



**Aditya Birla Lifestyle Brands Limited Special Purpose Employee  
Stock Option Scheme (“ABLBL ESOP Scheme 2019”)**

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This Aditya Birla Lifestyle Brands Limited Special Purpose Employee Stock Option Scheme (ABLBL ESOP Scheme 2019 ) 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 amongst 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(s) 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 2019”)** (**hereinafter referred to as “Scheme”**).
- 1.2.** The ABLBL ESOP Scheme 2019 has been formulated consequent Clause 5.6 to the Demerger Scheme, with respect to the Options/RSU’s granted under “Demerged Company Stock Option Scheme” (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 Scheme 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 ABLBL ESOP Scheme 2019, on the terms and conditions which would be similar to the respective Demerged Company ESOP Scheme.
- 1.4.** The ABLBL ESOP Scheme 2019 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 ABLBL ESOP Scheme 2019 have been issued and exercised or gets lapsed or cancelled under ABLBL ESOP Scheme 2019, (iii) ABLBL ESOP Scheme 2019 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 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 ABLBL ESOP Scheme 2019 and other employee benefit scheme(s), 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 its registered office at Piramal Agastya Corporate Park, Building 'A', 4<sup>th</sup> and 5<sup>th</sup> 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-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

L18101MH2007PLC233901and having its registered office at Piramal Agastya Corporate Park, Building A, 4<sup>th</sup> and 5<sup>th</sup> Floor, Unit No.401, 403, 501, 502, L.B.S, Road, Kurla, Mumbai, Maharashtra, India, 400070.

**2.13. "Demerged Company Stock Option Scheme"** shall mean Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019 ("Scheme 2019").

**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 Scheme.

**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 Scheme.

**2.16. "Demerged Company ESOP Trust"** means the ABFRL Employee Welfare Trust, which shall administer and transfer the benefit so arising to the Eligible Employees upon exercise of vested Options/RSU's under the ABLBL ESOP Scheme 2019.

**2.17. "Director"** means a member of the Board of the Company.

**2.18. "Eligible Employee"** means an employee 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 Scheme regardless of whether they remain with the Demerged Company or are transferred to the Resulting Company in terms of the Demerger Scheme and shall deem to include nominee/ legal heir in case of his/her death to the extent provisions of ABLBL ESOP Scheme 2019 are applicable to such nominee/ legal heir.

**2.19. "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 Scheme.

**2.20. "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 issuance of Shares (or to arrange the issuance, allotment, transfer, etc.), in pursuance of ABLBL ESOP Scheme 2019 .

**2.21. "Exercise Application"** means the written/online application as prescribed by the Company for Exercise, from time to time.

**2.22. "Exercise Period"** means the time period after Vesting within which the Eligible Employee should exercise the Options/RSU's vested in pursuance of ABLBL ESOP Scheme 2019.

**2.23. "Exercise Price"** means the price payable by an Eligible Employee in order to exercise the Options/RSU's in pursuance of ABLBL ESOP Scheme 2019.

**2.24. "Grant"** means Options/RSU's offered to the Eligible Employees under the Demerged Company Stock Option Scheme.

**2.25. "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.

**2.26. "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.

**2.27. "Option"** means the stock options as defined in accordance with the terms of Demerged Company Stock Options Scheme.

**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 Scheme.

**2.29. "Original Grant Letter"** means the Grant Letter issued by the Demerged Company to the Eligible Employees under Demerged Company Stock Option Scheme.

**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.

**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 eligible employee.

**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 the Demerged Stock Option Scheme.

**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 ABLBL ESOP Scheme 2019 .

**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.

**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 ABLBL ESOP Scheme 2019 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 transferred under ABLBL ESOP Scheme 2019 shall not exceed 39,17,774 (Thirty-nine lacs Seventeen Thousand, Seven Hundred and Seventy-four) Equity Shares arising out of the stock options/RSU's under the relevant Demerged Company Stock Option Scheme are bifurcated as under:

Name of Scheme	Type	Options/RSU's Vested but not exercised	Options/RSU's granted but not vested
ABFRL ESOP Scheme 2019	Options	28,57,244	3,91,172
	RSUs	4,52,888	2,16,470
<b>Sub-Total</b>		<b>33,10,132</b>	<b>6,07,642</b>
<b>Total</b>		<b>39,17,774</b>	

**3.2.** Additionally, there are no outstanding or pending grants to the Eligible Employees under the Demerged Company Stock Option Scheme as of the Record Date. Further, if an Options/RSU's Granted under the ABLBL ESOP Scheme 2019 lapses or is forfeited or surrendered under any provision of the ABLBL ESOP Scheme 2019 , 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 ABLBL ESOP Scheme 2019 . No fresh Grants shall be made under ABLBL ESOP Scheme 2019 at any time.

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

#### **4. Implementation & Administration:**

**4.1.** The ABLBL ESOP Scheme 2019 shall be administered by the Nomination and Remuneration Committee through the Demerged Company ESOP Trust. All the provision of interpretation of the ABLBL ESOP Scheme 2019 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 ABLBL ESOP Scheme 2019 . The Committee, for the purpose of administrating the ABLBL ESOP Scheme 2019 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 transfer 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 ABLBL ESOP Scheme 2019 in the manner and to the extent the Board/Committee deems necessary or desirable as per the powers granted under the provisions of ABLBL ESOP Scheme 2019 .

**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 and mode of exercise in case of cashless exercise;

- 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;
- 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 ABLBL ESOP Scheme 2019.

**4.4.** For the purpose of administration of matters other than specifically covered in ABLBL ESOP Scheme 2019 , 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 ABLBL ESOP Scheme 2019 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 yet to be vested under ABLBL ESOP Scheme 2019 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 Scheme.

Provided that for determining the minimum Vesting Period required for Options/RSU's that may be granted by the Company under the ABLBL ESOP Scheme 2019 to the Eligible Employees, the period during which the Eligible Employee held corresponding Stock Options/RSU's granted under the Demerged Company Stock Options Scheme 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 provision of the Demerged Company Employee Stock Option Scheme.

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

**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 ABLBL ESOP Scheme 2019.

## **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 Scheme. 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 vested Options/RSU's can be exercised by the eligible employee (except in case of death of the eligible employee) 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 vested Options/RSUs under the respective Demerged Employee Stock Option Scheme shall be as per the provisions contained in the Scheme, which are reproduced herein below:

**ABFRL ESOP Scheme 2019:** The Options and RSUs vested to a eligible employee shall be capable of being Exercised within a period of five years from the date of Vesting of the respective Options and RSUs or such other period as may be determined (and communicated to the eligible employee) by the Nomination and Remuneration Committee from time to time.

During the Exercise Period relating to each Vesting, the Vested Options and the Vested RSUs can be Exercised in one or more tranches, such that each tranche will be a minimum of 500 Options or 100 RSUs, as the case may be, except in cases where the number of Vested Options is less than 500 or where the number of outstanding Vested RSUs is less than 100.

- iii. 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 in accordance with this ABLBL ESOP Scheme 2019.

iv. **Mode of Cashless Exercise:** An Eligible Employee may be allowed to opt for cashless Exercise, subject to the discretion of the Nomination and Remuneration Committee. This may involve: (i) arranging a loan on a reasonable-effort basis to cover the Exercise Price, or (ii) where implemented through a Trust, selling a portion of the Shares to cover the Exercise Price, taxes, and expenses, with the remaining Shares transferred to the Eligible Employee. The Committee's decision in this regard shall be final and binding. Such permission to opt for cashless Exercise under the ABLBL ESOP Scheme 2019 shall be subject to the discretion of the Nomination and Remuneration Committee and shall be binding on 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 Scheme are reproduced below:

##### **a) In case of Death:**

- (a) All the Unvested Options and RSUs Granted to Eligible Employee shall Vest in his nominee(s)/legal heir(s)/successor(s) immediately on the date of death or upon expiry of one year from the date of Grant of the Options and RSUs, whichever is later.
- (b) All the Options and RSUs (including those which Vest upon the death of the Eligible Employee) shall be Exercised by the nominee(s)/legal heir(s)/successor(s) of the Eligible Employee within three years from the date of death of the Eligible Employee (subject to the last date of Exercise not exceeding five years from the date of each Vesting of Options and RSUs, as the case may be), failing which, these 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.

##### **b) In case of Permanent Disability:**

- (a) 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. All the Options and RSUs (including those which Vest upon the Permanent Incapacity of the Eligible Employee) shall be Exercised by the Eligible Employee within three years from the date of separation on account of such Permanent Incapacity (subject to the last date of Exercise not exceeding five years from the date of each Vesting of Options and RSUs, as the case may be), failing which these shall lapse.
- (b) If the Eligible Employee 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.

##### **c) In case of Resignation or Termination without cause:**

- (a) All Unvested Options and Unvested RSUs (including the ones in respect of which the minimum Vesting Period has not been met), shall expire and stand cancelled with effect from date of submission of the termination/ resignation notice.
- (b) All Vested Options and Vested RSUs as on such date shall, at the discretion of the Nomination and Remuneration Committee, be exercisable by the Eligible Employee within the period specified in the relevant Vesting Letter.

**d) In case of Retirement or superannuation:**

**Unvested Options:**

- (a) All Unvested Options scheduled to Vest within 12 months from the Eligible Employee's date of Retirement will Vest as per the applicable Vesting Schedule in the Grant Letter or Vesting Letter.
- (b) The remaining Unvested Options will lapse on the date of Retirement, unless otherwise decided by the Nomination and Remuneration Committee. Their decision will be final and binding.

**Unvested RSUs:**

- (a) A proportionate number of Unvested RSUs, based on the period of employment from the Grant Date to the Retirement Date, will Vest on their respective due dates as per the Vesting Schedule in the Grant Letter or Vesting Letter.
- (b) The remaining Unvested RSUs will lapse on the date of Retirement, unless otherwise determined by the Nomination and Remuneration Committee. Their decision will be final and binding.

**Vested Options/RSUs:**

- (a) Post Retirement, all Vested Options and Vested RSUs may be exercised by the Eligible Employee (or by their nominee(s)/ legal heir(s)/ successor(s) in case of death) within three years from the date of Retirement. However, the Exercise must not exceed five years from the respective Vesting dates.
- e) In case of breach of Company Policies or Terms of Employment and other matters , all Options and RSUs Granted to such Eligible Employee, including the Vested Options and Vested RSUs which were not Exercised prior to such breach, shall stand terminated with immediate effect.
- f) In the event of an Eligible Employee going on Long Leave ,the treatment of Options/RSU's Granted to whether vested or not, shall be determined by the Committee, whose decision shall be final and binding.
- g) In case of transfer to an Associate Company or Secondment:, If a Eligible Employee is transferred to an Associate Company or is on Secondment during the Vesting Period, the Options and RSUs will continue to Vest and be Exercised as per the terms of the Grant and the provisions of the Demerged Company Stock Option Scheme, provided the Eligible Employee remains employed with an Associate Company.
- h) 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. Change in Capital Structure and other Corporate Actions:**

**7.1** In case of corporate actions such as issue of bonus shares, rights issue, stock splits, consolidation or other re-organisation of capital structure of the Company, whilst any Options or RSU remains exercisable as per the ALBL ESOP Scheme 2019, the Company shall make a corresponding fair and reasonable adjustment in accordance with the Applicable Law .

**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 ALBL ESOP Scheme 2019 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. Arbitration:**

**10.1.** In the event of a dispute arising out of or in relation to the provisions of this ALBL ESOP Scheme 2019 (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.

**11. Lock-in period:**

- 11.1.** There will be no Lock-In Period in respect of the Equity Shares, which may be transferred upon Exercise of the Options and RSUs Granted pursuant to Demerged Company Stock Option Scheme which may be issued and transferred on Exercise of Options/RSU's under ABLBL ESOP Scheme 2019.

**12. Governing Law:**

- 12.1.** ABLBL ESOP Scheme 2019 and all agreements there under shall be governed by and construed in accordance with the laws of Republic of India.
- 12.2.** Any term of ABLBL ESOP Scheme 2019 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.

**13. Regulatory Approvals:**

- 13.1.** For issuance of any Shares under ABLBL ESOP Scheme 2019 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 ABLBL ESOP Scheme 2019. The Eligible Employee under ABLBL ESOP Scheme 2019 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.
- 13.2.** 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 ABLBL ESOP Scheme 2019, the Company shall be fully relieved of any liability related to the failure to issue or sell such Shares.

**14. Modification of Scheme:**

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

**15. Forbidden to Exercise by any Law:**

- 15.1.** 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.

**16. Beneficiary designation:**

**16.1.** 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.

**17. Non-transferability of Options/RSU's:**

**17.1.** 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, (except in case of death/permanent incapacity) and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void and unenforceable against the Company.

**18. Miscellaneous:**

**18.1.** Neither the existence of ABLBL ESOP Scheme 2019 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 ABLBL ESOP Scheme 2019 by being granted an employee stock option on any other occasion.

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

**18.3.** 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.

**18.4.** 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.

**18.5.** 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.

**18.6.** No person other than the Eligible Employee to whom the employee stock option is granted under Demerged Company Stock Option Scheme 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.

**18.7.** 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.

**19. Notices:**

**19.1.** All notices of communication required to be given by the Company to an Eligible Employee/beneficiary by virtue of ABLBL ESOP Scheme 2019 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

**20. Confidentiality:**

**20.1.** 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.

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