

**DISCLOSURES WITH RESPECT TO EMPLOYEE STOCK OPTION SCHEMES OF THE COMPANY PURSUANT TO REGULATION 14 OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 AS ON MARCH 31, 2023**

During FY23, the Scheme of amalgamation and arrangement amongst the erstwhile Larsen & Toubro Infotech Limited (Now known as, 'LTIMindtree Limited') ('the Company'), erstwhile Mindtree Limited and their respective shareholders & creditors, which has become effective w.e.f. November 14, 2022. As per scheme, Mindtree Limited was merged with the Company from the said date. Consequent to the above the existing option holders/ESPS holders of erstwhile Mindtree Limited became eligible for stock options/equity shares of the Company, as per Share Exchange Ratio enshrined in the Scheme.

Subsequently, in terms of the Scheme the name of the Company has been changed as LTIMindtree Limited w.e.f. November 15, 2022. Consequent to the above, name(s) of the existing employee benefit share plans of erstwhile Mindtree Limited and the Company were changed, as under:

1. 'Mindtree Employees Stock Option Plan 2021' renamed as 'LTIMindtree Employees Stock Option Plan 2021' (**'LTIM ESOP 2021'**);
2. 'Mindtree Employee Restricted Stock Purchase Plan 2012' renamed as 'LTIMindtree Employee Restricted Stock Purchase Plan 2012' (**'LTIM ESPS/ERSP 2012'**);
3. "Larsen & Toubro Infotech Limited Employee Stock Option Scheme 2015" renamed as "LTIMindtree Employee Stock Option Scheme 2015" (**'ESOP Scheme 2015'**)

There has been no material change in the Employee Stock Option Schemes ('ESOP Schemes') of the Company and same are in compliance with the Companies Act, 2013 read with rules thereunder and the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other SEBI Regulations, if any.

Disclosures required under Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, are as under:

- A. Relevant disclosures in terms of 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.**

For details, shareholders may refer to the audited financial statement which forms part of the Integrated Annual Report FY2022-23.

LTIMindtree Limited,

(Formerly Larsen & Toubro Infotech Limited)

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LTIMindtree Limited is a subsidiary of Larsen & Toubro Limited

- B. 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.**

Diluted EPS for ESOP Schemes for the year ended March 31, 2023 are as under: INR 143.70

**c. Details related to ESOS**

**1. ESOP SCHEME 2015**

- i. Description including the general terms and conditions of ESOP Scheme 2015 is as follows:

<b>Sl. No.</b>	<b>Particulars</b>	<b>ESOP Scheme 2015</b>
(a)	Date of shareholders' approval	September 14, 2015 & September 8, 2016
(b)	Total number of options approved under ESOS	80,62,500
(c)	Vesting requirements	Vesting will commence one year after the date of Grant at the rate of 20% of Grant each year
(d)	Exercise price or pricing formula	Par value of Re.1 /- each
(e)	Maximum term of options granted	7 years
(f)	Source of shares (primary, secondary or combination)	Primary
(g)	Variation in terms of options	No variations have been made in terms of options during FY23

- ii. Method used to account for ESOS (Intrinsic or fair value): Fair Value
- iii. 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.

iv. Option movement during FY23:

Particulars	ESOP Scheme - 2015
Number of options outstanding at the beginning of the period i.e. April 1, 2022	3,25,915
Number of options granted during the year*	7,66,815
Number of options forfeited/ lapsed during the year	29,772
Number of options vested during the year	68,459
Number of options exercised during the year	1,35,016
Number of shares arising as a result of exercise of options	1,35,016
Money realized by exercise of options, if scheme is implemented directly by the Company (INR)	1,35,016
Loan repaid by the Trust during the year from exercise price	N.A.
Number of options outstanding at the end of the year i.e. March 31, 2023	9,27,942
Number of options exercisable at the end of the year i.e. March 31, 2023	73,565

\*Note: Details of Stock Options granted during FY23

Sl. No.	Date of Grant	No. of stock options granted
1	April 19, 2022	4,065
2	November 17, 2022	7,52,140
3	January 20, 2023	10,610
	<b>TOTAL</b>	<b>7,66,815</b>

- v. 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:
- Weighted-average exercise price: Re.1
  - Weighted-average fair value of options granted during the year: INR 4,775.
- vi. Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -
- a. Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sl. No.	Name of the Senior Managerial Personnel	Designation	Number of Options granted during the year	Exercise Price of Options granted
1	Mr. Debashis Chatterjee	Chief Executive Officer and Managing Director	48,000	INR 1
2	Mr. Nachiket Gopal Deshpande	Whole-Time Director and Chief Operating Officer	20,000	INR 1
3	Mr. Sudhir Chaturvedi	Whole-Time Director and President, Markets	36,000	INR 1
4	Mr. Vinit Teredesai	Chief Financial Officer	10,000	INR 1

- b. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: **No such other employee**
- c. 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**
- vii. A description of the method and significant assumptions used during the year 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:

Sl. No.	Particulars	2022-23
1	Weighted average risk-free interest rate	6.79%
2	Weighted average expected Options life	2.5 Years
3	Weighted average expected volatility	37.71%
4	Weighted average expected dividends per share of face value of Re. 1	INR 181.54
5	Weighted average share price	INR 4,776
6	Weighted average exercise price	INR 1

- (b) Method used and the assumptions made to incorporate the effects of expected early exercise: **Black-Scholes Options Pricing Model - The assumptions are stated in the above table.**
- (c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility - **The expected volatility has been calculated entirely based on historic Company's share price.**

- (d) Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition – Yes, the features are mentioned below:
- Weighted average risk-free interest rate
  - Weighted average expected volatility
  - Weighted average share price

## 2. ESPS SCHEME 2012

- i. Description including the general terms and conditions of ESPS Scheme 2012 is as follows:

Sl. No.	Particulars	ESPS Scheme 2012
(a)	Date of shareholders' approval	July 16, 2012 and amended and approved by the shareholders on June 22, 2015 and May 22, 2021
(b)	No. of shares issued (approved by shareholders on May 22, 2021)	703,971
(c)	No. of shares of Mindtree available for listing as on the effective date of merger	675,304
(d)	Proportionate LTIMindtree shares after applying the share exchange ratio	492,972
(e)	The price at which LTIMindtree shares are issued	Re.1/-
(f)	Lock-in period	One year

- ii. The following details regarding allotment under ESPS Scheme 2012, as at the end of FY23

- The details of the no. of shares issued under ESPS upto the effective date of merger: **56,638**
- The price at which such shares were issued: **Rs.10**
- Employee-wise details of the shares issued to:
  - “Senior management” as defined under regulation 16(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Sl. No.	Name of the Senior Managerial Personnel	Designation	Number of Options granted during the year of Mindtree Ltd	Exercise Price of Options granted
1	Mr. Vinit Teredesai	Chief Financial Officer	2,700	INR 10/-
2	Mr. Venugopal Lambu	Former Whole-Time Director and President, Markets	18,000	INR 10/-
3	Mr. Sriramkumar Kumaresan	Former Head Service Line Markets & Set – North America	7,500	INR 10/-
4	Mr. Venkat Pery	Chief Strategy Officer	1,856	INR 10/-
5	Mr. Mukund Rao	Chief Business Officer (BFSI)	4,900	INR 10/-

- ii. any other employee who is issued shares in any one year amounting to 5% or more shares issued during that year: **None**
  - iii. Identified employees who were issued shares during any one year equal to or exceeding 1% of the issued capital of the company at the time of issuance: **None**
- d) Consideration received against the issuance of shares, if scheme is implemented directly by the company: **Rs.566,380**
- e) Loan repaid by the Trust during the year from exercise price received: **Not Applicable**

### 3. ESOP SCHEME 2021

- i. Description including the general terms and conditions of ESOP Scheme 2021 is as follows:

Sl. No.	Particulars	ESOP Scheme 2021
(a)	Date of shareholders' approval	May 22, 2021
(b)	Total number of options approved under ESOS	20,00,000
(c)	No. of shares of Mindtree available for listing as on the effective date of merger i.e., November 14, 2022	19,34,785
(d)	Proportionate LTIMindtree shares after applying the share exchange ratio	14,12,393

Sl. No.	Particulars	ESOP Scheme 2021
(e)	Vesting requirements	All stock options which have been granted have a four-year vesting term. The options vest and become fully exercisable at the rate of 25% each over a period of 4 years from the date of grant. These options are exercisable within 6 years from the date of vesting
(f)	Exercise price or pricing formula	The exercise price for the purpose of grant of Options shall be determined by the Nomination and Remuneration Committee which shall not be less than the face value of Rs. 10/- (Rupees Ten only) per equity share of the Company (Re.1/* pursuant to the merger). Series A was granted at an exercise price of Rs. 10 and Series B was granted at market value (average price over the last 6 weeks)
(g)	Maximum term of options granted	6 (Six) years from the date of Vesting of Options
(h)	Source of shares (primary, secondary or combination)	Primary
(i)	Variation in terms of options	Not Applicable

- i. Method used to account for ESOS (Intrinsic or fair value): **Fair Value**
- ii. 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 based method of accounting.**

iii. **Option movement during FY23:**

Particulars	ESOP Scheme – 2021 Series A	ESOP Scheme – 2021 Series B
Number of options outstanding at the beginning of the period i.e. April 1, 2022	227,736	124,100
Number of options granted during the year	29,104	-
Number of options forfeited/ lapsed during the year	56,924	19,703

Particulars	ESOP Scheme – 2021 Series A	ESOP Scheme – 2021 Series B
Number of options vested during the year	23,598	25,465
Number of options exercised during the year	28,292	3,256
Number of shares arising as a result of exercise of options	28,292	3,256
Money realized by exercise of options, if scheme is implemented directly by the Company (INR)	-	-
Loan repaid by the Trust during the year from	-	-
Number of options outstanding at the end of the year i.e. March 31, 2023	171,624	101,141
Number of options exercisable at the end of the year i.e. March 31, 2023	41,004	26,564

**Note: Details of Stock Options granted during FY23**

Sl. No.	Date of Grant	No. of stock options granted
1	April 18, 2022	14,548
2	July 13, 2022	25,320
	<b>TOTAL</b>	<b>39,868*</b>

\* 39,868 stock options were adjusted as per share exchange ratio pursuant to Merger.

- iv. 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:
- Weighted-average exercise price: **Re.1**
  - Weighted-average fair value of options granted during the year: **INR 4,508.**
- v. Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -
- a. Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sl. No.	Name of the Senior Managerial Personnel	Designation	Number of Options granted during the year	Exercise Price of Options granted (Rs.)
1	Ashwin Rao	Vice-President	244	10

- b. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: None



- c. 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: **None**
- vi. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:
- (e) 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:

Sl. No.	Particulars	2022-23 Series A	2022-23 Series B
1	Weighted average risk-free interest rate	6.28%	Nil
2	Weighted average expected Options life	2.5 Years	Nil
3	Weighted average expected volatility	36.39%	Nil
4	Weighted average expected dividends per share of face value of Re. 1	INR 9.07	Nil
5	Weighted average share price	INR 4,518	Nil
6	Weighted average exercise price	INR 10	Nil

- (f) Method used and the assumptions made to incorporate the effects of expected early exercise: Black-Scholes Options Pricing Model - The assumptions are stated in the above table.
- (g) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility - The expected volatility has been calculated entirely based on historic Company's share price.
- (h) Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition – Yes, the features are mentioned below:
- Weighted average risk-free interest rate
  - Weighted average expected volatility
  - Weighted average share price