

NOTICE

Notice is hereby given that an Extra-ordinary general meeting of the members of **AYE FINANCE PRIVATE LIMITED** will be held on Tuesday, the 10th day of November, 2020 at 4:00 P.M. through Video conferencing or Other Audio Visual Mode (OAVM) and shall be deemed to be held at the Corporate Office of the Company at 809-812, 8th Floor, Vipul Square, Sushant Lok, Phase-I, Gurgaon, Haryana 122009

SPECIAL BUSINESSES:

1. **Approval of 'Transfer of un granted options under 'Aye Finance Employee Stock Option Plan 2016' ("ESOP 2016").**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in partial modification of the ordinary resolution passed by the members of the Company on 5th August 2016 and 30th September 2019 approving 'Aye Finance Employee Stock Option Plan 2016' ("ESOP 2016") in accordance with Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014, the consent of the Company be and is hereby accorded to transfer 1,15,751 (One Lakh Fifteen Thousand Seven Hundred and Fifty One) employee stock options being un granted and are available for grant under ESOP 2016 to the proposed 'Aye Finance Employee Stock Options Plan 2020' ("ESOP 2020") subject to its approval by the members of the Company.

RESOLVED FURTHER THAT as a consequence of transfer of employee stock options as referred to hereinabove the employee stock options reserved under ESOP 2016 shall reduce from 5,60,294 (Five Lakh Sixty Thousand Two Hundred and Ninety Four) to 4,44,543 (Four Lakh Forty Four Thousand Five Hundred and Forty Three) and the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any authorized committee which the Board of Directors may constitute or has constituted to exercise its powers, including the powers, conferred by this resolution) be and is hereby authorised on behalf of the Company to make appropriate amendment(s) to ESOP 2016 for effecting this resolution."

2. **Approval of 'Aye Finance Employee Stock Option Plan 2020'**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the Memorandum and Articles of Association of the Company, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Company be and is hereby accorded to the 'Aye Finance Employee Stock Option Plan 2020' ("ESOP 2020"/ "Plan") authorising the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, which the Board has constituted or may constitute to exercise its powers, including the powers, conferred by this resolution) to create, offer, and grant up to

7,48,669 (Seven Lakh Forty Eight Thousand Six Hundred Sixty Nine) employee stock options (“Options”) in one or more tranches, from time to time, to the employees including Directors eligible under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and identified by the Board for grant of Options in terms of ESOP 2020, exercisable in aggregate into not more than 7,48,669 (Seven Lakh Forty Eight Thousand Six Hundred Sixty Nine) equity shares of the Company of face value of Rs. 10/- each fully paid-up, to be issued directly to the eligible employees upon exercise or to be transferred through Aye Finance Employee Welfare Trust upon exercise, with each such Option would be exercisable for one equity share of a face value of Rs.10/- each fully paid-up on payment of the requisite exercise price to the Company or the Trust on such terms and conditions as may be determined by the Board in accordance with the provisions of the Plan and provisions of the applicable laws.”

RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, the Board be and is hereby authorised to do all acts, deeds, matters and things as it may deem fit in its absolute discretion and permitted under applicable laws for the purpose of making a fair and reasonable adjustment to the options granted earlier including issue of any additional equity shares by the Company to the option grantees and the aforesaid ceiling of the employee stock option/ equity shares shall be deemed to increase to the extent of such additional equity shares issued.


RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the plan shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.10/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the ESOP 2020 or any employee stock options granted thereunder, as it may deem fit, from time to time, in its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013, Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the Memorandum and Articles of Association of the Company and any other applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein, to any committee of directors with a power to further delegate to any executives / officers of the company to do all such acts, deeds, matters and things as also to execute such documents, writings etc. as may be necessary in this regard.

For Aye Finance Pvt Ltd


Tripti Pandey
Company Secretary
M No: 32760



Place: Ghaziabad

Date: 05.11.2020

NOTES:

- (a) The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of the special businesses as stated above is annexed hereto.
- (b) Notice of the extra ordinary general meeting is being sent to all members/shareholders.
- (c) Extra ordinary general meeting is being called at shorter notice pursuant to section 101 of the Companies Act, 2013 and rules made there under, members/shareholders/proxies are requested to send their consent for holding meeting at shorter notice on or before the meeting.
- (d) The business contained in this notice are urgent nature and this Extra-ordinary general meeting (EGM) is being called via Video conferencing mode/ other audio visual mode (OAVM) as per relaxation provided to Companies by Ministry of Corporate Affairs due to COVID-19 in terms of the General Circular no. 14/2020 dated. 08-04-2020 and no. 17/2020 dated 13-04-2020.
- (e) As the meeting is conducted through Video Conferencing the members are requested to physically attend and vote at the meeting. They shall not be entitled to appoint a proxy/ proxies to attend and vote instead of himself/herself.
- (f) The members can participate in the EGM by installing Zoom software in their computer systems (from the link given below) and dialling below link and passcode from the software.

Meeting Link:

<https://us02web.zoom.us/j/88513146330?pwd=UGpzR2dFL2lwc0FYSlhBZGRHNkpNUT09>

Meeting ID: 885 1314 6330

Passcode: 499590

- (g) For any IT related issues, please contact:

Mr. Deepak Prajapati
Ph. No- +91-9540981064

Mr. Prem Prakash
Ph. No. +91-8448488790

- (h) The facility for joining the meeting shall be kept open at least 15 minutes before and close after 15 minutes of the scheduled time.

- (i) Members are requested to submit their queries in advance/ e-voting (in case of poll) to below mentioned persons through mail:

Name- Tripti Pandey
Designation- Company Secretary
Mail id- tripti.pandey@ayefin.com
Ph- +91-8826299069

- (j) Corporate members intending to send their authorized representatives to attend the meeting are advised to send a duly certified copy of the board resolution authorizing their representatives to attend and vote at the meeting.
- (k) The venue of the board meeting as aforesaid shall be the place where all the recordings of the proceedings at the meeting will be made.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**Item No 1:**

The Company had implemented 'Aye Finance Employee Stock Option Plan 2016' ("ESOP 2016") vide members resolution dated 5th August 2016 and 30th September 2019. An employee stock option ("Option") reserve comprising of 5,60,294 (Five Lakh Sixty Thousand Two Hundred and Ninety Four) was created, out of which 1,15,751 (One Lakh Fifteen Thousand Seven Hundred and Fifty One) Options remain un granted and are available for grant under ESOP 2016.

As the Company is proposing to implement a new employee stock option plan namely 'Aye Finance Employee Stock Option Plan 2020' ("ESOP 2020"), it is thought expedient to bring forward the afore-stated quantum of Options being available under ESOP 2016 for grant as per revised terms and conditions under ESOP 2020.

Options already granted under ESOP 2016 would remain unaffected and would continue to vest and be exercised as per the terms of ESOP 2016. This proposal is not detrimental to the interest of the existing Option grantees under ESOP 2016 in any way and the benefit of this proposal shall be for such eligible employees as determined under ESOP 2020 from time to time.

Accordingly, the Nomination and Remuneration Committee of the Directors ("Committee") and the Board of Directors of the Company on 19th October 2020 and 1st November 2020 respectively had approved this proposal, subject to your approval.

The Board recommends your approval of this proposal as an ordinary resolution as set out at Item No. 1 of the accompanying notice.

Item No.2:

The Company appreciates the critical role its employees play in the organizational growth. It strongly feels that the value created by its employees should be shared with them. To promote the culture of employee ownership and as well as to attract, retain, motivate and incentivize senior and critical talents in line with corporate growth and creation of shareholders value, the Company is intending to issue employee stock options under 'Aye Finance Employee Stock Option Plan 2020' (hereinafter referred to as "ESOP 2020"/ "Plan") to the employees including Directors of the Company as eligible under Rule 12 of Companies (Share Capital and Debentures) Rules, 2014, as determined from time to time.

Accordingly, the Nomination and Remuneration Committee of the Directors ("Committee") and the Board of Directors of the Company on 19th October 2020 and 1st November 2020 respectively had approved this proposal, subject to your approval.

In terms of Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the Company seeks your approval for the introduction ESOP 2020.

Particulars as required under Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 are given below:

a) Total number of options to be granted:

A total of 7,48,669 (Seven Lakh Forty Eight Thousand Six Hundred Sixty Nine) Options (1,15,751 (One Lakh Fifteen Thousand Seven Hundred and Fifty One) Options transferred from ESOP 2016 and 6,32,918 (Six Lakh Thirty Two Thousand Nine Hundred and Eighteen) fresh pool of Options) would be available for being granted to the eligible employees of the Company under ESOP 2020. Each Option when exercised would be converted into one equity share of face value of Rs.10/- each fully paid-up.

Options lapsed or cancelled due to any reason including the reason of lapse of exercise period or due to resignation of the employees / Directors or otherwise, would be available for being re-granted at a future date. The Board/Committee is authorized to re-grant such lapsed / cancelled options as per the ESOP 2020.

In case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment will be made to the options granted. Accordingly, if any additional equity shares are required to be issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of options/ equity shares as aforesaid shall be deemed to increase to the extent of such additional equity shares issued.

b) Identification of classes of employees entitled to participate in the ESOP 2020:

Permanent employees including Directors (hereinafter referred to as “employees”) of the Company as eligible under Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and subject to their selection for grant of Options by the Board/ Committee shall be eligible.

c) Appraisal Process for determining the eligibility of the employees to Employee Stock Options:

The Options shall be granted to the employees as per eligibility criteria based on attributes including the grade, performance, merit, contribution, conduct and future potential of the employees as determined by the Board/ Committee, from time to time.

d) Requirements of vesting and period of vesting:

The Options granted shall vest so long as the employee continues to be in the employment of the Company. The Board/ Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted would vest (subject to the minimum and maximum vesting period as specified below).

The vesting period of Options granted shall vest in not earlier than 1 (one) year and not more than 4 (four) years from the date of grant of such Options. The exact proportion in which and the exact period over which the Options would vest would be determined by the Board/ Committee, subject to the minimum vesting period of one year from the date of grant of

Options.

e) The maximum period within which the Options shall be vested:

The Options granted shall vest in not more than 4 (four) years from the date of grant of such Options.

f) The Exercise price or pricing formula:

The exercise price per Option shall not be less than the face value of the shares of the Company as on date of grant.

g) The Exercise Period and the process of exercise:

The vested Options can be exercised by the Option grantees only in connection with /upon happening of a liquidity event (the term "Liquidity Event" has been defined in the Plan) or within such period as prescribed by the Board/ Committee in this regard.

The Options will be exercisable by the employees by a written application to the Company or to the Trust to exercise the Options in such manner, and on execution of such documents, as may be prescribed by the Board/Committee from time to time.

h) Lock-in period:

The Shares arising out of exercise of Vested Options would not be subject to any lock-in period after such exercise except such restrictions as prescribed under the applicable laws.

i) Maximum number of Options to be issued per employee and in aggregate:

The maximum number of Options that may be granted to any employee in any year and in aggregate under the Plan shall be lesser than 1% (One percent) of issued capital (excluding outstanding warrants and conversions) of the Company.

In case of grant of Options to any employee would exceed 1% (One percent) of issued capital (excluding outstanding warrants and conversions) in any year or in aggregate, the Company shall obtain prior approval of members of the Company.

j) Method of Option valuation:

To calculate the employee compensation cost, the Company shall use the fair value method for valuation of the Options granted.

k) The conditions under which Option vested in employees may lapse:

The vested Options shall lapse in case of termination of employment due to misconduct (the term "Misconduct" has been defined in the Plan). Further, irrespective of employment status, in case vested Options are not exercised within the prescribed exercise period, then such vested Options shall lapse.

l) The specified time period within which the employee shall exercise the vested Options

in the event of a proposed termination of employment or resignation of employee:

In case of resignation/ termination of an employee, all vested Options as on the date of submission of resignation shall be allowed for exercise only in connection with or upon happening of liquidity event, or may be allowed for exercise 3 months from the date of resignation/ termination, unless settled by way of cash payment as may be notified by the Board/ Committee.

In the case of termination of employment (i) due to death of the employee all vested Options may be exercised by the Option grantee's nominees or legal heirs and (ii) due to permanent incapacity, all vested Options may be exercised by the Option grantee, only in connection with or upon happening of liquidity events and/ or within such period as may be notified by the Board/Committee, unless vested Options are settled by way of cash payment upon request of the legal heirs/ nominee of deceased employee or employee, as the case may be.

m) Disclosure and Accounting Policies:

The Company shall comply with the disclosure and the accounting policies prescribed as per prevailing accounting guidelines/ standards.


In case, the Company is required to account for the share based employee benefits using the intrinsic value method, 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 and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall be disclosed in the Directors' Report.

A draft copy of the ESOP 2020 shall be available for inspection at the Company's Registered Office during official hours on all working days till the date of conclusion of general meeting.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in this resolution, except to the extent of the securities that may be offered to them under the ESOP 2020.

The Board recommends your approval of this proposal as an ordinary resolution as set out at Item No. 2 of the accompanying notice.

For Aye Finance Pvt Ltd


Tripti Pandey
Company Secretary
M No: 32760



Place: Ghaziabad

Date: 05.11.2020