) will be considered for subsequent year's liquidity event only. Any grant on 1 April 2022 will not have any impact on the eligibility for July'22 liquidity event.

Any increase in the Year 2 eligibility value due to grants made on 1 April 2022 will increase the liquidity eligibility for the July'23 event w/o any impact on the eligibility of the July'22 event.

19. What happens if the FMV changes between the two liquidity events scheduled in July'22 and July'23?

In case of increase in fair market value ('FMV') or the Liquidity price between the two events, the liquidity value may increase in Year 2, however upper caps as defined in framework continues to apply (i.e. 3 Cr in 1st year or 6 Cr cumulative in 2nd Year or 30 % of the CTC or 60% of the CTC, as the case maybe)

E.g. : Assuming liquidity price for both Year 1 and Year 2 is the same, if an employee is able to liquidate 4 units in both Year1 and Year2 (i.e. ~17L per year at the current liquidity price). Hypothetically, if the Liquidity price multiples to ~1.5x in Y2, the employee will be able to liquidate ~25.5L in Y2.

20. What happens in case an employee does not avail liquidity in Jul'22 and resigns post the same. Will he/she be eligible for liquidity at the time of exit?

In case an employee does not choose to participate in the liquidity event of Jul'22, the next chance for liquidity will be provided only in Jul'23 (if he/she is active and not on notice period on 1st July 2023).

In case an employee's exits without participating in Jul'22 event, he/she will not have an option to liquidate ESOPs at the time of exit. In such a case employee will have to wait for the next liquidity event in which he/she is eligible to participate or the company completes an IPO.

21. Will employees on maternity leave / medical leave / short term sabbatical / long term sabbatical be eligible for liquidity

Yes, employees on maternity leave / medical leave / short term sabbatical / long term sabbatical will be eligible for liquidity