

Aditya Birla Lifestyle Brands Limited
CIN: L46410MH2024PLC423195
Regd. Office: Piramal Agastya Bldg. 'A', 401,403,501,502, LBS Road, Kurla,
Mumbai, Mumbai, Maharashtra, India, 400070.

ADITYA BIRLA LIFESTYLE BRANDS LIMITED (“ABLBL”)

**Aditya Birla Lifestyle Brands Limited Special Purpose Employee Stock
Option Scheme**

(ABLBL ESOP Scheme 2017 & ABLBL TCNS ESOP Scheme)

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This Aditya Birla Lifestyle Brands Limited Special Purpose Employee Stock Option Scheme (ABLBL ESOP Scheme 2017 & ABLBL TCNS ESOP Scheme) has been formulated and approved by the Nomination and Remuneration Committee of the Board of Directors of the Company at its meeting held on May 23, 2025 (“**Date of Institution of Scheme**”), pursuant to the effectiveness of the Scheme of Arrangement among Aditya Birla Fashion and Retail Limited (“Demerged Company”/“ABFRL”), Aditya Birla Lifestyle Brands Limited (“**Resulting Company**”/ “ABLBL”/ “Company”) and their respective shareholders and creditors (“Demerger Scheme”) as approved by the Hon’ble National Company Law Tribunal, Mumbai Bench on March 27, 2025, which has become effective as of the Effective Date i.e. May 1, 2025. (“**Effective Date of Demerger**”).

1. Name, Objective and Term of the Scheme:

- 1.1.** This Aditya Birla Lifestyle Brands Limited Special Purpose Employee Stock Option Scheme shall be called **ABLBL Special Purpose Employee Stock Option Scheme (ABLBL ESOP Scheme 2017 & ABLBL TCNS ESOP Scheme)** (hereinafter referred to as “Scheme”).
- 1.2.** The Scheme has been formulated consequent Clause 5.6 to the Demerger Scheme, with respect to the Options/RSU’s granted under “Demerged Company Stock Option Schemes” (as defined hereinafter) to the Eligible Employees, consequent upon the demerger.
- 1.3.** Each such Eligible Employee (irrespective of whether they are Remaining Employee or Transferring Employee, as the case may be) under the Demerged Company Stock Option Schemes and for every 1 (one) Demerged Company Stock Options outstanding as on the Record Date in the Demerged Company, such eligible Remaining Employee and Transferring Employee shall be granted and / or vested 1 (one) Resulting Company Stock Options under this Scheme, on the terms and conditions which would be similar to the respective Demerged Company ESOP Schemes.
- 1.4.** The Scheme shall continue to be in force until (i) its termination by the Company as per provisions of Applicable Laws, or (ii) the date on which all the Options/RSU’s available for issuance under the Scheme have been issued and exercised or gets lapsed or cancelled, (iii) this Scheme has been terminated by the Committee or Board of the Company, whichever is earlier.

2. Definition & Interpretation:

- 2.1. “Aditya Birla Group”** means all entities constituting the Aditya Birla Group of Companies, a list of which will be maintained with the Company Secretary of the Company from time to time, (**hereinafter referred to as “ABG Group”**).
- 2.2. “Applicable Law”** means every law relating to Employee Stock Options/RSU’s, to the extent applicable, including and without limitation to the Companies Act, 2013, the Securities and

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Exchange Board of India Act, 1992, all relevant regulations of the Securities and Exchange Board of India particularly in connection with or after Listing, including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('LODR Regulations'), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, each as amended and enacted from time to time read with all circulars and notifications issued thereunder and all the relevant tax, securities, foreign exchange control or corporate laws or amendments thereof including any circular, notification issued thereunder by regulatory authorities of India or of any relevant jurisdiction or of any Stock Exchange on which the Shares are listed or quoted.

- 2.3. "Associate Company"** in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture, Company.

Explanation: for the purposes of this Clause, "significant influence" means control of at least twenty per cent of total share capital, or of business decisions under an agreement.

- 2.4. "Board" or "Board of Directors"** means the duly constituted board of directors of the Company, which includes any committee authorized by the Board of Directors in this behalf, including the Nomination and Remuneration Committee of Board of Directors.
- 2.5. "Committee" or "NRC" or "Compensation Committee"** means the Nomination and Remuneration Committee constituted by the Board, to administer and supervise the Scheme and other employee benefit scheme/plan, introduced or implemented by the Company if any, under the provisions of the Applicable Law.
- 2.6. "Cessation Date"** means the last working day of employment of the Eligible Employee with the Company/Subsidiary/ABG Group.
- 2.7. "Companies Act"** means the Companies Act, 2013 read with rules issued there under from time to time and includes any statutory modifications or re-enactments thereof.
- 2.8. "Company" or "Resulting Company"** means Aditya Birla Lifestyle Brands Limited, a company registered in India under the provisions of the Companies Act, 2013, having corporate identification number L46410MH2024PLC423195 and having its registered office at Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400 070
- 2.9. "Company Policies/Terms of Employment"** mean the Company's policies for employees and the terms of employment as contained in the 'employment letter' and the 'Company handbook', which includes provisions for securing confidentiality, non-compete and non-

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poaching of other employees and any other relevant Group human resources policies covering the cases of fraud or Misconduct.

- 2.10. “Company Code of Conduct”** means the Code of Conduct formulated by the Company and as amended from time to time.
- 2.11. “Corporate Actions”** shall have the same meaning as understood under the Securities and Exchange Board of India Regulations and includes any of the following actions: (i) Merger, de-merger, reconstitution, spin-off, consolidation, amalgamation, reclassification of capital or other reorganization of the Company. (ii) Rights issue, bonus issues, split, or other changes in the capital structure of the Company.
- 2.12. “Demerged Company”** means Aditya Birla Fashion and Retail Limited, a company registered in India under the provisions of the Companies Act, 1956, having corporate identification number L18101MH2007PLC233901 and having its registered office at Piramal Agastya Corporate Park, Building A, 4th and 5th Floor, Unit No.401, 403, 501, 502, L.B.S, Road, Kurla, Mumbai, Maharashtra, India, 400070.
- 2.13. “Demerged Company Stock Option Schemes”** collectively means Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017 and Aditya Birla Fashion and Retail Limited-TCNS Division Employee Stock Option Scheme 2024.
- 2.14. “Demerged Company Stock Option”** means Options/RSU’s granted and/ or vested or yet to be vested under the Demerged Company Stock Option Schemes.
- 2.15. “Demerged Company Stock Options holders”** means an eligible employee who hold the Demerged Company Stock Options granted and or vested or yet to be vested by the Demerged Company under its Demerged Company Stock Option Schemes.
- 2.16. “Director”** means a member of the Board of the Company.
- 2.17. “Eligible Employee”** means all Option Grantee who have outstanding Options/RSU’s granted and/or vested or yet to be vested, as on the record date under the Demerged Company Stock Option Schemes regardless of whether they remain with the Demerged Company or are transferred to the Resulting Company in terms of the Demerger Scheme.
- 2.18. “Employee Stock Option”** means an Options/RSU’s granted to the Eligible Employee on such terms and conditions as stated in the Demerged Company Stock Option Schemes.
- 2.19. “Exercise”** means submitting of an exercise application by an Eligible Employee to the Resulting Company accompanied with the Exercise Price and applicable taxes and other charges if any, to be paid by the Eligible Employee in the name of Resulting Company for

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issuance of Shares (or to arrange the issuance, allotment, transfer, etc.), in pursuance of this Scheme.

- 2.20. "Exercise Application"** means the written/online application as prescribed by the Company for Exercise, from time to time.
- 2.21. "Exercise Period"** means the time period after Vesting within which the Eligible Employee should exercise the Options/RSU's vested to him/her in pursuance to this Scheme.
- 2.22. "Exercise Price"** means the price payable by an Eligible Employee in order to exercise the Options/RSU's granted to him in pursuance of this Scheme.
- 2.23. "Grant"** means Options/RSU's offered to the Eligible Employees under the Demerged Company Stock Option Schemes.
- 2.24. "Group"** means all entities constituting the Aditya Birla group of companies, a list of which will be maintained with the company secretary of the Company.
- 2.25. "Independent Director"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2.26. "Option"** means Demerged Company Stock Options within the meaning of this Schemes.
- 2.27. "Option Grantee"** means an eligible employee who has been granted a Demerged Company Stock Option under Demerged Company Stock Option Scheme and has accepted such Grant as required under the Demerged Company Stock Option Schemes and shall deem to include nominee/ legal heir of an Option Grantee in case of his/her death to the extent provisions of the Scheme are applicable to such nominee/ legal heir.
- 2.28. "Original Grant Date"** means the date on which the Demerged Company Employee Stock Options/RSU's were granted and/or vested under the Demerged Company Employee Stock Option Schemes.
- 2.29. "Original Grant Letter"** means the Grant Letter issued by the Demerged Company to the Eligible Employees under Demerged Company Stock Option Schemes.
- 2.30. "Permanent Disability"** means any disability of whatsoever nature be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said employee was capable of performing immediately before such disablement, as determined by the Committee based on a certificate of a medical practitioner identified by such Committee.

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- 2.31. “Promoter”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended.
- 2.32. “Promoter Group”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended.
- 2.33. “Record Date”** shall mean May 22, 2025 being the date for determining the shareholders of ABFRL for allotment of Shares in terms of the Demerger Scheme.
- 2.34. “Relative”** means a relative as defined under Section 2(77) of the Companies Act, 2013.
- 2.35. “Relevant Date”** means any of the following dates as the context requires:
- a) In the case of Grant, the date of the meeting of the Nomination and Remuneration Committee on which the Grant is made; or
 - b) in the case of Exercise, the date on which the notice of Exercise is given to the Company by the Option Grantee.
- 2.36. “Retirement”** means retirement as per the rules of the Company/Subsidiary/ABG Group.
- 2.37. “Remaining Employees”** means the employees of the Demerged Company other than Transferring Employees.
- 2.38. “RSU”** means restricted stock units under Demerged Stock Option Plans.
- 2.39. “SEBI SBEB & SE Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and re-enacted from time to time, and includes any clarifications or circulars issued thereunder.
- 2.40. “SEBI Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof.
- 2.41. “Shares”** means Equity Shares of the Company including the Equity Shares arising out of the Exercise of Options/RSU's granted under this Scheme.
- 2.42. “Transferring Employees”** mean the eligible employees of the Demerged Company engaged in or in relation to the Demerged undertaking (as defined in the Demerger Scheme) as on the Effective Date.

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2.43. “Subsidiary” shall have the same meaning as defined in Section 2(87) of the Companies Act, 2013, as amended from time to time.

2.44. “Unvested Option/RSU’s” means the Options/ RSU’s in respect of which vesting has not occurred.

2.45. “Vested Option/RSU’s” means an Option/RSU’s in respect of which vesting has occurred.

2.46. “Vesting” means the accruing of the right to the Eligible Employee to Exercise an Option/RSU’s.

2.47. “Vesting Period” means the time period as mentioned in the Original Grant Letter.

Interpretation:

In this document, unless the contrary intention appears:

- a)** *The singular includes the plural and vice versa.*
- b)** *The word “person” includes an individual, a firm, a Body Corporate or unincorporated body or authority.*
- c)** *Any word or expression importing the masculine, feminine or neutral genders only, shall be taken to include all genders;*
- d)** *Any word which is not defined under the Scheme and is not otherwise elaborated or addressed in the Grant Letter or in the Company’s policies shall be interpreted in line with SEBI (SBEB & SE) Regulations, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 or the Companies Act, 2013 and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation, as the context requires.;*
- e)** *Articles, headings are for information only and shall not affect the construction of this document.*
- f)** *A reference to an article is respectively a reference to an article of this document; and*
- g)** *Reference to any act, rules, statute or notification shall include any statutory modification, substitution or re-enactment thereof.*

3. Pool of Option/RSU’s/Shares:

3.1. The maximum aggregate number of Shares of the Company (“Pool of Shares”) that shall be issued and allotted under this Scheme shall not exceed 29,70,856 Equity Shares arising out of the stock options/RSU’s under the relevant Demerged Company Stock Option Schemes are bifurcated as under:

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Name of Scheme	Type	Options/RSU's Vested but not exercised	Options/RSU's granted but not vested
ABFRL ESOP Scheme 2017	Options	4,14,979	-
	RSU	2,12,373	-
ABFRL-TCNS Division ESOP Scheme	Options	23,23,796	19,708
Sub-Total		29,51,148	19,708
Total		29,70,856	

3.2. Additionally, there are no outstanding or pending grants to the Eligible Employees under the Demerged Company Stock Option Schemes as of the Record Date. Further, if an Option/RSU's Granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such Options/RSU's shall not be added back to the pool and made available for any future Grants to the Eligible Employees under the Scheme. No fresh Grants shall be made under this Scheme.

3.3. Further, the maximum number of Options/RSU's that can be granted, and the Shares arise upon Exercise of these Options/RSU's shall stand adjusted in case of Corporate Action.

4. Implementation & Administration:

4.1. The Scheme shall be administered by the Nomination and Remuneration Committee. All the provision of interpretation of the Scheme shall be determined by the Nomination and Remuneration Committee/Board of Directors and such determination shall be final and binding upon all persons having any interest in the Scheme. The Committee, for the purpose of administering the Scheme may use the support of the management of the Company or such other persons as may be determined by the Committee from time to time. The issuance of the Shares shall be under the guidance, advice and direction of the Board/Committee.

4.2. The Board / Committee may correct any defect, omission or reconcile any inconsistency in the Scheme in the manner and to the extent the Board/Committee deems necessary or desirable as per the powers granted under the provisions of this Scheme.

4.3. The powers of the Committee, inter- alia, include the power to decide upon:

- 4.3.1. the Exercise Price;
- 4.3.2. the Vesting Period;
- 4.3.3. the Exercise Period;
- 4.3.4. the treatment of Options/RSU's in instances of cessation of employment for reasons of misconduct (in terms of the Company's policies) on the part of an Optionee;
- 4.3.5. the treatment of Options /RSU's upon termination of employment;

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- 4.3.6.** adjustments to be made to Grant size, number of Options/RSU's, Exercise Price of Options/RSU's, etc. in the event of corporate actions such as bonus issue, rights issue, demerger, merger and consolidation of Shares.
 - 4.3.7.** suitable policies and systems to ensure that there is no violation of (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('Insider Trading Regulations'); (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003; and (c) any other regulation as may be notified by the Securities and Exchange Board of India or any other authority from time to time;
 - 4.3.8.** procedures for Granting, Vesting and Exercise of Options/RSU's.
 - 4.3.9.** the procedure and terms for the Grant, Vesting and Exercise of Options/RSU's in case of Employees who are on long leave.
 - 4.3.10.** treatment of Options/RSU's in instances not specifically provided for in the Scheme.
- 4.4.** For the purpose of administration of matters other than specifically covered in this Scheme, the provisions of relevant Demerged Company's Stock Option Scheme shall be applicable.
- 4.5.** The decisions of the Remuneration Committee with respect to administration of the Scheme shall be final and binding on all Eligible Employees.

5. Vesting Period and Vesting Conditions:

- 5.1.** Subject to Clause 3.1, all the unvested Options/RSUs to be vested under this Scheme shall continue to vest in the same manner and within the same remaining vesting period as mentioned in the Original Grant Letter issued under the relevant Demerged Company's Stock Option Schemes.

Provided that for determining the minimum Vesting Period required for Options/RSU's that may be granted by the Company under the Scheme to the Eligible Employees, the period during which the Eligible Employee held corresponding Stock Options/RSU's granted under the Demerged Company Stock Options Schemes prior to the Grant of the Options/RSU's by the Company, shall be adjusted against the minimum vesting period required under this sub-clause, subject to the Applicable laws.

Provided further that in the event of Death or Permanent Incapacity of an Employee, the minimum Vesting Period shall not be applicable and in such instances, all the Unvested Options/RSU's shall vest in accordance with the provisions of the Demerged Company's Stock Option Schemes.

- 5.2.** Vesting of Options/RSU's would be subject to continued employment with the Company/subsidiary/ABG Group.

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5.3. If the Vesting Period/criteria as per the Original Grant Letter, is not fulfilled, then such Options/RSU's shall lapse and shall stand cancelled. These lapsed or cancelled Options/RSU's shall not be available for further Grant under this Scheme.

6. Exercise of Options/RSU's:

6.1. Exercise Price:

The Exercise Price per Options/RSUs shall be determined by the Committee and set out in the revised letter of grant, based on the fair and reasonable adjustments made to the Options/RSUs granted to the Eligible Employee under the Demerged Company Stock Option Schemes. Provided that the Exercise Price per Option/RSUs shall not be less than the face value of the Shares at any time.

The Exercise Price shall be paid in full upon the Exercise of the Vested Options/RSU's by a cheque, demand draft drawn on the name of the Resulting Company or by electronic fund transfer.

6.2. Exercise Period:

6.2.1. Exercise while in Employment:

- i. The Options/RSU's can be exercised by the Option Grantee (except in case of death of the Option Grantee) and upon vesting shall be capable of being exercised within the Exercise Period from the date of Vesting of the respective Options/RSU's.
- ii. The exercise period for Options/RSUs under the respective Demerged Employee Stock Option Schemes shall be as per the provisions contained in the respective Schemes, which are reproduced herein below:
- iii. **ABFRL ESOP Scheme 2017:** The Options/RSUs Granted to a Grantee shall be capable of being Exercised within a period of five years from the date of Vesting of the respective Options/RSUs or such other period as may be determined (and communicated to the Grantee) by the Nomination and Remuneration Committee from time to time.
- iv. **ABFRL -TCNS Division ESOP Scheme:** The Vested Options shall be capable of being exercised by Eligible Employee within a period of not exceeding 10 years from the Original Grant date.
- v. The Vested Options/RSU's shall be exercisable either wholly or in part during the Exercise Period according to the terms and conditions as determined and mentioned under the respective Demerged Company Stock Option Schemes.

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- vi. Any Vested Options/RSU's that have not been exercised by the Eligible Employee during the Exercise period as mentioned above, shall lapse and shall not thereafter be capable of being exercised by the Eligible Employee.

6.2.2. Exercise in case of Separation from Employment:

The provisions relating to Exercise in case of Separation under the respective Demerged Employee Stock Option Schemes are reproduced below:

a) In case of Death:

In case of ABFRL Scheme 2017

- a) In the event of the death of a Grantee while in employment with the Company, all Unvested Options and RSUs shall vest in the nominee(s)/legal heir(s)/successor(s) on the date of death or upon completion of one year from the Grant date, whichever is later.
- b) Such Options/RSUs, including those vested upon death, shall be exercised within three years from the date of death (subject to the overall limit of five years from each Vesting date), failing which they shall lapse.
- c) Provided that, in order to Exercise the Options/RSU's, the legal heirs / nominee have to submit the relevant / necessary documents as communication by the Company/subsidiary/ABG Group, from time to time.

In case of ABFRL-TCNS Division ESOP Scheme

All Options Granted as on date of death, whether Vested or Unvested shall immediately vest in the hands of legal heirs / nominee of the deceased leaver.

The Options would be exercisable by the legal heirs / nominee within a period of 5 (Five) Years from the date of death or before the expiry of the Exercise Period as per this Scheme, whichever is earlier.

b) In case of Permanent Disability:

In case of ABFRL ESOP Scheme 2017

Subject to a minimum vesting period of one year, in case of separation due to Permanent Incapacity, all Unvested Options/RSUs shall vest immediately on the date of such incapacity. These Options/RSUs (including those vested upon incapacity) must be exercised within three years from the date of separation, subject to the overall limit of five years from each vesting date, failing which they shall lapse.

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If the Grantee passes away after separation on account of Permanent Incapacity, the nominee(s)/legal heir(s)/successor(s) may exercise all such Options/RSUs within three years from the date of separation (again subject to the five-year outer limit from each vesting date), failing which they shall lapse.

In case of ABFRL-TCNS Division ESOP Scheme

All Options Granted as on date of Permanent Disability, whether Vested or Unvested shall immediately vest in/to the Eligible Employee/the legal heirs or nominee on that day, as the case may be.

The Options would be exercisable within a period of 5 (Five) Years from the date of Permanent Disability or before the expiry of the Exercise Period as per this Scheme, whichever is earlier

c) In case of Resignation or Termination without cause:

In case of ABFRL ESOP Scheme 2017

All Unvested Options/RSUs (including those not meeting the minimum vesting period) shall lapse from the date of termination/resignation notice. However, Vested Options/RSUs as on that date shall remain exercisable within the period specified in the relevant Vesting Letter.

In case of ABFRL-TCNS Division ESOP Scheme

All Unvested Options as on the Cessation Date shall stand cancelled with effect from that Date of Cessation.

All Vested Options shall be exercisable by the Eligible Employee within 3 (Three) months from the Cessation Date or before the expiry of the Exercise Period, as per this Scheme whichever is earlier.

d) In case of Retirement or superannuation:

In case of ABFRL ESOP Scheme 2017

Unvested Options:

- (a) Proportionate Options (based on service till Retirement) shall vest on the date of Retirement;
- (b) Options scheduled to vest within 12 months from Retirement shall vest as per the Grant/Vesting Letter;
- (c) Remaining Options shall lapse, unless otherwise decided by the Nomination and Remuneration Committee.

Unvested RSUs:

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Proportionate RSUs (based on service till Retirement) shall vest on the date of Retirement, and the balance shall lapse, unless otherwise determined by the Committee.

Vested Options/RSUs:

All vested Options/RSUs shall be exercisable within three years from the date of Retirement (by the Grantee or nominee(s)/legal heir(s) in case of death), subject to the five-year limit from each vesting date.

In case of ABFRL-TCNS Division ESOP Scheme

All Vested Options shall be exercisable by the Eligible Employee within 3 (Three) months from the Cessation Date or before the expiry of the Exercise Period, whichever is earlier. All Unvested Options as on the Cessation Date would continue to vest in accordance with the respective vesting schedules even after Retirement or superannuation in accordance with the Company's (including ABG Group) policies and the Applicable Law.

- e) **In cases of cessation other than stated as above**, shall be treated as per the provisions of respective Demerged Employee Stock Options Schemes.
- f) In the event of an Eligible Employee going on Long Leave (as approved by the Company except to Maternity Leave), the treatment of Options/RSU's Granted to him/her, whether vested or not, shall be determined by the Committee, whose decision shall be final and binding.
- g) The Committee may modify the terms for cessation of employment/ discontinuance of service as mentioned in foregoing paras from 6.2.2 (a to f).

7. Reorganization of Capital Structure:

- 7.1.** Subject to the paragraphs provided hereunder this Clause, in the event of change in control of the Company or Corporate Action, Grant under the Scheme shall be subject to adjustment by the Committee at its discretion as to number of Options/RSU's or Vesting criteria as the case may be such that (a) the number of Options/RSU's and the Exercise Price is adjusted in the manner such that the total value to the Eligible Employee remains the same after Corporate Action and/or change in control of the Company; (b) the Vesting criteria and the life of the Options/RSU's is left unaltered to protect the interest of the Eligible Employee. The decision of the Committee, in this regard, shall be final and binding.
- 7.2.** In the event of severance of employment of an Eligible Employee, as a part of reconstitution / amalgamation / sell-off or otherwise, the Options/RSU's granted and not Exercised before such reconstitution / amalgamation / sell-off, shall be exercised as per the terms and conditions determined by the Committee at that time.

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- 7.3. In the event of a dissolution or liquidation of the Company, any Vested Options/RSU's and Unvested Options/RSU's outstanding under the Scheme shall be cancelled if not exercised prior to such event and no compensation shall be payable in respect of the Options/RSU's so cancelled.
- 7.4. In the event of demerger of the Company, the respective committees of the Resulting and the de-merged company will take the decision regarding the time period for the Exercise of the Vested Options/RSU's and the treatment of Vested Options/RSU's and Unvested Options/RSU's including the Exercise Price thereof.

8. Recovery of applicable taxes:

- 8.1. An Eligible Employee shall pay all taxes and discharge all other liabilities to which he/she may become subject to as are result of his/her participation in this Scheme or Exercise of Options/RSU's.
- 8.2. The Company/subsidiary/ABG Group shall have the right to deduct from the Eligible Employee's salary or recover from the Eligible Employee otherwise, any of the Eligible Employee's tax obligations and such other tax as may be levied on the Company or on behalf of the Eligible Employee arising in connection with the Grant, Vesting and Exercise of Options/RSU's and allotment of Shares thereof. The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any have been satisfied by the Eligible Employee.
- 8.3. The Company reserves the right to hold the allotment of Shares to Eligible Employee in case the applicable taxes are not paid. The applicable taxes will be calculated basis Eligible Employee's tax structure.

9. Disclosure and Accounting Policies:

- 9.1. The Company shall comply with the relevant Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

10. Surrender of Options/RSU's:

- 10.1. An Eligible Employee may at any time, surrender his Options/RSU's; in which case the Company/Subsidiary/ABG Group shall not be liable to pay any compensation to the Eligible Employee on account of the surrender of Options/RSU's. Thereafter, the surrendered Options/RSU's shall expire, and stand cancelled with effect from the date of surrender of Options/RSU's.

11. Arbitration:

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11.1. In the event of a dispute arising out of or in relation to the provisions of this Scheme (including a dispute relating to the construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such dispute through an amicable settlement. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after reasonable attempts, which attempt shall continue for not more than 30 days, gives 10 days' notice thereof to the other party in writing. In case of such failure, either party may refer the dispute to a single arbitrator to be appointed by the Committee of the Company. The arbitration proceedings shall be held in Mumbai, India under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator shall give a reasoned award in writing. The arbitrator shall also decide on the costs of the arbitration proceedings. The parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law at Mumbai, India.

12. Lock-in period:

12.1. The Committee may prescribe any lock -in period in respect of Shares which may be issued and allotted on Exercise of Options/RSU's under this Schemes.

13. Governing Law:

13.1. This Scheme and all agreements there under shall be governed by and construed in accordance with the laws of Republic of India.

13.2. Any term of this Scheme that is contrary to the requirement of the SEBI Regulations or any other Applicable Law or other Indian regulations shall not apply to the extent it is contrary.

14. Regulatory Approvals:

14.1. For issuance of any Shares under this Scheme shall be subject to the procurement by the Company and the Eligible Employee of all approvals and permits, if any, required by any regulatory authorities having jurisdiction over this Scheme. The Eligible Employee under this Scheme will, if requested by the Committee/ Company, provide such assurances and representations to the Company or the Committee, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.

14.2. If the Company is unable to obtain the necessary authority from any regulatory body with jurisdiction, or under any Applicable Law, for the lawful issuance and sale of Shares under this Scheme, the Company shall be fully relieved of any liability related to the failure to issue or sell such Shares.

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15. Modification of Scheme:

- 15.1. The Committee at any time at its absolute discretion alter, amend or modify the Scheme with the Applicable Laws, for its effective implementation.
- 15.2. However, any amendment, variation or modification under the Scheme shall not be prejudicial to the interest of the Eligible Employees.

16. Forbidden to Exercise by any Law:

- 16.1. If the Exercise of Options/RSU's within the Exercise Period is prevented by any law or regulation in force and the Employee is forbidden to Exercise the Options/RSU's under such law or regulation, then in such an event the Company shall not be liable to compensate the Eligible Employees in any manner.

17. Beneficiary designation:

- 17.1. Each Eligible Employee under the Scheme may nominate, from time to time, a beneficiary. Each such nomination shall revoke all prior nominations by the same Eligible Employee, shall be in a form prescribed by the Committee and will be effective only when filed by the Eligible Employee in writing with the Company during the Eligible Employee's lifetime.

18. Non-transferability of Options/RSU's:

- 18.1. Except as provided in clause 10 hereof, the Options/RSU's Granted herein, are personal to the Eligible Employees. The Options/RSU's cannot be assigned, alienated, pledged, attached, hypothecated, sold, or otherwise transferred or encumbered by the Eligible Employee otherwise than by will or by the laws of descent, to the extent permitted under the Applicable Law, and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void and unenforceable against the Company.

19. Miscellaneous:

- 19.1. Neither the existence of this Scheme nor the fact that an individual has on any occasion been granted an employee stock option shall give such individual any right entitlement or expectation that he has or will in future have any such right entitlement or expectation to participate in this Scheme by being granted an employee stock option on any other occasion.
- 19.2. The rights granted to an Eligible Employee upon the Grant of an employee stock option shall not afford the Eligible Employee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the

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Company/subsidiary/ ABG Group for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

- 19.3.** The Eligible Employee shall not be entitled to any compensation or damages for any loss or potential loss which she/he may suffer by reason of being unable to Exercise an employee stock option.
- 19.4.** The Eligible Employee shall not have a right to receive any dividend or to vote or in any manner enjoy the benefits of a Shareholder in respect of employee stock Options/RSU's granted, till Shares underlying such employee stock Options/RSU's are allotted on Exercise of such employee stock option.
- 19.5.** Nothing herein is intended to or shall give the Eligible Employee any right or status of any kind as a Shareholder of the Company in respect of any Shares covered by the Grant unless the Eligible Employee Exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.
- 19.6.** No person other than the Eligible Employee to whom the employee stock option is granted under Demerged Company Stock Option Schemes shall be entitled to Exercise under the SPV Options/RSU's except in the event of the death of the Eligible Employee holder. Employee stock Options/RSU's shall not be transferable.
- 19.7.** Nothing contained in the Scheme hereunder shall: • confer upon any Eligible Employee any right with respect to continuation of employment or engagement with the Company/subsidiary/ABG Group; or • interfere in any way with the right of the Company/subsidiary/ABG Group to terminate employment or services of any Eligible Employee at any time.

20. Notices:

- 20.1.** All notices of communication required to be given by the Company to an Eligible Employee/beneficiary by virtue of this Scheme shall be in writing and shall be sent to the email address of the Eligible Employee or at the latest address available in the records of the Company and any communication to be given by an Eligible Employee/beneficiary to the Company in respect of Scheme shall be sent to the address mentioned below:

The Company Secretary
Aditya Birla Lifestyle Brands Limited
Piramal Agastya Corporate Park,
Building A, 4th and 5th Floor,
Unit No. 401, 403, 501, 502, L.B.S Road, Kurla
Mumbai, Maharashtra - 400070, India

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21. Confidentiality:

- 21.1.** Eligible Employees shall keep the details of the Options and RSUs Granted to them strictly confidential and shall not share with, or disclose the said details to any other person. In case of nonadherence of the provisions of this Clause, the Nomination and Remuneration Committee will have the authority to deal with such cases as it may deem fit in its absolute discretion. Any decision as may be taken by the Nomination and Remuneration Committee in this regard will be final and binding on all concerned.
