

HREO/ESOS/2022

08/03/2022

Sub: Implementation of Auto Debit in ESOS Online and the related process changes

In our endeavour to move towards a fully digital environment, necessary process improvements have already been introduced in connection with exercise of Stock Options. This has improved the overall TAT significantly and has also expedited the allotment of Shares.

With a view to automate and further streamline the process, a new **Auto Debit** feature is being introduced in ESOS Online. Henceforth, the amount in respect of Exercise Price and Perquisite Tax will be auto debited from the SB Account of the beneficiary registered in ESOS Online, within 7 days (including holidays) from the date of Exercise of Stock Options. An alert, specifying the balance to be maintained in the SB Account, will be sent to the E-mail ID of the beneficiary (registered in ESOS Online) on the subsequent day of exercise of Stock Options. Beneficiaries shall ensure that sufficient fund is maintained in the SB account, within 7 days (including holidays) from the date of Exercise of Stock Options, so as to facilitate Auto Debit. In case, sufficient fund is not available, the exercise transaction would be treated as invalid and the status of Stock Options would be reverted to the earlier status- i.e. **vested** (if expiry date of Options is not over) or **lapsed** (if expiry date is over). Beneficiaries are requested to ensure the following aspects for successful implementation of the process improvements.

1. **SB Account registration:** Exercise of Stock Options will be permitted only if an SB account (**in single name**) with Federal Bank is updated in ESOS Online. List of eligible SB Account of beneficiaries has been centrally updated in ESOS Online. Beneficiary can view the registered SB Account details under "*Employee Profile Update*" in ESOS Online. Addition/modification to the details can be made by contacting the Administrator at trust@federalbank.co.in.
2. **E-mail ID registration:** All alerts in respect of exercise of Stock Options such as balance to be maintained in SB account for auto debit, allotment/ listing of Shares and reversal of exercise, will be sent to the E-mail ID registered in ESOS Online. Hence, beneficiaries shall ensure that the E-mail ID is updated correctly in ESOS Online. Beneficiaries can view and modify the E-mail ID under "*Employee Profile Update*" in ESOS Online.

Consequent to the implementation of Auto Debit, the existing payment channels i.e. Fednet/ Branch Transfer shall be disabled w.e.f March 09, 2022. It is reiterated that hardcopy of the signed Exercise Forms need not be forwarded to the Secretarial Department.

For any further clarifications in this regard, please take up with secretarial@federalbank.co.in.

Warm Regards

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Chief Human Resources Officer