



IIFL Wealth ESOS 2022

(IIFL Wealth Management Limited
Employee Stock Option Scheme 2022)

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1. Name, Objective and Term of the Scheme

- 1.1 This Scheme shall be called the “**IIFLW Employee Stock Option Scheme 2022**”, which expression shall include any alterations, amendments or modifications hereto.
- 1.2 This Scheme has been formulated by the Nomination and Remuneration Committee of the Company (as defined hereinafter) and approved by it vide its resolution dated October 3, 2022, pursuant to the authority vested in it by the shareholders of the Company vide a special resolution(s) passed in their Annual General Meeting held on September 30, 2022 and in accordance with the provisions of including without limitation, the Companies Act, 2013, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and includes any amendment, modification, alteration or re-enactment made to such laws, rules, regulations or bye-laws.
- 1.3 The objective of the Scheme is to further align the interests of its employees with those of shareholders and to:
 - a. Motivate the Employees to contribute to the growth and profitability of the Company;
 - b. Retain the Employees for the growth of the Company;
 - c. Provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company;
 - d. 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. Create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come; and
 - f. Provide additional deferred rewards to Employees.
- 1.4 The Scheme is established and implemented with effect, from October 3, 2022 and shall continue to be in force until (i) its termination by the Nomination and Remuneration Committee, or (ii) the date on which all the Options as defined hereinafter available for issuance under the Scheme have been Granted and Exercised as defined hereinafter.
- 1.5 The Committee may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the Scheme.

2. Definitions and Interpretation

2.1 Definitions

- i. “**Acceptance**” shall have the meaning as defined under clause 7 of this Scheme.

- ii. **“Applicable Law”** means every law, rule, regulation or bye-law relating to Employee Stock Option Schemes, including, without limitation, the Companies Act, 2013, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, including without limitation, all relevant tax or corporate laws, rules or regulations of India or any relevant jurisdiction or of any stock exchange on which the shares as defined hereinafter are listed or quoted and includes, any amendment, modification, alteration or re-enactment made to such laws, rules, or regulations.

- iii. **“Beneficiary”/ “Nominee”** means the person(s) or trust(s) nominated by the Option Grantee by completing and signing the beneficiary nomination form and delivering it to the Company as prescribed by the Nomination and Remuneration Committee, or in absence of any Nominee, a person or persons who is/ are entitled by the will of the Option Grantee to receive the benefits specified in the Scheme, the legal heirs of the Option Grantee (provided such legal heirs of such Option Grantee produces before the Company all such documents as may be required by the Company to prove the succession to the assets of the deceased Option Grantee), if the Option Grantee dies intestate.

- iv. **“Board”** or **“Board of Directors”** means the Board of Directors of the Company.

- v. **“Cause”** for termination of an Option Grantee’s continuous service status will exist if the Option Grantee is terminated by the Company for any of the following reasons:
 - a. Option Grantee’s willful failure to substantially perform his duties and responsibilities to the Company or deliberate violation of a Company policy as may be identified and notified by the Board / Nomination and Remuneration Committee of the Company from time to time;
 - b. Option Grantee’s commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct in respect to his duties that has caused or is reasonably expected to cause an adverse effect on the Company or any of its businesses or its reputation;
 - c. unauthorized use or disclosure by Option Grantee of any proprietary information or trade secrets of the Company or any other party to whom the Option Grantee owes an obligation of non-disclosure as a result of his relationship with the Company; or
 - d. Option Grantee’s willful breach of any of his obligations under any written agreement or covenant with the Company.

The determination as to whether the Option Grantee is terminated for Cause shall be made in good faith by the Committee and shall be final and binding on the Option Grantee. The foregoing definition does not in any way limit the Company ability to terminate the Option Grantee's employment at any time, and the term "Company" will be interpreted to include any present or future associate company, subsidiary company or holding company of the Company as appropriate.

Provided "Cause" shall exclude the following and which may constitute reasons for "Termination without Cause" for purposes of Scheme:

- I. a material reduction in Option Grantee's titles, duties, authorities or responsibilities;
 - II. a reduction in Option Grantee's base salary, bonus or other benefits to which he is entitled hereunder without his express written consent on account of a drop in performance of the employee as may be decided by the Company.
- vi. "**Companies Act**" means the Companies Act, 2013 and includes any statutory modifications or re-enactments thereof.
- vii. "**Company**" means IIFL Wealth Management Limited, a company incorporated and registered under Companies Act, 1956, having corporate identity number 'L74140MH2008PLC177884' and registered office at IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013.
- viii. "**Eligibility Criteria**" means the criteria as may be determined from time to time by the Nomination and Remuneration Committee for Granting the Options to the Employees.
- ix. "**Employee**" means:
- a. an employee as designated by the Company, who is exclusively working with the Company in India or outside India ; or
 - b. a director of the Company, whether a whole time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
 - c. an employee as defined in sub-clauses (a) or (b), of a group company including subsidiary(ies) or its associate company(ies) or holding company, in India or outside India, but does not include:
 - i. an employee who is a promoter or a person belonging to the promoter group; or
 - ii. a director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company.

- x. **“Employee Stock Option” or “Option”** means the employee stock options Granted under this Scheme, which gives such Option Grantee, the right but not an obligation, to purchase or subscribe at a future date the Shares underlying the option offered by the Company at a pre-determined price pursuant to the Scheme.
- xi. **“Exercise”** of an Option means making of an application by an Option Grantee to the Company for issue of Shares against the Option Vested in him, in pursuance of the Scheme, in accordance with the procedure laid down by the Company for Exercise of Options.
- xii. **“Exercise Application”** means the application form as may be prescribed by the Committee, in which the Option Grantee must apply to the Company along with a cheque / demand draft or such other mode of payment as approved by the Company in respect of the Exercise Price, for Exercising the Options Vested in him.
- xiii. **“Exercise Period”** means such period after Vesting (and subject to any additional restrictions on Exercise) within which the Option Grantee may Exercise the Options Vested in him in pursuance of the Scheme.
- xiv. **“Exercise Price”** means the price payable by an Option Grantee for Exercising the Options Granted to such Option Grantee in pursuance of the Scheme.
- xv. **“Grant”** means issue of Options to the Employees under the Scheme.
- xvi. **“Grant Date”** means the date on which the Nomination and Remuneration Committee approves the Grant to the Employees under the Scheme and specified in the Grant Letter.
- xvii. **“Grant Letter”** means the letter issued by the Company intimating the Employee of the Options Granted to him for acquiring a specified number of Shares at the Exercise Price.
- xviii. **“Nomination and Remuneration Committee” or “Committee”** means the committee constituted by the Board in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, inter-alia for administration and superintendence of this Scheme and to exercise powers as delegated by the Board from time to time.

- xix. **“Option Grantee”** means an Employee who has been Granted Options pursuant to the Scheme and who has conveyed and delivered his Acceptance to the same and shall deem to include nominee / legal heir of the Option Grantee in case of death or Permanent Incapacity.
- xx. **“Permanent Incapacity”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps the Option Grantee from performing any specific job, work or task which the said Option Grantee was capable of performing immediately before such disablement, as determined by the Committee based on a certificate of a medical expert identified by the Company.
- xxi. **“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.
- xxii. **“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.
- xxiii. **“Recognised Stock Exchange(s)”** means the BSE Limited, National Stock Exchange of India Limited or any other Stock exchange in India or otherwise, on which the Company’s equity shares are listed or proposed to be listed.
- xxiv. **“Retirement”** means retirement of an Employee as per the rules of the Company.
- xxv. **“Scheme”** or **“IIFLW Employee Stock Option Scheme 2022”** means this **IIFLW Employee Stock Option Scheme 2022** under which the Company is authorised to Grant Options to the Employees and which shall be implemented and administer directly by the Company.
- xxvi. **“Shares”** means equity shares of the Company arising out of the Exercise of an Option Granted under the Scheme.
- xxvii. **“Vesting”** means process by which the Option Grantee is given the right to Exercise the Options Granted to him in pursuance of the Scheme.
- xxviii. **“Vesting Condition”** means any condition(s) subject to which the Options Granted would Vest in the Option Grantee.
- xxix. **“Vesting Period”** means the period during which the Vesting of the Options Granted to the Employee, in pursuance of the Scheme takes place.

xxx. **“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.

xxxi. **“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.

2.2 Interpretation

In this Scheme, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number includes a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender;
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference;
- f) any grammatical form or variation of a defined term herein shall have the same meaning as that of such term; and
- g) Words and expressions used and not defined herein shall have the meaning assigned to them under the Securities and Exchange Board of India (**“SEBI”**) Act, 1992, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021 or the Securities Contract (Regulation) Act, 1956 or the Companies Act, 2013 and any statutory modification or re-enactment thereto.

3. Authority and Ceiling

- 3.1 The shareholders in their Annual General Meeting held on September 30, 2022, have authorized the Board (which term includes the Nomination and Remuneration Committee to which the Board may delegate its powers, including the powers conferred by the resolutions in the aforesaid Annual General Meeting) to issue Options to Employees, Exercisable into equity shares of face value of Rs. 2/- (Rupees two only) each (or such other number adjusted in terms of Clause 3.3 herein below), not exceeding 4,40,000 (four lakh and forty thousand) equity shares of the Company, each fully paid-up, in one or more tranches in accordance with the terms and conditions of such issue and this Scheme.
- 3.2 Where the Shares are issued consequent upon Exercise of Options under the Scheme from time to time, the maximum number of Shares that can be subsequently issued under Scheme as referred to in Clause 3.1 above, will stand reduced to the extent of such Shares already issued.

- 3.3 In case of stock split, consolidation or other reorganisation of the capital structure of the Company from time to time (“**Share Reorganisation**”), the maximum number of Shares available for being Granted under the Scheme shall stand adjusted accordingly, so as to ensure that the cumulative face value (Number of Shares X Face value per Share) prior to such Share Reorganization remains unchanged after such Share Reorganisation.
- 3.4 Options not Vested due to non-fulfillment of the stipulated conditions within the stipulated time, Vested Options which the Option Grantees have expressly refused to Exercise, or any Vested Options not Exercised within the stipulated time due to any reasons, shall lapse. All Options which lapsed for whatever reason, will be available for Grant by the Committee to any Employee(s) as it may deem fit in its absolute discretion, under the present Scheme, subject to compliance of the provisions of Applicable Law. The terms relating to Exercise Price, Exercise Period, Vesting, etc. in respect of such lapsed Options to be Granted, as aforesaid, will be determined by the Committee at the time of Grant as it may deem fit in its absolute discretion, subject to compliance with all Applicable Laws.

4. Administration

- 4.1 The Scheme shall be administered by the Nomination and Remuneration Committee, which may delegate its duties and powers in whole or in part as it may determine. All questions of interpretation, dispute, discrepancy or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with the Scheme shall be referred to the Committee and shall be determined by the Committee. Such determination / decision / interpretation shall be final and binding upon all persons having an interest in or affected by the Scheme. The Committee may correct any defect, omission or reconcile any inconsistency in the Scheme in the manner and to the extent the Committee deems necessary or desirable.
- 4.2 The Committee shall in accordance with this Scheme and Applicable Laws, in its absolute discretion, determine the following:
- (a) The quantum of Options to be Granted under the Scheme per Employee, subject to the ceiling as specified in Para 3.1;
 - (b) the Eligibility Criteria and identification of Employee for Grant of Options;
 - (c) the kind of benefits to be Granted to the Employees under this Scheme;
 - (d) the right of an Option Grantee to Exercise all the Options Vested in him at one time or at various points of time within the Exercise Period;
 - (e) The procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of Options and to the Exercise Price in case of corporate actions such as merger, demerger, sale of division, stock split,

consolidation, rights issues, bonus issues and others. In this regard, the following shall, inter alia, be taken into consideration by the Committee:

- i. the number and price of Options shall be adjusted in a manner such that total value to the Option Grantee of the Options remains the same after the corporate action;
 - ii. the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Option Grantee(s) who is Granted such Options.
- (f) the Grant, Vesting and Exercise of Options in case of Option Grantee who is on long leave and the procedure and the terms thereof;
 - (g) The time when the Options are to be Granted;
 - (h) The number of Options reserved, if any, for Granting to new Employees who would join the services of the Company, a group company including subsidiary(ies) or its associate company(ies) or holding company;
 - (i) The specific Vesting Period, the Vesting schedule and the date of Vesting of the Options Granted;
 - (j) The terms and conditions subject to which the Options Granted would Vest in the Option Grantee;
 - (k) the conditions under which Options may Vest in the Option Grantee and may lapse in case of termination of employment for the Cause;
 - (l) the specified time period within which the Option Grantee shall Exercise the Vested Options in the event of termination or resignation;
 - (m) the specific Exercise Period within which the Option Grantee may Exercise the Option and that Option would lapse on failure to Exercise the Option within the Exercise Period;
 - (n) Deciding the treatment of Unvested Options upon separation of the Option Grantee;
 - (o) Obtaining permissions from and making periodic reports to regulatory authorities, as may be required by, and ensuring compliance with, all Applicable Law;
 - (p) Framing appropriate procedures and rules for Granting, Vesting and Exercise of Options and amending, altering, modifying or rescinding such procedures and rules from time to time;
 - (q) Framing policies for compliance and adherence with Applicable Laws in respect of the Granting, Vesting and Exercise of Options and sale / disposal of Shares in particular and the Scheme in general;
 - (r) Approve forms, writings and/or agreements for use in pursuance of the Scheme; and
 - (s) To modify or accelerate the Vesting of Options on a case to case basis, as it deems fit and at its absolute discretion, subject to compliance with applicable laws.

- 4.3 The Committee shall frame suitable policies and systems to ensure compliance with all Applicable Laws.
- 4.4 The number of members of the Committee and its powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to the provisions of the Applicable Law.
- 4.5 No member of the Committee shall be personally liable for any decision or action taken in good faith with respect to the Scheme.

5. Eligibility, Applicability and Grant

- 5.1 Only the Employees are eligible for being Granted Options under Scheme. The specific Employees to whom the Options would be Granted, the appraisal process and the Eligibility Criteria (including but not limited to performance, merit, grade, conduct, the present and potential contribution to the success, growth and development of the Company, retention of Employees and length of service of the Employee) would be determined by the Committee, at its absolute discretion, from time to time.
- 5.2 The Committee, during 1 (one) year, may Grant Options equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Options to any identified Employee, pursuant to the prior approval of the members of the Company as may be obtained from time to time.
- 5.3 The Scheme shall be applicable to the Company, its present and future subsidiary companies, associate companies and holding company and Options may be Granted to the Employees of the Company and its present and future subsidiary companies, associate companies and holding company as determined by the Committee on its discretion. The Grant of the Options to the Employees of the present and future subsidiary companies, associate companies and holding company of the Company is pursuant to the approval of the shareholders of the Company granted by way of a separate resolution in the Annual General Meeting held on September 30, 2022.

6. Grant of Options

The Committee may, in accordance with the terms and conditions of the Scheme for the time being in force, Grant Options, to one or more Employees, at its sole and absolute discretion. The Option Grantee shall be advised of the number of Options Granted, the Exercise Price, the Vesting schedule and specific Vesting Conditions, the Exercise Period etc. vide the Grant Letter. There will be no amount of up-front fee payable by the Employee at the time of Grant of Options.

7. Method of acceptance

Any Employee who wishes to accept the Grant must convey and deliver his acceptance (“**Acceptance**”) in the manner prescribed by the Company from time to time. The time period within which the Employee shall deliver the Acceptance to the Company, will be as specified in the Grant Letter. If the 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 shall not be liable to pay any amount to such Employee on such rejection. As a part of Acceptance, the Employee shall agree and acknowledge that the Employee has received and read the Scheme. The Options shall be subject to the Scheme. The Acceptance received after the above-mentioned period shall not be valid. Subject to the terms contained herein and in Grant Letter, the Acceptance of the Grant conveyed and delivered by the Employee, shall conclude a contract between the Employee and the Company.

8. Vesting schedule / Conditions

Options Granted under Scheme would Vest not less than 1 (one) year from the date of Grant of such Options and not later than 5 (Five) years from the Grant Date. Vesting of Options would be a function of continued employment with the Company (passage of time), achievement of performance or any other criteria as specified by the Committee and communicated at the time of Grant of Options. The specific Vesting schedule and conditions subject to which Vesting would take place would be outlined in the Grant Letter given to the Option Grantee at the time of Grant of Options.

9. Exercise

- 9.1 The Exercise Price shall be a price that is not less than the face value per share per Option. The exact price payable by the Option Grantee for each Grant would be as specified in the Grant Letter. Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favor of the Company or in such other manner as the Company may specify.
- 9.2 The Option Grantees may Exercise the Vested Options in one or more tranches during the Exercise Period. The Option Grantee shall Exercise the Vested Options by submitting Exercise Application to the Company. The Exercise Application shall be accompanied by payment of an amount equivalent to the Exercise Price in respect of such Shares along with any tax liability arising thereof. The Exercise Application shall be in such form as may be prescribed in this regard.
- 9.3 Each Option would entitle the Option Grantee, on Exercise, to subscribe 1 (One) Share of face value of Rs. 2 (Rupees two only) each *(or such other number adjusted for any Share Reorganization in terms of Clause 3.3 of this Scheme or otherwise adjusted in*

terms of Clause 4.2 from time to time, as may be determined by the Committee pursuant to the provisions of this Scheme). All Shares of the Company allotted consequent to Exercise of Options shall rank pari passu with the existing Shares of the Company.

9.4 The Options Granted shall be capable of being Exercised as detailed below in such proportions as defined in the Grant Letter. The Options cancelled or lapsed without being Exercised will be available for further Grant.

		Vested Options	Unvested Options
A	(a) While in Employment or (b) while on long leave¹ or (c) Transfer / Deputation between Company, its associate / subsidiary / holding company	All the Vested Options can be Exercised within the Exercise Period as mention in the Grant Letter not exceeding a period of 7 (seven) years from the Grant Date.	All the Unvested Options would continue to Vest as per the original Vesting schedule and can be Exercised within the Exercise Period as mention in the Grant Letter not exceeding a period of 7 (seven) years from the Grant Date.
B	Resignation / Termination other than for Cause	All the Vested Options shall be Exercised by the Option Grantee not later than 6 (six) months from the last working day, but within the Exercise Period as mention in the Grant Letter not exceeding a period of 7 (seven) years from the Grant Date, whichever is earlier.	All Unvested Options as on the last working day shall stand cancelled with effect from that date, unless otherwise determined by the Committee whose determination will be final and binding.
C	Termination for Cause²	All the Vested Options which were not Exercised at the time of such termination shall lapse with effect from the date of such termination.	All Unvested Options on the date of such termination shall lapse with effect from that date.

¹ Long leave shall mean a continuous leave of 3 (three) months.

² The determination as to whether the Option Grantee is terminated for Cause shall be made in good faith by the Committee and shall be final and binding on the Option Grantee.

D	Retirement / Early Retirement approved by the Company	All the Vested Options shall be Exercised within a period of 1 (one) year from the last working day but within the Exercise Period as mention in the Grant Letter not exceeding a period of 7 (seven) years from the Grant Date, whichever is earlier.	All the Unvested Options would Vest immediately subject to minimum Vesting Period of 1 year from the Grant Date and shall be Exercised within a period of 1 (one) year from last working day but within the Exercise Period as mention in the Grant Letter not exceeding a period of 7 (seven) years from the Grant Date, whichever is earlier.
E	Death	All Vested Options may be Exercised by the Option Grantee's nominee ³ within a period of 1 (one) year from the date of death of the Option Grantee or such extended period as may be granted by the Committee.	All Unvested Options shall Vest immediately on the date of death of the Option Grantee in the hands of his nominee ³ and may be Exercised by him within a period of 1 (one) year from the date of death of the Option Grantee or such extended period as may be granted by the Committee.
F	Permanent Incapacity⁴	All Vested Options may be Exercised by the Option Grantee / Nominee within a period of 1 (one) year from the date of separation due to such Permanent Incapacity.	All Unvested Options shall Vest immediately on the date of incurring Permanent Incapacity in the hands of the Option Grantee and may be Exercised by him / Nominee within a period of 1 (one) year from the date of

³ The mode of nominating any person as a nominee shall be prescribed by the Company. In case of the death of an Option Grantee who has not nominated any person(s), the Vested Options and the Unvested Options shall be Exercisable by the legal heir(s) / successor(s) of such Option Grantee as prescribed; provided however that the legal heir(s) / successor(s) shall be required to produce to the Company all such documents / indemnities as may be required by the Company to prove the succession of the assets of the deceased Option Grantee. In case the proof of succession is not submitted to the Company within 1 (one) year from the date of death of the Option Grantee or such further time as the Committee may permit in its absolute discretion, the Options shall lapse and shall be available for Grant by the Committee to any other Employee(s) as it may deem fit in its absolute discretion.

⁴ In case due to the Permanent Incapacity, the Option Grantee is not able to Exercise the Options, then his Nominee can Exercise the Options on behalf of the Option Grantee by following the process for Exercise of Options. Further, in the event of death of the Option Grantee after such separation and before the expiry of 1 (one) year from the date of such separation, the nominee/legal heir of such Option Grantee will be allowed to Exercise all Vested Options and Unvested Options of the Option Grantee as prescribed, and the provisions of Clause E above shall be applicable, *mutatis mutandis*.

			separation from employment due to such Permanent Incapacity.
G	Abandonment⁵	All the Vested Options which are not Exercised at the time of post facto designated last working day as a result of such abandonment of employment shall stand cancelled.	All the Unvested Options which are outstanding at the time of post facto designated last working day as a result of such abandonment of employment, shall stand cancelled.
H	Other reasons apart from those mentioned above	The Committee shall decide whether the Vested Options as on that date can be Exercised by the Option Grantee or not, and such decision with such conditions as may be determined by the Committee shall be final.	The Committee shall decide whether the Unvested Options as on that date can be Exercised by the Option Grantee or not, and such decision with such conditions as may be determined by the Committee shall be final.

9.5 The Options not Exercised within the Exercise Period for whatever reason, shall lapse and the concerned Option Grantee shall cease to have any rights over such Options and shall have no claim against the Company of any nature. The lapsed Options shall be available for Grant, as provided under Clause 3.4.

9.6 The Options Granted but not Vested and the Options Vested but not Exercised in case of an Option Grantee who has been suspended from the services of the Company, or to whom a show cause notice has been issued, or against whom an enquiry is being or has been initiated, for any reason whatsoever, including but not limited to alleged / proven misconduct, violation of Company’s policies, codes of the Company or terms of employment or for having committed or abetted any illegal or unlawful activity may, on the recommendation of the management, be suspended or kept in abeyance or cancelled at the sole discretion of the Committee. In case of Options that have been suspended or kept in abeyance, the same may be Vested in the concerned Employee on such terms and conditions, as may be imposed by the Committee in its absolute discretion. Cancelled Options, if any, shall be treated as lapsed Options and shall be available for Grant, as provided under Clause 3.4.

⁵ The Committee, at its sole discretion shall decide the date of cancellation of Options and such decision shall be binding on all concerned.

- 9.7 On Exercise of the Vested Options as specified above, the Company shall allot the Shares to the Option Grantee as per Exercise Application subject to compliance with the provisions of the Scheme and all Applicable Law.
- 9.8 In the event of an insolvency, 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 of any kind shall be payable in respect of the Options so cancelled.
- 9.9 If the Company gets delisted from all Recognised Stock Exchanges, then the Committee shall have the power to set out the terms and conditions for the treatment of Vested Options and Unvested Options in due compliance with Applicable Laws.

10. Surrender of Options

An Option Grantee, may at any time, surrender his Options; in which case the Company shall not be liable to pay any compensation to the Option Grantee in lieu of his surrender of Options. Thereafter, the surrendered Options shall lapse with effect from the date of surrender of Options. The Option Grantee shall cease to have any rights over such Options. Options so surrendered by the Option Grantee will be available for further Grant, as provided under Clause 3.4.

11. Other Terms and Conditions

- 11.1 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Options and becomes a registered holder of the Shares of the Company.
- 11.2 Options shall not be transferable to any person except in the event of death of the Option Grantee.
- 11.3 The Options shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner whatsoever. The Company shall not recognize any pledge, hypothecation, mortgage or other alienation done in violation of this condition.
- 11.4 If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with Clause 4.2 of the Scheme.

- 11.5 In the event of any change in the constitution of the Company, re-structuring of the Company including but not limited to, merger, de-merger, spin-off, reverse merger, subsidiarisation etc. or amalgamation of any other entity with the Company (**“Restructuring”**), (a) unless outstanding Options are effectively assumed by the surviving or acquiring corporation or otherwise remain outstanding, the Options Granted herewith shall become fully Vested and Exercisable subject to the minimum time for Vesting prescribed under the Applicable Laws and (b) if an Option is effectively so assumed or remains outstanding, the Committee would have the authority to alter all or any of the terms relating to the Grant or this Scheme in general and would also have the authority to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under Applicable Law, so as to ensure that the economic benefits under the Grant are passed on to the Option Grantees without being detrimental to their interests. The Committee shall take appropriate actions to ensure that total value of the Options remains the same after the aforesaid Restructuring and in this regard shall, if necessary, issue fresh Options / Shares of the holding / subsidiary companies of the Company and / or resultant entities emerging due to such Restructuring. If outstanding Options at the time of Restructuring were effectively assumed by the surviving or acquiring entity or remain outstanding in the resulting entity, and the Option Grantee’s employment is terminated by the surviving / acquiring / resulting entity without cause within twelve (12) months of the effective date of the aforesaid Restructuring, then such Options shall accelerate and become immediately and fully Exercisable upon such intimation of termination.
- 11.6 The Company will not be obliged to issue and allot any Shares upon Exercise of the Options or otherwise unless the issuance and delivery of such Shares complies, in the judgment of the Committee, with all the relevant provisions of Scheme and Applicable Law including but not limited to, any applicable securities laws and the requirement of the Recognised Stock Exchange.

12. Transferability of Shares

The Shares which may be issued / allotted upon Exercise of the Options Granted pursuant to this Scheme shall be transferable subject to Applicable Law and Company Policies.

13. Nomination of Beneficiary

The Option Grantee shall nominate a beneficiary by completing and signing the Beneficiary nomination form and delivering it to the Company. The Option Grantee shall have the right to change the Beneficiary by completing, signing and otherwise complying with the terms of the Beneficiary nomination form. A Beneficiary nomination shall be valid only if actually received by the Company. In the event the

Option Grantee fails to nominate a Beneficiary or the named Beneficiary does not survive the Option Grantee, then the Options shall be Exercised by the Legal heirs of the Option Grantee.

14. Lock-in period

There will be no lock-in period in respect of the Shares, which may be issued / allotted on Exercise of the Options Granted pursuant to this Scheme.

15. Tax Liability

The benefits conferred in terms of the Scheme shall be taxable in the hands of the Option Grantees based on the extant provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof or as separately determined by the relevant tax authorities from time to time including perquisite tax. In accordance with the provisions of the Income Tax Act, 1961, the Company shall have the right and is hereby authorized by the Option Grantees to deduct at source any applicable taxes, in connection with the Scheme or the Shares acquired upon the Exercise thereof, arising in the hands of the Company or of the Option Grantees, from the salary income of the Option Grantee or to take any such other action as may be necessary in the opinion of the Company to satisfy all its obligations for the payment of such taxes. The liability of paying tax, if any, on the Options Granted pursuant to this Scheme and the Shares issued pursuant to Exercise of Options shall be entirely on the Employees and shall be in accordance with the provisions of the Income Tax Act, 1961 and the Rules framed there-under or, if such Employees are resident in a territory outside India, then in accordance with tax laws applicable to such territory. In the event of any amendments or modifications to the provisions of the Income Tax Act, 1961 and/or the Rules framed there-under, as existing on the date of this Scheme, the Committee shall have the power to amend or modify this Scheme, without consent of the Employees or the Shareholders, as the case may be, in order to ensure that the Company is in the same position as it would have been had the amendments or modifications in the said Act and/or the Rules framed thereunder have not been made.

16. Authority to vary terms

- 16.1 Subject to Applicable Law, the Committee shall in its absolute discretion have the right to modify / amend the Scheme in such manner and at such time or times as it may deem fit, subject however that any such modification / amendment shall not be detrimental to the interest of the Option Grantees and approval wherever required for any such modification and / or the amendment shall be obtained from the shareholders of the Company in terms of the Applicable Law.

- 16.2 The Committee shall be entitled to vary the terms of the Scheme to meet any regulatory requirement without seeking shareholders' approval by special resolution.
- 16.3 The Committee may re-price the Options, which are not Exercised, if the Options Granted under the Scheme are rendered unattractive due to fall in the share price in the stock market. Provided that the Committee shall ensure that such re-pricing shall not be detrimental to the interest of the Option Grantees, approval wherever required for any such re-pricing shall be obtained from the shareholders of the Company in terms of the Applicable Law and such re-pricing is in terms / compliance with Applicable Law.

17. Miscellaneous

- 17.1 Government Regulations: This Scheme shall be subject to all Applicable Laws, and approvals from governmental authorities.
- 17.2 Inability to obtain approval : The inability of the Company to obtain approval from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue such Shares.
- 17.3 The Grant of an Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between a person and the Company gives such person any right or entitlement to have an Option Granted to him in respect of any number of shares or any expectation that an Option might be Granted to him whether subject to any condition or at all.
- 17.4 Neither the existence of this Scheme nor the fact that an individual has on any occasion been Granted an 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 or any other scheme by being granted an option on any other occasion.
- 17.5 The rights Granted to an Option Grantee upon the Grant of an Option shall not afford the Option Grantee any rights or additional rights to compensation / damages 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).
- 17.6 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 his Options in whole or in part.

- 17.7 Nothing contained in the Scheme or in any Grant made hereunder shall:
- (i) confer upon any Employee any right with respect to continuation of employment or engagement with the Company or its associate company, subsidiary companies or holding company, or
 - (ii) interfere in any way with the right of the Company to terminate employment or services of any Employee at any time.
- 17.8 Neither the adoption of the Scheme nor any action of the Committee shall be deemed to give an Employee any right to be Granted any Option to acquire Shares or to any other rights, except as may be evidenced by the Grant Letter.
- 17.9 Participation in this Scheme shall not be construed as any guarantee of return on any investment. Any loss due to fluctuations in the market price of the Shares and the risks associated with the investments is that of the Employee alone.
- 17.10 The Employees shall adhere and comply with the applicable policies of the Company including codes and policies framed under SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, for sale, pledge or otherwise transfer, directly or indirectly, any Shares or disposal of any interest in or over or right attaching to any of the Shares.

18. Confidentiality

Employees shall keep the details of the Options Granted to them strictly confidential and shall not share or disclose the said details with or to any other Employee except with the prior written permission of the Company unless so required to do under the Applicable Laws applicable to such Option Grantee / Beneficiary. In case of non-adherence to the provisions of this Clause, the Committee will have the authority to deal with such cases as it may deem fit in its absolute discretion. Upon conveying and delivering the Acceptance, the Option Grantee shall be deemed to have authorised the Company to disclose the information relating the Options Granted, Vested, Exercised and lapsed vis-à-vis the Option Grantee to such person as the Company may deem fit on need to know basis from time to time.

19. Method used for valuing Options

The Company shall follow the fair value method for computing the compensation cost for the Options Granted.

20. Listing of the Shares

Subject to the approval of the Recognised Stock Exchanges, the Shares issued and allotted on Exercise of the Options shall be listed immediately on the Recognised Stock Exchanges.

21. Conformance to the Accounting Policies

The Company shall conform to the accounting policies prescribed by Applicable Laws from time to time.

22. No Restriction on Corporate Action

The existence of the Scheme and the Grants made hereunder shall not in any way affect the right or the power of the Board or the shareholders of the Company to make or authorise any change in its capital structure; including any issue of shares, debt or other securities having any priority or preference with respect to the shares or the rights thereof or from making any corporate action which is deemed to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Scheme or any Grant made under the Scheme. No Employee or other person shall have any claim against the Company as a result of such corporate action.

23. New Schemes

Nothing contained in the Scheme shall be construed to prevent the Company directly or through any trust settled by the Company, from implementing any other new scheme for granting stock options and / or share purchase rights etc. which is deemed by the Company to be appropriate or in its best interest, whether or not such other action would have any adverse impact on the Scheme or any Grant made under the Scheme. No Employee or other person shall have any claim against the Company and/or trust as a result of such action.

24. Notices

All notices or communication required to be given by the Company to an Option Grantee by virtue of this Scheme shall be in writing and shall be sent to the last address / email id 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 the Scheme shall be sent to the registered address / email id of the Company which is currently at the address mentioned below (or to such other addresses as maybe applicable in case of a change in the registered office):

The Company Secretary
IIFL Wealth Management Limited
IIFL Center, Kamala City, Senapati Bapat Marg,

25. Scheme Severable

In the event of any term, condition or provision of this Scheme being held to be a violation of or contrary to any Applicable Law, the same shall be severable from the rest of this Scheme and shall have no force and effect and this Scheme shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Scheme.

26. Arbitration

All disputes arising out of or in connection with the Scheme or the Grant, Vesting or Exercise shall be referred to for arbitration to a single arbitrator to be appointed by the Company. The arbitration proceedings shall be in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The venue and seat of Arbitration shall be Mumbai, Maharashtra, India. 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.

27. Governing Law and Jurisdiction

27.1 The terms and conditions of the Scheme shall be governed by and construed in accordance with the laws of India.

27.2 The courts of Mumbai, India, shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this Scheme.

27.3 Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this Scheme:

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