



August 23, 2021

To,

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| BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 Scrip Code: 543260 | National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051 NSE Symbol: STOVEKRAFT |
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Dear Sir/Madam,

Subject: Clarifications on recommendation of the agenda items of 22nd Annual General Meeting of Stove Kraft Limited in proxy advisory report of SES & IAS

With reference to the 22nd Annual General Meeting of the Company scheduled on 31st August 2021, the Company has dispatched the AGM Notice along with the Annual Report to the shareholders of the Company and the same is available on the website of the Company.

SES & IAS, proxy advisory firms have given "AGAINST" recommendation for Item No. 10 pertaining to amendments to Stove Kraft Limited ESOP Scheme 2018. In this regard we would like to provide following additional information for the kind attention of the Stakeholders of the Company:

Item No.10: To approve amendments in Employee Stock Option Scheme, 2018

In continuation to the explanation provided under Explanatory Statement to the AGM Notice and additional clarification filed with the Stock Exchanges on August 19, 2021, please see below the extracts of the ESOP Policy 2018 of the Company:

"The Exercise Price shall be equal to the Fair Market Value of a Share of the Company as on date of Grant, subject to conformity with Regulation 15 of the SEBE Regulations. The specific Exercise Price shall be intimated to the Option Grantee in the Grant Letter at the time of Grant."

Clarification on Accelerated Grants under ESOP 2018, Explanatory Statement to Item No.10

The Nomination & Remuneration Committee (NRC) may allow vesting on accelerated basis at such time and on occurrence of such event for such employees as NRC may deem fit i.e., such options shall vest immediately subject to completion of 1 year from the effective date.

In this regard, please see below the extracts of the ESOP Policy 2018 of the Company:

Stove Kraft Limited

#81/1 Medamaranahalli Village, Harohalli Hobli, Harohalli Industrial Area,
Kanakapura Taluk, Ramanagara District, Bengaluru, India- 562 112

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"Options granted under Plan shall vest not earlier than 1 (One) year and not later than maximum vesting Period of 5 (Five) years from the date of Grant."

"The specific Vesting schedule and Vesting Conditions subject to which Vesting would take place would be outlined in the Grant Letter."

The ratio of vesting in each year for eligible employees however can change based on the evaluation criteria determined by the NRC, keeping the vesting period not earlier than 1 (One) year and not later than maximum vesting Period of 5 (Five) years from the date of Grant.

With the proposed amendment to the ESOP Policy 2018, the NRC is sought to be empowered with 'accelerating' the normal vesting schedule in accordance with the evaluation criteria determined by the NRC.

The above information is to be read in conjunction with the AGM Notice and Additional Clarification filed with the Stock Exchanges on August 19, 2021.

Please take the above information on record.

Thanking you,
For Stove Kraft Limited

Elangovan. S
Company Secretary



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