

SBI CARDS AND PAYMENT SERVICES LTD.

Disclosures pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for FY 2024

➤ **SBI CARD EMPLOYEE STOCK OPTION PLAN 2019**

1. Description of SBI Card Employee Stock Option Plan 2019.

Pursuant to the recommendation of the Board of Directors at their Meeting held on January 16, 2019, the Shareholders at the Extra-ordinary General Meeting held on February 22, 2019 had approved the SBI Card - Employees Stock Option Plan – 2019. Post-IPO of the Company, SBI Card - Employees Stock Option Scheme – 2019 was ratified by the Shareholders through Postal Ballot on June 17, 2020.

The objective of employee stock option plan is to reward employees to align individual performance with Company objectives and drive share-holders' value creation, create a culture of ownership among the executives, works towards successful Initial Public Offering and employees to enhance their commitment to organization, motivate management to collaborate and attract and retain key talent, critical to organizations' success. The Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, which was subsequently replaced by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Other Details are as under:

Total number of options approved under ESOS	Upto 27,970,028 shares subject to adjustments as may be required due to any corporate action as stated in the scheme
Vesting Requirements	Goodwill Grants: Upon completion of 12 months from the Grant date or 180 days after the date of listing of shares of the Company, whichever is later subject to Eligible employee/participant being on the rolls of Company at such time. Performance Grants: Participant should be employed with company on the date of vesting. Participant should not be rated 'Does not meet expectations' for the appraisal cycle immediately prior to the vesting date.
Exercise price or pricing formula	Rs. 152.10 per equity share
Maximum term of options granted	Goodwill Options: 6 years from the grant date. Performance Options: 9 year from the grant date (Last vesting happens at 4 th anniversary after which employee have 5 years to exercise).

Source of shares (primary, secondary or combination)	Primary
Variation in terms of options	NA
Method used to account for ESOS - Intrinsic or fair value.	Fair value.

2. **Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so 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 shall also be disclosed:**

Not applicable as the Company has used Fair Value method for Accounting.

3. **Option movement during the year (For each ESOS):**

Number of options outstanding at the beginning of the period (including options vested but not exercised)	58,48,790
Number of options granted during the year ended March 31, 2024	Nil
Number of options forfeited / lapsed during the year	2,62,700
Number of options vested:	
➤ During the year ended March 31, 2024	43,85,785
➤ Total options vested as on the date of the Annual report	12,746,070
Number of options exercised during the year	48,96,730
Number of shares arising as a result of exercise of options	48,96,730
Money realized by exercise of options (INR), if scheme is implemented directly by the company	Rs. 74.48 Crores
Loan repaid by the Trust during the year from exercise price received	N.A
Number of options outstanding at the end of the year (including options vested but not exercised)	6,89,360
Number of options exercisable at the end of the year	6,36,580

4. **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 No. 42 of the Notes to Accounts of the Financial Statements.

5. Employee wise details (name of employee, designation, number of options granted during the year ended March 31, 2024, exercise price) of options granted to -

- (i) **senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

NIL

- (ii) **any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and**

NIL

- (iii) **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.**

NIL

6. Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

Date of Grant	
Goodwill Option	September 18, 2019
Performance Based Option - 1	September 17, 2019
Performance Based Option - 2	June 17, 2020

Avg. Exercise price per share option is INR 152.10.

The fair value of the options is determined on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time which is considered as equivalent to the life to expiration. In the instinct case, the volatility of the Company is computed based on the average volatility of the comparable companies listed on stock exchange.

Please refer Notes to account Point no. 42 related to ESOP Disclosure in financials also.

whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition. – Not applicable

7. Disclosures in respect of grants made in three years prior to IPO under each ESOS

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. – Not Applicable.

Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.

Please refer Note No. 42 of the Notes to Accounts of the Financial Statements.

Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.

Please refer Note No. 34 of the Notes to Accounts of the Financial Statements.

➤ **SBI CARD EMPLOYEES STOCK OPTION PLAN 2023 (ESOP Plan 2023)**

Pursuant to the recommendation of the Board of Directors at its Meeting held on June 5, 2023, the Shareholders of the Company through Postal Ballot on July 23, 2023 had approved 'SBI Card Employee Stock Option Plan 2023'.

The purpose of this Plan is to reward Employees to align individual performance with Company objectives; to create a culture of ownership and participation among the Employees to enhance their commitment to the Company; and to attract, motivate and retain talent, critical to the Company's success; The Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Other Details are as under:

Total number of options approved under ESOS	Upto 1,41,91,115 Stock options (Restricted Share Unit and Performance Share Units) exercisable into equity shares not exceeding 1,41,91,115 equity shares of the Company (or such adjusted numbers for corporate actions as prescribed in the Plan), having face value of INR 10 /- (Rupees Ten only) per equity share, (or such adjusted face value as may be resulted from the event of subdivision of the equity shares) (not exceeding 1.5% of the paid-up share capital of the Company as on March 31, 2023) at an exercise price of Rs. 10 / - per option, may be offered to the eligible employee of
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	the Company under the Plan.												
Vesting Requirements	<p>The Plan has 2 (two) vehicles i.e., the Restricted Share Units (RSU) and the Performance Share Units (PSU). The vesting period for the said vehicles under the scheme as follows:</p> <p>Performance Share Units (PSU)</p> <p>There shall be a minimum period of one year between Grant of Options and Vesting of Options.</p> <p>The Granted Options shall Vest with the Participants in the following manner, subject to the performance conditions as determined by the NRC.</p> <table border="1"> <tr> <td>Upon completion of first anniversary of the Grant</td> <td>0% of the total Options Granted</td> </tr> <tr> <td>Upon completion of second anniversary of the Grant</td> <td>0% of the total Options Granted</td> </tr> <tr> <td>Upon completion of third anniversary of the Grant</td> <td>100% of the total Options Granted</td> </tr> </table> <p>Restricted Share Units (RSU)</p> <p>There shall be a minimum period of One year between Grant of Options and Vesting of Options.</p> <p>The Granted Options shall Vest with the Participants in the following manner, subject to the performance conditions as determined by the NRC.</p> <table border="1"> <tr> <td>Upon completion of first anniversary of the Grant</td> <td>30% of the total Options Granted</td> </tr> <tr> <td>Upon completion of second anniversary of the Grant</td> <td>30% of the total Options Granted</td> </tr> <tr> <td>Upon completion of third anniversary of the Grant</td> <td>40% of the total Options Granted</td> </tr> </table> <p>Vesting of Options shall be contingent upon the Participant being actively and continuously employed with the Company i.e., not having resigned and / or not serving notice period, and the Participant meeting a 'ME'("Meets Expectations") or above rating for the appraisal Cycle immediately prior to the relevant Vesting Date.</p>	Upon completion of first anniversary of the Grant	0% of the total Options Granted	Upon completion of second anniversary of the Grant	0% of the total Options Granted	Upon completion of third anniversary of the Grant	100% of the total Options Granted	Upon completion of first anniversary of the Grant	30% of the total Options Granted	Upon completion of second anniversary of the Grant	30% of the total Options Granted	Upon completion of third anniversary of the Grant	40% of the total Options Granted
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Upon completion of third anniversary of the Grant	40% of the total Options Granted												
Exercise price or pricing formula	Rs. 10/- per equity share												
Maximum term of options granted	<p>6 years from Grant date (last vesting happens in 3 years from grant date after which employee has 3 years)</p> <p>As per approved scheme - The Exercise Period within which the Vested Option may be Exercised by the Participant shall be 3 (three) years from the Vesting Date for a Vested Option.</p>												

Source of shares (primary, secondary or combination)	Primary
Variation in terms of options	NA
Method used to account for ESOS - Intrinsic or fair value.	Fair value

- 8. Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so 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 shall also be disclosed:**

Not applicable as the Company has used Fair Value method for Accounting.

- 9. Option movement during the year (For each ESOS):**

Number of options outstanding at the beginning of the period	NIL
Number of options granted during the year ended March 31, 2024	5,71,877
Number of options forfeited / lapsed during the year	34,522
Number of options vested: ➤ During the year ended March 31, 2024	NIL
Number of options exercised during the year	NIL
Number of shares arising as a result of exercise of options	NIL
Money realized by exercise of options (INR), if scheme is implemented directly by the company	NIL
Loan repaid by the Trust during the year from exercise price received	N.A
Number of options outstanding at the end of the year	5,37,355
Number of options exercisable at the end of the year	NIL

- 10. 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 No. 42 of the Notes to Accounts of the Financial Statements.

11. Employee wise details (name of employee, designation, number of options granted during the year ended March 31, 2024, exercise price) of options granted to -

- (i) **senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

Name	Designation	No. of Options Granted (PSU+RSU)
Mr. Shantanu Srivastava	Executive Vice President & Chief Risk Officer	10445
Ms. Rashmi Mohanty	Executive Vice President & Chief Financial Officer	15608
Mr. Girish Budhiraja	Executive Vice President & Chief Sales and Marketing Officer	17415
Mr. Manish Dewan	Executive Vice President & Head - Customer Services	12657
Mr. Pradeep Singh Khurana	Executive Vice President & Chief Information and Digital Officer	15118
Ms. Rinku Sharma	Executive Vice President & Chief Compliance Officer	8678
Mr. Vishal Singh	Executive Vice President & Head - Consumer Distribution Sales	12982
Ms. Nandini Malhotra	Executive Vice President & Chief Credit Officer	9144
Ms. Payal Mittal Chhabra	Senior Vice President - Company Secretary	4860

- (ii) **any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and**

NIL

- (iii) **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.**

NIL

12. Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

Date of Grant	
Performance Share Units & Restricted Share Units	October 18, 2023

Avg. Exercise price per share option is INR 10.

The fair value of the options is determined on the date of grant using the Black- Scholes option pricing model, with the following assumptions:

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time which is considered as equivalent to the life to expiration. In the instinct case, the volatility of the Company is computed based on the average volatility of the comparable companies listed on stock exchange.

Please refer Notes to account Point no. 42 related to ESOP Disclosure in financials also.

whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition. – Not applicable

13. Disclosures in respect of grants made in three years prior to IPO under each ESOS

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. – Not Applicable.

Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.

Please refer Note No. 42 of the Notes to Accounts of the Financial Statements.

Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.

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