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**IIFL WEALTH MANAGEMENT LIMITED**  
**IIFLW ESOP - 2019**

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**Approved by the Board on August 21, 2019**  
**Approved by the Shareholders on September 30, 2019**

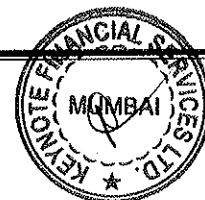


## 1. Introduction of the Scheme

- This Scheme shall be called the “IIFLW ESOP – 2019 which was adopted by the Board of Directors of the Company on August 21, 2019 and the same was approved by the members of the Company on September 30, 2019 it shall continue to be in force until (i) its termination by the Committee (as defined hereunder) or (ii) the date on which all of the Options (defined hereunder) available for issuance under the IIFLW ESOP - 2019 have been issued and exercised.
- The Nomination & Remuneration Committee may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the IIFLW ESOP - 2019.
- The objectives of implementing the IIFLW ESOP – 2019 are as under:
  - a. To motivate the Employees to contribute to the growth and profitability of the Company.
  - b. To retain the Employees for the growth of the Company.
  - c. To provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company.
  - d. To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long-term interests of the Company.
  - e. To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come.
  - f. To provide additional deferred rewards to Employees.

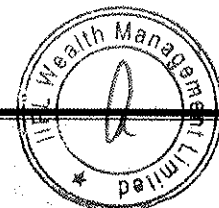
## 2. Definitions and Interpretation

- 2.1 “Agreement” means the Employee Stock Option Agreement between the Company and the Option Grantee evidencing the terms and conditions of an individual Employee Stock Option. The Agreement is subject to the conditions



of IIFLW ESOP - 2019.

- 2.2 **“Applicable Law”** means every law relating to employee stock options in force, including, but without limitation to, the Companies Act, 2013 (hereinafter referred to as the **“Act”**), Securities and Exchange Board of India Act, 1992, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Fraudulent and Unfair Trade Practises relating to Securities Market) Regulations, 2003 (hereinafter referred as **“SEBI Regulations”**) and all relevant revenue, tax, securities or exchange control regulations or corporate laws of India or any relevant jurisdiction. The Applicable Law includes any provision of the applicable law, rules, regulations, notifications, circular(s) or any other similar form of directives issued by the competent authority under the relevant applicable law.
- 2.3 **“Acceptance Letter”** shall mean the Letter that the Grantee has to submit indicating his acceptance of the Grant made to him to participate in the Scheme.
- 2.4 **“Beneficiary”** means the person, persons, trust or trusts designated by the Grantee in writing in a form prescribed by the Nomination and Remuneration Committee and submitted thereof to it, or in the absence of any designation by the Grantee, a person or persons who is/ are entitled by the will of the Grantee to receive the benefits specified in the Scheme, the legal heirs of the Grantee (provided such legal heirs of such Grantee produces before the Nomination and Remuneration Committee all such documents as may be required by the Company to prove the succession to the assets of the deceased Grantee), if the Grantee dies intestate.
- 2.5 **“Board”** means the Board of Directors of the Company and includes any Committee(s) consisting of one or more members of the Board and/ or one or more officials of the Company, which the Board may constitute to exercise powers as delegated by the Board.



2.6 "Cause" includes the following: (i) convicted of an offence involving moral turpitude or that disentitles the Grantee from being an Employee in accordance with the Company's policies and/or Applicable Law; or (ii) commission of fraud, misappropriation or embezzlement by an Employee; (iii) wilful dishonesty, gross misconduct; (iv) abandonment of employment by the Employee; and/or (v) any other action(s) that, in view of the Committee is disruptive or detrimental to the functioning of the Company;

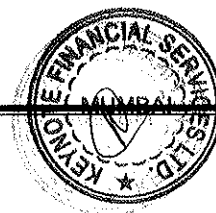
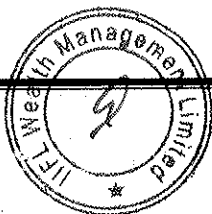
2.7 "Change in Capital Structure" means a change in the capital structure of the Company as a result of re-classification of Shares, sub-division of Shares, consolidation, issue of bonus Shares, conversion of Shares into other shares or Securities of the Company and any other change in the rights or obligations in respect of Shares, issue of shares on rights basis and any other form of equity share issuance.

2.8 "Committee" means the Nomination and Remuneration Committee that has been constituted by the Board in accordance with Section 178 of the Act, *inter-alia* for administration and superintendence of this Scheme.

2.9 "Company" means IIFL Wealth Management Limited, a company incorporated and registered under Companies Act, 1956, having its registered office at IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013.

2.10 "Corporate Action" means to include the following:

- 2.10.1 Change in Capital Structure;
- 2.10.2 Sale, lease or exchange of all or substantially whole of the assets/undertaking of the Company to any other company or entity;
- 2.10.3 Bankruptcy proceedings against the Company;
- 2.10.4 Adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up.



2.11 “Director” means a member of the Board.

2.12 “Eligible Employee/Employee” means

- i. A permanent employee of the Company who has been working in India or outside India;
- ii. A Director, whether a whole-time director or not but excluding an independent director; or
- iii. An employee or director as per (i) and (ii) above, of subsidiary(s), holding of the company;

But does not include:

- An Employee who is a promoter or a person belonging to the promoter group; or
- A director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the Shares.

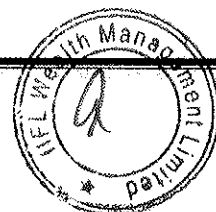
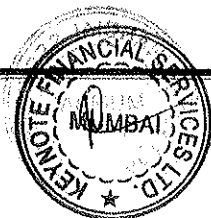
2.13 “Employee Stock Option” or “Option” means the option granted to an Employee, which gives such Employee the right to purchase at a future date the shares underlying the option at a pre-determined price.

2.14 “Exercise” means making of an application, accompanied with the Exercise Price, by the Grantee to the Company for issue of Shares (or to arrange the issuance, allotment, transfer, et al), against his Vested Options, in pursuance of the IIFLW ESOP - 2019.

2.15 “Exercise Period” means such time period after Vesting within which the Grantee should Exercise the Options in pursuance of the IIFLW ESOP - 2019

2.16 “Exercise Price” means the price payable by a Grantee for exercising the Vested Options in pursuance of the IIFLW ESOP - 2019.

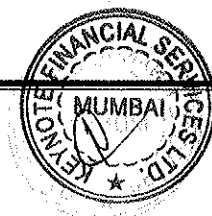
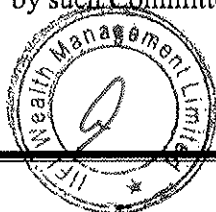
2.17 “Grant” means issue of Options to the Employees under the IIFLW ESOP - 2019.



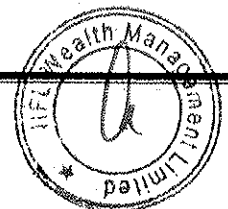
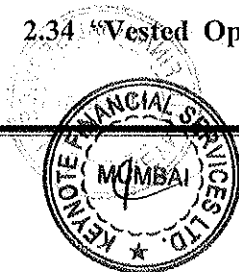
- 2.18 **"Grant date"** means the date on which the Committee / Board approves the grant;
- 2.19 **"Grant letter"** means the letter by which Grant of Options is communicated to the Grantee.
- 2.20 **"Grantee"** shall mean an Eligible Employee who has been granted Option/s under this Plan and he has accepted as defined clause 2.13, hereof, having right but not obligation to participate under the Scheme, at the time of Grant of the Options.
- 2.21 **"Holding Company"** means holding company as defined under section 2(46) of the Act.
- 2.22 **"Market price"** means: (i) if the Shares are not listed on a recognized stock exchange, then the price of the Shares as determined by an Merchant Banker registered with SEBI, any time within 6 (six) months from the date of meeting of the Committee wherein the Grant will be approved, appointed by the Committee at its sole and absolute discretion; (ii) if the Shares are listed on a recognized stock exchange, then closing price of the Shares on the recognised stock exchange, one day before the date of the meeting of the Committee wherein the Grant will be approved.

Explanation- If the Shares are listed on more than one recognized stock exchange, then the closing price on the recognized stock exchange having the highest trading volume shall be considered as the Market Price;

- 2.23 **"Permanent Incapacity"** 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 expert identified by such Committee.



- 2.24 “**Retirement**” means retirement as per the rules of the Company.
- 2.25 “**Relative**” means a relative as defined under section 2(77) of the Companies Act, 2013.
- 2.26 “**Scheme / Plan / IIFLW ESOP - 2019**” means this IIFL Wealth Management Limited Employee Stock Option Scheme 2019.
- 2.27 “**Shares**” means equity shares of the Company.
- 2.28 “**Shareholder**” means the registered holder of a Share in the share capital of the Company.
- 2.29 “**Subsidiary company**” means the present or future subsidiaries of the Company.
- 2.30 “**EWT**” mean a trust set up by the company for implementation, administration, financing, purchasing, subscribing and holding the Shares in accordance with the terms and conditions of this Scheme;
- 2.31 “**Unvested Option**” means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to exercise the Option.
- 2.32 “**Vesting**” means the process by which the employee becomes entitled to receive the benefit of the Employee Stock Options granted to him under in pursuance of the IIFLW ESOP - 2019.
- 2.33 “**Vesting Period**” means the period during which the vesting of the Employee Stock Option granted to the Employee, in pursuance of the IIFLW ESOP – 2019 takes place.
- 2.34 “**Vested Option**” means an Option in respect of which the relevant Vesting



Conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.

**2.35 “Vesting Date”** means the date on and from which the Option Vests with the Grantee/ Beneficiary and thereby becomes exercisable.

*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; and*
- c) *Any word or expression importing the masculine, feminine or neuter genders only, shall be taken to include all three genders.*

**Article Headings:**

*Article headings are for information only and shall not affect the construction of this document.*

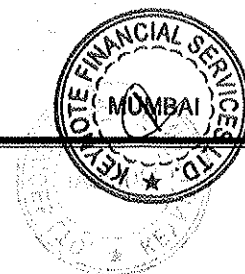
**References:**

*A reference to a Clause or Schedule is respectively a reference to a Clause or Schedule of this document. The Schedules to this document shall for all purposes form part of this document.*

*Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.*

### **3. Implementation & Administration**

The Company proposes to implement IIFLW ESOP – 2019 directly or through an EWT. The EWT will be authorized to borrow funds from the Company, employees, outside lenders including banks, for the purposes of subscribing or purchasing Shares.





Subject to Applicable Laws and the Board policy and the framework laid down by the Board of Directors, the Scheme shall be administered by the Committee, which may delegate its duties and powers in whole or in part as it may determine. The Committee is authorized to interpret the Scheme, to establish, amend and rescind any rules and regulations relating to the Scheme and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Scheme.

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.

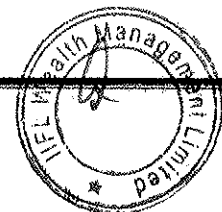
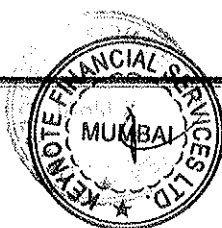
#### 4. Committee

The Committee, in exercise of its powers, may require any information from the Company, and/or seek the assistance of any Employee of the Company as it may deem fit to fully and effectively discharge its duties.

Any decision of the Committee in the interpretation and administration of the Scheme, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all the parties concerned (including but not limited to, Grantee and/or and their Beneficiaries).

The Committee shall, in accordance with this Scheme and Applicable Laws *inter alia*, have powers to do following:

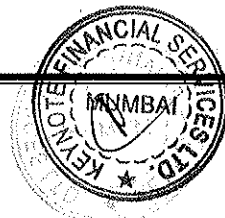
- i. Adopt rules and regulations for implementing the Scheme from time to time.
- ii. Identification of eligible Employees entitled to participate in the Scheme.
- iii. Grant Options to the identified eligible Employee and determine the Grant date, and approving terms of Grant, including Vesting schedule for each Grants;
- iv. Determine the number of Options to be granted to each Grantee and in aggregate subject to the ceiling under the Scheme;
- v. To decide the specified time period within which the Employee shall Exercise the Vested Options in the event of termination or resignation of an



- Employee;
- vi. To accelerate the Vesting of Options on a case to case basis, as it deems fit and at its absolute discretion, subject to completion of minimum 1 (one) year from the Grant date;
  - vii. To modify the Vesting schedule on a case to case basis, as the Committee deems fit, subject to completion of minimum 1 (one) year from the Grant date;
  - viii. To decide upon the right of an Employee to exercise all the Options vested in him at one time or at various points of time within the Exercise Period;
  - ix. The Vesting and Exercise of Option in case of Employees who are on long leave viz., who are on leave of more than 3 months;
  - x. The procedure for making a fair and reasonable adjustment to the entitlement including but not limited to adjustment to the number of Options, Exercise Price, Vesting period/criteria in case of Corporate Actions.
  - xi. Determine the method for exercising the Vested Options, period of Exercise, etc.;
  - xii. Determine the Exercise Price of the Options Granted;
  - xiii. Prescribe lock-in period, if any, after Exercise by the Employee;
  - xiv. Re-pricing of the Options which are not Exercised, whether or not they have been vested if the Options are rendered unattractive due to fall in the price of the Shares in the market vis-à-vis the Exercise Price;
  - xv. Determine the terms and conditions, not inconsistent with the terms of the Scheme, of any Option Granted hereunder;
  - xvi. Approve forms or agreements for use under the Scheme;
  - xvii. Decide all other matters that must be determined in connection with an Option under the Scheme in accordance with SEBI Regulations;
  - xviii. Construe and interpret the terms of the Scheme, and the Options Granted pursuant to the Scheme;
  - xix. Frame suitable policies and systems to ensure that there is no violation of:
    - Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
    - SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003

No member of the Committee shall be personally / professionally liable for any decision or action taken in good faith with respect to the Scheme.

A member of the Committee shall abstain from participating in and deciding on any matter relating to grant of any Option to him.



## 5. Authority and Ceiling for issue of options

The Shareholders at the General Meeting of the Company held on September 30, 2019 have, inter alia, approved issuance of Options exercisable into Shares not exceeding 29,79,419 (Twenty Nine Lacs, Seventy Nine Thousand four hundred and nineteen) Options (“**plan pool**”); wherein each Option will entitle the Grantee to apply for one Share , in accordance with the terms and conditions of such Grants;

If any Option granted under the Scheme lapses or forfeited or surrendered under any provision of the Scheme, such Option shall be available for further grant under the Scheme as per the discretion of the Committee.

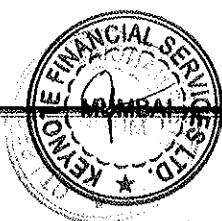
Further, the maximum number of Options that can be granted shall stand automatically enhanced / reduced in case of, consolidation and split. The Company reserves the right to increase or decrease such number of shares as it deems fit, in accordance with the Applicable Laws.

## 6. Eligibility and Appraisal

The Committee shall on the basis of the following criteria, including but not limited to, decide on the Employees who are eligible for the grant / vesting of Options under the Scheme and the terms and conditions thereof.

- i. Duration of Employment: It will be determined on the basis of tenure of employment of an Employee in the Company/employing entity;
- ii. Performance: Performance of the Employee during the financial year basis the parameters decided by the Company/employing entity;
- iii. Designation: The designation of the Employee;
- iv. The present and potential contribution of an Employee/ new individual being appointed as an Employee, to the success, growth and development of the Company;
- v. The capabilities, competencies and the talent of the Employees which are instrumental for the growth of the Company;
- vi. Retaining the Employee to avert the possibility of losing him to competition; and
- vii. Such other criteria as the Committee may think fit.

The Committee may in its absolute discretion vary or modify such eligibility and/or selection and/or the terms and conditions for granting any Option to any Employee or class of Employees.



Nothing in the Scheme or in any Option granted pursuant to the Scheme shall confer on any individual, any right to continue in the employment of the Company or interfere in any way with the right of the Company to terminate the individual's employment at any time.

## **7. Grant of Options**

The Committee, in accordance with the terms and conditions of the Scheme for the time being in force and subject to Employee's continuity in the employment, his/her performance, hierarchy and other parameters as set out by the Committee may Grant Options to one or more Employees, at its sole and absolute discretion.

Each Option granted shall be advised to the Grantee in writing, specifying the date, number of Options granted, the Exercise Price, the Vesting schedule of the Option, the earliest date on which the Options under the Grant shall be eligible for Vesting, and other terms and conditions thereof.

Unless agreed otherwise between the Company and any Employee and subject to the Corporate Action(s) in the Company, the grant of 1 (One) Option to an Employee under this Scheme shall entitle the holder of the Option to apply for 1 (One) Equity Share in the Company upon payment of Exercise Price.

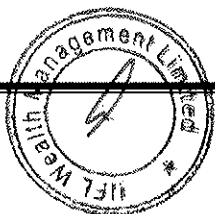
Shares issued by the Company in settlement of Options may be authorized and issued shares, shares held by the EWT, shares purchased on the open market or by private purchase, or a combination of the foregoing.

Options granted to the Employees shall not be transferable to any other person.

## **8. Method of acceptance**

Any Grantee who wishes to accept the Grant made pursuant to **Clause 7** hereof, must deliver an executed copy of Acceptance Letter or any other executed document as prescribed by the Committee from time to time. The time period within which the Grantee shall be deliver the Acceptance Letter to the Committee, will be as specified in the Grant Letter.

If acceptance from the Employee is not received within time period as specified in the Grant Letter, it shall be treated as rejection of offer and the Company is not liable to pay any amount on such rejection. Any Acceptance Letter received after the above-mentioned period shall not be valid.



Subject to the terms contained herein and in Grant Letter, the acceptance of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option.

#### 9. Vesting Schedule

Options granted under IIFLW ESOP – 2019 would vest as per the vesting schedule as determined under the Grant Letter approved by Committee subject to a minimum period of one year from the Grant date of such options and maximum period of 5 (Five) years from the Grant date.

Vesting of Options would be subject to continued employment with the Company/employing entity. The Option Grantee's Service with the Company shall not be deemed to terminate if the Option Grantee takes any sick leave or any other bona fide leave of absence approved by the Company/employing entity and will be treated as continuous service by an Option Grantee for the purpose of the IIFLW ESOP - 2019.

The Committee shall have the power to accelerate the vesting schedule on a case-to-case basis subject to fulfilment of minimum vesting period of one year from the Grant date.

If the Vesting period/criteria relating to the Options Granted under the Scheme, is not fulfilled, then such Options shall lapse and be cancelled vis-à-vis the Grantee.

#### 10. Exercise Price

Exercise Price shall be a price, payable by the eligible employee for exercising the Options granted in pursuance of the Scheme, which would be at par value (INR 2/- per share) or such higher price as determined by Committee. .

Further, the Committee has the power to re-price the Grants in future if the Grant made under the Scheme is rendered unattractive due to the fall in the price of Shares subject to the shareholders' approval.



The payment of applicable taxes, if any, in respect of Exercise of the Options shall be made by the Grantee to the Company, as the Committee, may prescribe, at the time of Exercise. However, the Company have the right to recover tax from the Grantee, by deducting the respective amount of tax from the Grantee's salary payable by the Company/employing entity.

The Aggregate Exercise Price shall be paid in full upon the exercise of the Vested Options by a cheque, demand draft drawn on the name of IIFL Wealth Management Limited or by electronic fund transfer or in such other manner as the Committee may decide.

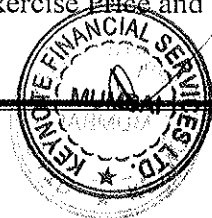
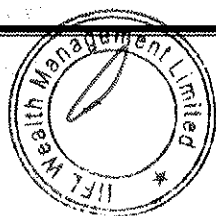
#### **11. Exercise of Options**

The Vested Options shall be exercisable either wholly or in part, according to the terms and conditions as determined and mentioned under the Scheme during the Exercise Period.

After Vesting, the Options can be exercised through direct route under which the Grantee will receive the shares equivalent to the number of the Options exercised in accordance with the terms and conditions of the Scheme after he has made the payment of the Exercise Price and the applicable taxes subject to approval by the Committee.

Under the Scheme, the Exercise Period for the vested options will be 7 (seven) years from the Grant date. The Options cancelled or lapsed without being Exercised within the Exercise Period will be added back to the plan pool.

The Grantee, for issuance and allotment of Shares pursuant to the Vested Options, may, at any time during the Exercise Period, and subject to fulfilment of the conditions on which the Options have been granted, Exercise the Vested Options by submitting an application along with payment details of the Exercise Price and



the applicable taxes.

Upon receipt of application for Exercise and accompanying Exercise Price including the applicable withholding tax amount, the Company shall issue Shares to the Grantee or cause the EWT to transfer the Shares to the Grantee.

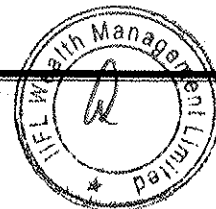
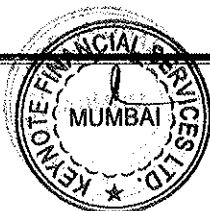
## 12. Cessation of Employment

- In the event of "Resignation", all Unvested Options, on the date of exit, shall expire and stand terminated with effect from that date unless otherwise determined by the Committee whose determination will be final and binding. However, all Vested Options as on that date shall be exercisable by the eligible employee not exceeding one year from the date of tendering the resignation. The vested options not so exercised shall lapse irrevocably and the rights there under shall be extinguished.
- In the event of cessation of employment due to Death of an Employee, all the vested and unvested Options may be exercised by the Options Grantee's nominee immediately after, but in no event later than one year from the date of death, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.

All other terms and conditions of the Scheme shall apply to such Options. Provided that, in order to exercise the Options of the deceased Employee, his/ her legal heirs / nominee have to submit following documents to the management: -

### **IN CASE NOMINEE IS NOT APPOINTED / REGISTERED WITH COMPANY**

- Copy of the Succession Certificate/Probate of Will/Letter of Administration.
- No objection certificate from the other legal heirs.
- Photo copy of the death certificate duly attested by the proper authority (English translated version in vernacular).
- Specimen signature of the person(s) in whose name options are to be transmitted (duly attested by the bank).



- Copy of PAN card of the applicant (self-attested).
- Copy of address proof (self-attested).

**IN CASE NOMINEE IS APPOINTED / REGISTERED WITH COMPANY**

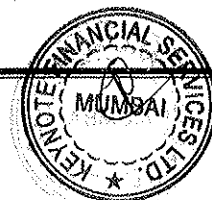
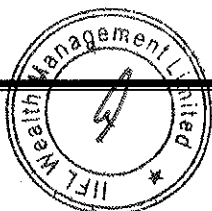
- Photo copy of the death certificate duly attested by the proper authority (English translated version in vernacular).
- Specimen signature of the person(s) in whose name options are to be transmitted (duly attested by the bank).
- Copy of PAN card of the applicant (self-attested).
- Copy of address proof (self-attested).

**In the event of Permanent Disability of an Employee,** all Options granted to him as on date of Permanent Disability would vest in him on that day. The Options would be exercisable immediately but in no event later than 1 (one) year from the date of Permanent Disability, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.

➤ **In the event of normal retirement or a retirement specifically approved by the Company:**

- All Vested Options should be exercised by the Option Grantee immediately after, but in no event later than 6 (six) months from the last working day with the Company or 7 (seven) years from the Grant date, whichever is earlier, and
- All Unvested Options will vest immediately and will be available for exercise immediately after, but in no event later than 6 (six) months from the last working day with the Company or 7 (seven) years from the Grant date, whichever is earlier, and

- In the event of abandonment of employment by an Option Grantee without the Company's consent, all Options granted to the Grantee, whether Vested or



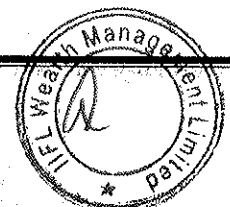
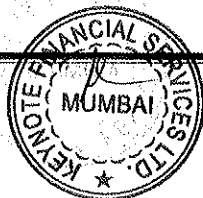


Unvested, shall stand cancelled with immediate effect. The Committee, at its sole discretion shall decide the date of cancellation of options and such decision shall be binding on all concerned.

- In the event of termination of employment due to Cause, all the Vested and Unvested Options shall lapse forthwith and revert to the plan pool.

### 13. Reorganization of Capital Structure

- Subject to the paragraphs provided hereunder this Clause, in the event of change in control of the Company or Corporate Action, a Grant made under the Scheme shall be subject to adjustment by the Committee at its discretion as to number of Options or Vesting criteria as the case may be such that (a) the number of Options and the Exercise Price is adjusted in the manner such that the total value to the Grantee remains the same after Corporate Action and/or change in control of the Company; (b) the Vesting criteria and the life of the Options is left unaltered to protect the interest of the Grantee. The decision of the Committee, in this regard, shall be final and binding.
- In the event of severance of employment of a Grantee, as a part of reconstitution / amalgamation / sell-off or otherwise, the Options 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.
- In the event of a dissolution or liquidation of the Company, any vested and unvested Options 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 so cancelled.
- In the event of demerger of the Company, the respective Committees of the Resulting & the De-merged Company will take the decision regarding the time



period for the Exercise of the Vested Options and the treatment of Vested and Unvested Options including the Exercise Price thereof.

#### **14. Recovery of applicable taxes**

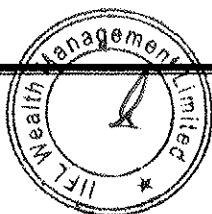
- A Grantee shall pay all tax and discharge all other liabilities to which he may become subject to as are result of his participation in this Scheme or Exercise of Options.
- The Company/ employing entity shall have the right to deduct from the Grantee's salary or recover from the Grantee otherwise, any of the Grantee's tax obligations and such other tax as may be levied, on the Company or on behalf of the Grantee arising in connection with the Grant, Vesting and Exercise of Options 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 Grantee.
- The Company reserves the right to hold the allotment to Beneficiary of Grantee in case the applicable the applicable tax is not paid. The applicable tax will calculated basis Grantee's tax structure.

#### **15. Disclosure and Accounting Policies**

The Company shall use the Fair Value method for valuation of the Options. However, the Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

#### **16. Surrender of Options**

Any Grantee, may at any time, surrender his Options; in which case the Company shall not be liable to pay any compensation to the Grantee on account of his surrender of Options. Thereafter, the surrendered Options shall expire and stand terminated with effect from the date of surrender of Options. The Options so surrendered by the Grantee will be added back to the plan-pool of un-granted Options and pursuant to this the Grantee shall cease to have all rights and obligations over such Options.



## 17. Arbitration

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.

## 18. Governing Law

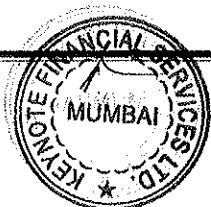
This Scheme and all agreements there under shall be governed by and construed in accordance with the laws of Republic of India.

The Employee agrees and acknowledges that the Employee has received and read a copy of the Scheme. The Options are subject to the Scheme. Any term of the Scheme that is contrary to the requirement of the aforesaid SEBI Regulations or any other Applicable Law or other Indian regulations shall not apply to the extent it is contrary.

The Court at Mumbai, India shall have exclusive jurisdiction on any matter arising out of this Scheme.

Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this IIFLW ESOP - 2019:

- i. in any other court of competent jurisdiction; or
- ii. concurrently in more than one jurisdiction.



## 19. Regulatory Approvals

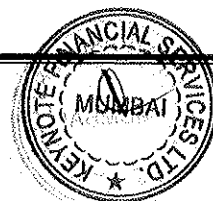
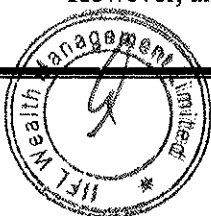
The implementation of the Scheme, the Granting of any Option under the Scheme and the issuance of any Shares under this Scheme shall be subject to the procurement by the Company and the Employee/ Beneficiary of all approvals and permits, if any, required by any regulatory authorities having jurisdiction over the Scheme, the Options and the Shares issued pursuant thereto. The Employee/ Beneficiary 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.

The inability of the Company to obtain authority from any regulatory body having jurisdiction, or under any Applicable Laws for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such Shares.

## 20. Modification of Scheme

The Committee may, on its own or if required by the law, after authorisation by the Board of Directors /shareholders, as the case may be, by way of resolution, (wherever required) at any time and from time to time:

- Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Scheme or all or any of the rights and obligations of the Employee;
- Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Employee/Beneficiary. Each of such sets of special terms and conditions shall be restricted in its application to those Employee;
- Formulate separate sets of special terms and conditions in addition to those therein, to apply to each class or category of Employee separately and each of such sets of special terms and conditions shall be restricted in its applications to such Employee.
- However, any amendment, variation or modification under the Scheme shall not be



prejudicial to the interest of the Employees.

#### **21. Term of the plan/Scheme**

The Plan shall continue to be in force until:

- (i) its termination by the Board of Directors / Committee; or
- (ii) The date on which all of the Options available for issuance under the Scheme have been issued and exercised/ redeemed in terms of this Plan, whichever is earlier.

The decision of the Board / Committee in this regard shall be final.

#### **22. Forbidden to Exercise by any Law**

If the Exercise of Options within the Exercise Period is prevented by any law or regulation in force and the Employee is forbidden to exercise the Options under such law or regulation, then in such an event the Company shall not be liable to compensate the Employee in any manner.

#### **23. Beneficiary designation**

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

#### **24. Non-transferability of Options**

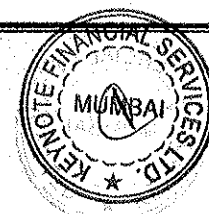
Except as provided in clause 13 hereof, the Options Granted herein, are personal to the Grantee. The Options cannot be assigned, alienated, pledged, attached, hypothecated, sold, or otherwise transferred or encumbered by the Grantee otherwise than by will or by the laws of descent, to the extent permitted 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.

## 25. Miscellaneous

- 26.1 Neither the existence of this Plan 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 Plan by being granted an Employee Stock Option on any other occasion.
- 26.2 The rights granted to an Option Grantee upon the grant of an Employee Stock Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the company of the group for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 26.3 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Employee Stock Option in whole or in part in consequence of the loss or termination of his office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 26.4 The 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 granted, till Shares underlying such Employee Stock Options are allotted on Exercise of such Employee Stock Option.
- 26.5 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.



26.6 No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option except in the event of the death of the Option Grantee holder, in which case clause 13 would apply. Employee Stock Options shall not be transferable.

26.7 Nothing contained in the Scheme or in any Grant made hereunder shall:

- confer upon any Grantee any right with respect to continuation of employment or engagement with the Company/employing entity; or
- interfere in any way with the right of the Company/employing entity to terminate employment or services of any Grantee at any time.

## 26. Notices

All notices of communication required to be given by the Company to an Option Grantee by virtue of this IIFLW ESOP – 2019 shall be in writing and shall be sent to the email address of the Option Grantee available in the records of the Company and any communication to be given by an Option Grantee to the Company in respect of IIFLW ESOP – 2019 shall be sent to the address mentioned below:

The Company Secretary

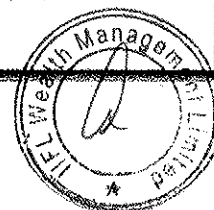
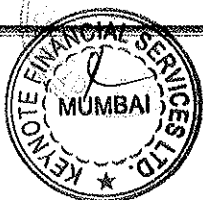
*IIFL WEALTH MANAGEMENT LIMITED*

*–IIFL Centre, Kamala Mills Compound, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400013*

Any notice, required to be given by the Company or the Committee to an Employee or any correspondence to be made between the Company or the Committee and an Employee shall be given or made by the Company or the Committee on behalf of the Company at the address provided by the Employee in his option acceptance agreement.

## 27. Confidentiality

Notwithstanding anything contained in this scheme, the Grantee / Beneficiary shall not divulge the details of the scheme and/or his holdings to any person except with the prior written permission of the Committee unless so required to do under



the Applicable laws or any statutes or regulations applicable to such Grantee/ Beneficiary. In case failure to comply with this clause by the Grantee/ Beneficiary, the grant or the contract referred to in Clause 7 and 8 hereof, as the case may be, shall, unless Committee decides otherwise; stand automatically terminated without any liability to the Company.

