



Understanding Your Stock Options



Stock Option is an opportunity given to employees to own a certain number of shares of Swiggy's common stock at a pre-established price, known as the **exercise price**, over a specific period of time, known as the **vesting period**.

Stock Options offered under the salient features of a plan is called Employee Stock Option Plan (ESOP) - which is **"BUNDL ESOP PLAN 2015"** at Swiggy.

- → Plan came into effect on May 28, 2015
- → Offered only to select roles in the organization
- → Only Permanent Full Time employees are eligible to receive ESOPs
- → Intent to grant options should be approved by the Board
- → It is an integral part of your Total Rewards Value Proposition





- → Wealth Creation Opportunity for employees grow with the organization
- → Recognition and reward for top performance
- → Encourage Employees to continue contributing to the success and growth of the Company
- → Creates a sense of belonging and ownership amongst employees





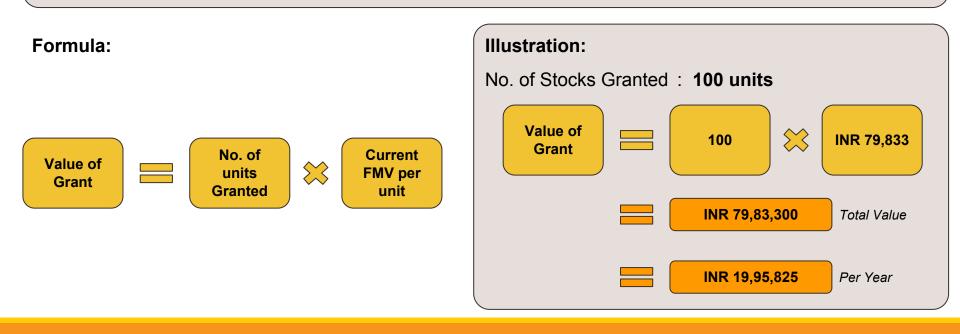
- → Fair Market Value / unit (FMV / Unit): It is the book value of each stock unit basis the prevailing market valuation of Swiggy, as determined by our merchant bankers and investors. The FMV / unit is evaluated at every instance where the market value of our organization is evaluated
- → Vesting period: The period during which the Vesting of the Options granted to an employee in pursuance to the Plan takes place (does not include any period of service for which Employee was not paid salary/wages).
- → Exercise Period : Once vested, time period within which an employee should exercise the stocks by paying the exercise price
- → Exercise price: Price payable by an employee in order to Exercise the Options vested for him/her under the Plan. Once exercised, stocks are available for selling



Monetary value of the Grant



→ Current Fair Market Value per unit
→ Vesting Period
→ Exercise Price
INR 79,833(basis current value)
: 4 Years (25% per year, anniversary of grant date)
: Re. 1





There are 3 possible events when an employee will be able to sell their vested and exercised options:

- → IPO / Listing on a public exchange
- → Buy back initiated by management
- → Acquisition





→ Resignation

Unvested stocks will lapse

→ Termination of employment / Abandonment

All unexercised stock options expire and stand terminated from the date of termination

→ Death of an employee

 In the event of death while in employment, all Options vested to the employee shall vest with his / her Nominee

→ Permanent Disability

All Options vested as on the date of such Permanent Disability and all Options which would vest in the next 12 months from such date shall immediately vest with him/her



Taxation



- No tax at the time of Grant and Vesting
- Any other tax liability including the below shall be borne by the employee completely

	Perquisite Tax	Capital Gains Tax
Applicable on	Exercise Date FMV <i>minus</i> Exercise Price	Sale Date FMV <i>minus</i> Exercise Date FMV
Tax Liability (To be paid on)	On the date of Exercise	On the date of Sale
Example	Exercise Price: Re 1Exercise Date FMV :Rs 20Units Exercised: 100	Exercise Date FMV :Rs 20Sale Date FMV:Rs 30Units Sold:100
Taxable Amount	(20 - 1) * 100 = Rs. 1900	(30 - 20) * 100 = Rs. 1000
Tax Rate	Individual Income Tax slab rates applicable	Long Term Tax and Short term Tax Applicable as per Govt Norms





- Swiggy has shown tremendous growth in last 12 months
 - Our Gross Merchandise Volume (GMV) and Orders Per Day (OPD) have grown 4x over last 12 months
 - We continue to see great interest from investors to be a part of our growth story
- Our Fair Market Value (FMV) has increased 2.5x over the last 12 months
- Strike Price is only Re 1 which is beneficial for employee during exercise
- The vesting of ESOPs will happen over a course of 4 years (~25% each)
- The First Buy Back of Swiggy will happen in June which is a mechanism for cashing the vested ESOPs



Important:

- → This document is created just for illustrative purposes and simple explanation. The entire program/plan is governed by the Plan BUNDL ESOP PLAN 2015
- → It is mandatory for employees to read through the Plan document which overwrites any / all explanations