



**Westlife Development Limited  
Employee Stock Option (Trust) Scheme 2021  
[The ESOS Trust Scheme 2021]**

**Employee Stock Option plan being implemented through  
The Westlife ESOS Trust**

**Westlife Development Limited**  
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One International Center, Senapati Bapat Marg,  
Prabhadevi, Mumbai – 400 013

## The Westlife Development Limited Employee Stock Option (Trust) Scheme 2021

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### (1) Name of the Scheme

This Scheme shall be termed “**The Westlife Development Limited Employee Stock Option (Trust) Scheme 2021**” (hereinafter referred to as “*the ESOS Trust Scheme 2021*”). The ESOS Trust Scheme 2021 will be effective from the date of implementation of the Scheme by the Compensation Committee (hereinafter referred to as “the Committee”).

### (2) Salient features / benefits of the Scheme

The ESOS Trust Scheme 2021 is pursuant to and under the authority granted in terms of approval by the shareholders at the Annual General Meeting of the Company held on 16<sup>th</sup> September, 2021 and in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulation, 2021 issued by the Securities and Exchange Board of India (“SEBI”) (hereinafter referred to as “*the SEBI SBEB Regulations*”).

The Scheme applies to all Employees (as defined herein below). The Committee and/or the Compensation Committee of Board of Directors would decide the entitlement of each Employee based on his/her level, grade, seniority and other relevant factors.

Only Employees to whom options are granted would be entitled to the benefits arising out of such options.

The purpose of the Scheme is to reward and retain employees of the Company and of its subsidiaries, and to encourage them to increase their efforts to make the Company’s business more successful. The Scheme is for the limited purpose of extending the options to the aforesaid employees.

This document sets out the features of the ESOS Trust Scheme 2021, the benefits accruing to the employees under this Scheme, the duties and responsibilities of the beneficiaries as also the procedures to be followed. The document shall serve as a reference for the administration of the ESOS Trust Scheme 2021. This document should be carefully read and understood and the procedures prescribed shall be diligently observed for availing of the benefits under the ESOS Trust Scheme 2021.

### (3) Definitions

Except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against. Further, unless the context otherwise requires, words denoting the masculine gender shall include the feminine gender and words denoting the singular shall include the plural and vice versa. Words and expressions not defined shall have the meaning as per SEBI SBEB Regulations as amended, modified or re-enacted from time to time as applicable from time to time:

3.1 “**Applicable Laws**” shall mean laws of India to the extent applicable and as amended and modified from time to time. Accordingly, any actions taken hereunder shall be governed

by, and construed in accordance with, the laws of India, without regard to the application of the conflicts of laws/provisions thereof;

- 3.2 **"Acceptance Form"** shall mean the form, which the Grantee has to submit indicating his acceptance of the offer made to him to participate in the ESOS Trust Scheme 2021;
- 3.3 **"Beneficiary"** means the person, persons, trust or trusts designated/nominated by a Participant, or in the absence of any designation/nomination by the Participant, a person or persons who is/ are entitled by the will of the Participant to receive the benefits specified in the ESOS Trust Scheme 2021, the legal heirs of the Participant, if the Participant dies intestate and includes the Participant's Executors or Administrator, if no other beneficiary is designated and able to act under the circumstances and such other persons as may be added from time to time to the class of beneficiaries by notice in writing and by nomination form in the exercise of any powers conferred under the ESOS Trust Scheme 2021 or any other agreements forming part thereof;
- 3.4 **"Board"** means the Board of Directors of the Company;
- 3.5 **"Committee"** means the Compensation Committee that has been constituted by the Board for administration and superintendence of the ESOS Trust Scheme 2021 pursuant to Clause 4.1 below (being the Nomination & Remuneration Committee of the Board of Directors of the Company), consisting of such members as may be required under applicable law(s) from time to time;
- 3.6 **"Company"** means Westlife Development Limited bearing CIN L65990MH1982PLC028593 and having its registered office at 1001, Tower-3, 10<sup>th</sup> Floor, One International Center, Senapati Bapat Marg, Prabhadevi, Mumbai – 400 013;
- 3.7 **"Corporate Action"** means one of the following events :
- rights / bonus / further issue of Equity Shares;
  - reorganization of the Shares;
  - restructuring of the share capital of the Company;
  - Other reorganization of the Company in which the Shares are converted into or exchanged for [a] a different class of securities of the Company; or [b] any securities of any other issuer; or [c] cash; or [d] other property;
  - Sale, lease or exchange of all or substantially whole of the assets/ undertaking of the Company to any other company or entity;
  - Adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up;
- 3.8 **"Employee"** means:
- (a) Permanent employee of the Company who has been working in India or outside India; or, as may be decided by the Board / Committee.
  - (b) Directors (including Whole – time Directors) of the Company at any time, excluding Independent Directors
  - (c) An employee as defined in clauses (a) or (b) of a Subsidiary, in India or outside India, or of a Holding Company of the Company.
  - (d) Such other persons, as may from time to time, be allowed under prevailing laws and the SEBI SBEB regulations, and as may be approved by the Board/Committee for this purpose.

Above persons are referred herein collectively as the "Eligible Employees".

However

- (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 at the time of granting of option

shall not be eligible to participate in the ESOS Trust Scheme 2021.

- 3.9 **"ESOS"** means a scheme under which a Company grants employee stock options directly;
- 3.10 **"ESOS Trust"** or **"the ESOS Trust"** or **"Trust"** or **"the Trust"** shall mean The Westlife ESOS Trust set up for the implementation of the ESOS Trust Scheme 2021;
- 3.11 **"Exercise"** means making of an application by the Participant to the Company for issue of Shares against the Vested Options with the Participant in pursuance of the ESOS Trust Scheme 2021, on payment of the Exercise Price;
- 3.12 **"Exercise Period"** means a period within which the Participant exercises his right to apply for shares against vested options in pursuance of the ESOS Trust Scheme 2021. The exercise period shall commence from the date of vesting and shall expire on completion of a period from the date of vesting as set out in the terms of the respective Grant;
- 3.13 **"Exercise Price"** means the purchase price of each Share payable by the Participant for exercising the Option granted to him in pursuance of the ESOS Trust Scheme 2021;
- 3.14 **"FEMA Regulations"** means the Foreign Exchange Management (Transfer or issue of Securities by a person resident outside India) Regulations, 2000 issued by Reserve Bank of India vide notification no FEMA 20/ 2000- RB dated May 3, 2000 as may be applicable and amended from time to time;
- 3.15 **"General Meeting"** means a general meeting of the Shareholders of the Company held in accordance with the Articles of Association of the Company and other Applicable Laws;
- 3.16 **"Grant"** means the process by which the Company issues options under the ESOS Trust Scheme 2021.
- 3.17 **"Grant Date"** means the date on which the Committee approves the grant;
- 3.18 **"Grant Letter"** means the letter by which grant of an Option is communicated to the Grantee;
- 3.19 **"Grantee"** or **"Participant"** shall mean an Employee at the time of grant of the option, having a right and not an obligation to exercise an option, and who in the opinion of the Committee is declared to be eligible to participate under the ESOS Trust Scheme 2021;
- 3.20 **"Holding Company(ies)"** means any Holding Company of the Company as defined in the Companies Act, 2013;
- 3.21 **"Independent Director"** shall have the same meaning as assigned to it in Section 149(6) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)b of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- 3.22 **"Key Managerial Personnel" (KMP)** shall have the same meaning as assigned to it in Section 2(51) of the Companies Act, 2013;
- 3.23 **"Option"** means the option given to an Employee which gives a right, but not an obligation to purchase or subscribe at a future date, the shares offered by the Company, at a pre-determined price;
- 3.24 **"Permanent Employee"** means employees who are on the payroll of the Company /Subsidiary Company(ies)/ Holding Company(ies));
- 3.25 **"Promoter"** means the persons as defined in Regulation 2(1)(cc) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as may be amended from time to time;
- 3.26 **"Promoter Group"** means the group as defined in regulation 2(1)(dd) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as may be amended from time to time;
- 3.27 **"Relative"** shall have the same meaning as defined under section 2(77) of the Companies Act, 2013 read with rules made there under;
- 3.28 **"Relevant Date"** means, in case of grant, the date of the meeting of the Compensation Committee on which the grant is made; and in case of exercise, the date on which the notice of exercise is given to the Company or to the trust by the Employee
- 3.29 **"Scheme / ESOS Trust Scheme 2021"** shall have the meaning ascribed to such term in Clause 1 hereinabove and shall include any alterations, amendments, additions, deletions, modifications or variations thereof from time to time in the interest of the employees;
- 3.30 **"SEBI"** shall mean the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
- 3.31 **"SEBI SBEB Regulations"** means the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, issued by SEBI and shall include any amendments, additions, deletions, modifications or variations thereof from time to time;
- 3.32 **"Share"** means equity shares and securities convertible into equity shares and shall include American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs) or other depository receipts representing underlying equity shares or securities convertible into equity shares;
- 3.33 **"Shareholder"** means the registered holder of any Share in the share capital of the Company;
- 3.34 **"Stock Option"** shall have the same meaning as assigned to "Option" under clause 3.24 above
- 3.35 **"Subsidiary Company / Subsidiary"** means any Subsidiary Company of the Company whether existing or as and when formed or acquired, as defined in the Companies Act, 2013;
- 3.36 **"Termination Date"** means the date of termination of employment of the Participant with the Company or Subsidiary Company(ies) or Holding Company(ies) or Associate Company(ies);

- 3.37 **"Total or 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;
- 3.38 **"Unvested Option"** means an Option, which is not a Vested Option;
- 3.39 **"Vesting"** means the process by which the Participant becomes entitled to receive the benefit of a grant made to him under the ESOS Trust Scheme 2021;
- 3.40 **"Vesting Period"** means the period during which the vesting of the Option granted to the Participant in pursuance of the ESOS Trust Scheme 2021 takes place;
- 3.41 **"Vested Option"** means an Option which has vested with the Participant and has thereby become exercisable;

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the SEBI SBEB Regulations, the Securities and Exchange Board of India Act, 1992 or the Securities Contract (Regulation) Act, 1956, Income Tax Act, 1961 or the Companies Act, 2013, or the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any other regulations and/or circulars issued by SEBI or any statutory modification or re-enactment thereof, as the case may be.

- The headings/ subheadings/ titles/ subtitles are only for the sake of convenience and shall not be interpreted to restrict or otherwise affect the meaning or import of the Clauses herein contained, which shall be interpreted solely in light of the contents thereof;
- Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings;
- Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form;
- The term 'including' shall mean 'including without limitation', unless otherwise specified;
- Any reference to any law, regulations and statute shall be deemed to include any amendment, modification or re-enactment of such law, regulations and statute from time to time.

#### **(4) Administration of the ESOS Trust Scheme 2021**

- 4.1 The ESOS Trust Scheme 2021 shall be implemented through the Trust and would be administered by and be under the superintendence of the Compensation Committee i.e. the Nomination and Remuneration Committee constituted by the Board. The Grantee shall abide by the policies, decisions and procedures laid down by the Committee, from time to time.
- 4.2 The Committee is, subject to compliance with the SEBI SBEB Regulations, authorised to interpret the ESOS Trust Scheme 2021, to establish, amend and rescind any rules and regulations relating to the ESOS Trust Scheme 2021 and to make any other determinations that it deems necessary or desirable for the administration and implementation of the ESOS Trust Scheme 2021. The Committee, in consultation with the Company/Board, may rectify any defect, omission or reconcile any inconsistency in the Scheme in the manner

and to the extent the Committee deems necessary or desirable. 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 parties concerned (including, but not limited to, Grantee and/or Participants and their beneficiaries or successors);

4.3 The Committee, inter alia, may do the following:

- (a) Formulate detailed terms and conditions and procedures for grant or/and vesting under the ESOS Trust Scheme 2021, administer, supervise and implement or alter the same in accordance with applicable provisions in this behalf;
- (b) Meet as and when necessary to administer the ESOS Trust Scheme 2021;
- (c) Authorize one or more of its members, to grant options under this ESOS Trust Scheme 2021 based on the parameters as prescribed by the Committee (Provided that such grants shall be ratified at the subsequent meeting of the Committee);
- (d) Adopt rules and regulations for implementing the ESOS Trust Scheme 2021 from time to time. Frame suitable procedures and prescribe forms and issue in relation to the ESOS Trust Scheme 2021 and may from time to time amend, recall or replace such rules, regulations, procedures and forms;
- (e) Identify the Employees entitled to participate under the ESOS Trust Scheme 2021;
- (f) Grant Options to the identified Employees and determine the date of Grant;
- (g) Determine the number of Options to be granted to each Grantee;
- (h) Determine the number of Shares of the Company to be covered by each Option granted under the Scheme;
- (i) Determine the method for exercising the Vested Options;
- (j) Determine the Exercise Price of the Options granted;
- (k) Determine the conditions under which options vested in employee may lapse or be forfeited;
- (l) Grant an extension of time for exercise within the maximum exercise period, upon a specific request made by the employee concerned to this effect;
- (m) Reissue lapsed, surrendered, cancelled and forfeited options;
- (n) Resolve any tax obligation arising in connection with the options or Shares issued pursuant to the ESOS Trust Scheme 2021;
- (o) Delegate all or any of its administrative powers to one or more Officers of the Company and/or to one or more Sub-Committees;
- (p) Make necessary authorizations for seeking corporate action, listing of the shares and other matters arising out of exercising of options;
- (q) Determine terms and conditions for grant, vest and exercise of options in case of employees who are on long leave;
- (r) Determine the terms and conditions, not inconsistent with the terms of the ESOS Trust Scheme 2021, of any Option granted hereunder;



- (s) Approve forms or agreements for use under the ESOS Trust Scheme 2021;
- (t) Decide all other matters that must be determined in connection with an Option under the ESOS Trust Scheme 2021;
- (u) Construe and interpret the terms of the ESOS Trust Scheme 2021 and the Options granted pursuant to the ESOS Trust Scheme 2021;
- (v) Do all that may be necessary to ensure compliance of the ESOS Trust Scheme 2021 and administration thereof with the SEBI SBEB Regulations;
- (w) Frame suitable policies, procedures and systems to comply with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 2003 to be followed by the Company, Participants and Others as applicable;
- (x) Frame the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions including rights issues, bonus issues, consolidation, sub-division of shares, merger, sale of division and others related actions ("Corporate Action"). In this regard, the following shall be taken into consideration by the Committee:
  - i) The number and the price of the ESOS Trust Scheme 2021 shall be adjusted in a manner such that total value of the ESOS Trust Scheme 2021 remains the same after the Corporate Action;
  - ii) For this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered;
  - iii) The Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Option-holders;
- (y) Such other things as the SEBI SBEB Regulations may prescribe from time to time.

- 4.4 All decisions made by the Committee in the matter referred to above shall be conclusive and binding on all parties concerned (including, but not limited to, Grantee and/ or Participants and their beneficiaries or successors). Neither the Company nor the Committee shall be liable for any action or determination made in good faith with respect to the ESOS Trust Scheme 2021 or any Option granted thereunder.

#### **(5) Eligibility / identity of the classes of persons eligible under the ESOS Trust Scheme 2021**

- 5.1 Except as set forth in this Scheme, all Employees are eligible for Stock Options under the ESOS Trust Scheme 2021 subject to the provisions of the Scheme. The Committee will determine and designate from time to time Employees of the Company and / or Subsidiaries and/or Holding Company to whom Stock Options are to be granted and the number of Shares by such grants.
- 5.2 In determining the eligibility of an Employee to receive Stock Options under the Scheme, the Committee may consider the performance of an Employee as indicated by the annual performance appraisal, minimum period of service, the position and responsibilities of an Employee, the nature and value to the Company of his services and accomplishments, his

present and potential contribution to the success of the Company, past service and geographical location and such other factors that the Committee may deem relevant. The Committee however is authorized to change the eligibility criteria from time to time.

#### **(6) Shares Pool / Number of Stock Options / Number of Shares per Stock Option**

The total number of Stock Options to be granted is 77,83,433 to the Eligible Employees. The Stock Option holder is eligible to receive one equity share for every one Option granted to him/her on exercise of the said option as per this ESOS Trust Scheme 2021. Accordingly, the maximum number of Shares that may be issued pursuant to Exercise of Options granted to the Participants under the ESOS Trust Scheme 2021 shall not exceed 77,83,433 Equity Shares of face value of Rs. 2/- each.

#### **(7) Maximum number of Stock Options to be issued per employee and in the aggregate**

- 7.1 Maximum number of options to be issued per employee per year shall not exceed 7,50,000 and 77,83,433 in the aggregate;
- 7.2 Apart from grant of options as stated above, no monetary benefits are contemplated under the Scheme. The maximum quantum of benefits underlying the stock options issued to an employee shall be equal to the difference between the option exercise price and the market price of the shares on the exercise date.

#### **(8) Exercise Price**

The Committee is empowered to fix the exercise price considering inter-alia the market / purchase price of shares as defined in the SEBI SBEB Regulations and shall be communicated in the Grant Letter addressed to the participant.

#### **(9) Grant of Stock Options**

- 9.1 The Committee may offer the Stock Options to a Grantee in accordance with the terms and conditions of the ESOS Trust Scheme 2021 for the time being in force. Letters of Grant will be accompanied by a Disclosure Statement containing inter-alia, statement of risks, information about the Company and salient features of the ESOS Trust Scheme 2021;
- 9.2 Each Option will entitle the Participant to one Share of the Company.
- 9.3 The Grant of the Stock Options by the Committee to the Grantee shall be made in writing and communicated to the Grantee. Such a Grant shall state the number of Stock Options offered, Vesting Period, Exercise Period, the Exercise Price;
- 9.4 An offer made under Clause 9.1 above is personal to the Grantee and cannot be transferred, pledged, hypothecated, mortgaged or otherwise alienated in any manner whatsoever;
- 9.5 No amount is payable by the Grantee at the time of grant of options.

#### **(10) Lock-in period**

There shall be no lock-in period on shares issued / transferred to Employee pursuant to exercise of the Stock Options or after vesting of Stock Options.

#### **(11) Vesting of Stock Options**

- 11.1 There shall be a minimum period of one year between the grant of Stock Options and vesting of Stock Options. The vesting of Stock Options may be spread over a period of a certain number of years after the aforesaid one year from the date of Grant, as may be decided by the Committee. The Committee is empowered to implement and decide and amend the vesting schedule to suit the needs of the organization.
- 11.2 The Stock Options may vest in tranches subject to the terms and conditions as may be stipulated by the Committee, which may include satisfactory performance of the Employee/Directors and their continued employment with the Company, as the case may be, unless such employment is discontinued on account of death, permanent/total disability or on retirement.
- 11.3 In the event that an employee who has been granted benefits under the scheme is transferred or deputed to an associate or group company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

#### **(12) Exercise of Options**

- 12.1 The vested Options shall be exercisable according to the terms and conditions as determined and set forth under the ESOS Trust Scheme 2021;
- 12.2 Subject to Clause 14.1, the Participant alone can exercise the vested Options;
- 12.3 Subject to Clause 10 above and Clause 14 below, the Employee can exercise the vested Options within the Exercise Period (as defined under Clause 3.13). Such Exercise may be of all vested Options or part of the vested Options;
- 12.4 Exercise of the Stock Options shall take place at the time and place designated by the Committee or Company and by executing such documents as may be required under applicable Laws to pass a valid title to the relevant Equity Shares to the Participant, free and clear of any liens, encumbrances and transfer restrictions save for those set out herein;
- 12.5 Stock Option shall be deemed to be exercised only when the Committee receives a written notice of Exercise and the Exercise Price (in accordance with the Scheme) from the person entitled to Exercise the Stock Option specifically mentioning the following:

- i) Number of options that he is willing to exercise under the ESOS Trust Scheme 2021;
  - ii) Demat Account details specifying Depository Participant (D.P.) ID No. and Client ID No. to which the equity shares shall be transferred;
- 12.6 On Exercise, the Participant can subscribe to / purchase the Shares on the full payment of the Exercise Price and taxes, if any required to be deducted by the Company in respect of exercise of the Options, and the Company shall allot the Shares to the Participants by crediting the same to the Participant's demat account, or, if requested in writing by the Participant, to the demat account held jointly by the Participant with another person.
- 12.7 Notwithstanding anything else contained in the ESOS Trust Scheme 2021, if the Participant does not exercise his vested Options within the time specified in Clause 13.3 above and clause 14 below, the Stock Options shall lapse;
- 12.8 There shall be allowed cashless exercises of the Stock Options on terms and conditions as may be decided by the Committee;
- 12.9 Notwithstanding anything contained elsewhere in the Scheme, the Committee may if the exercise of stock options within the exercise period, is prevented by any law / regulation in force or order of any jurisdictional court, defer or not permit the exercise of stock options so long as it is prohibited by the applicable laws or regulations and in such an event, the Company shall not be liable to pay any compensation or similar payment to the Stock Option Grantee for any loss suffered due to such prohibitions and the exercise period shall stand extended by such period but not beyond the tenure of the ESOS Trust Scheme 2021.
- Provided further, that the Committee shall have the power to cancel all or any of the options granted under the ESOS Trust Scheme 2021, if so required, under any law for the time being in force or the order of any jurisdictional court. In the event of any such cancellation, no compensation shall be payable to the Grantee for such cancelled options.
- 12.10 An Employee can exercise vested stock options at one time or various points of time within the exercise period.

**12.11 Employees on Long Leave:**

No employee on long leave, unless approved by the Compensation Committee, shall be eligible for any grants given during the period of the long leave.

All eligible employees, who are not availing of approved sabbatical/ earned leave and are availing of unpaid leave of more than 30 days, shall have all Unvested Options cancelled, unless previously approved by the Board of Directors or the Compensation Committee.

All Vested Options may be exercised by the Option Grantee immediately after the commencement of the long leave, but in no event later than 90 (ninety) days from the date of commencement of the long leave, unless previously approved by the Board of Directors or the Compensation Committee.

## **(13) Termination of Employment**

### **13.1 On death of a Participant**

In the event of death of a Participant while in employment, all the Stock Options granted to him till such date shall vest in the Beneficiary of the deceased Participant, subject to the adherence of statutory requirement of minimum period of one year between the grant of option and vesting of options. All the vested Options shall be permitted to be exercised within one year from the date of death of such employee or one year from the minimum vesting period (i.e., one year from the date of grant) whichever is later.

### **13.2 On Disability of Participant**

In the event of the cessation of a Participant's employment with the Company or its Subsidiary Companies or its holding Companies as a result of total or permanent incapacity, all the Options granted to him as on the date of permanent incapacitation, shall vest in him, subject to the adherence of statutory requirement of minimum period of one year between the grant of option and vesting of options. All the vested Stock Options shall be permitted to be exercised within one year from the date of such permanent incapacitation of employee or one year from the minimum vesting period (i.e., one year from the date of grant) whichever is later.

### **13.3 On attainment of Superannuation age**

In case the service of the Participant with the Company or its Subsidiary Companies or its Holding Companies or Associate Companies ceases due to retirement on superannuation, all the unvested Stock Options shall continue to vest as per terms of the grant. All the vested Stock Options shall be permitted to be exercised within such period as may be decided by the Committee at its absolute discretion; however in no case such period shall be more than the exercise period.

However, the Committee has the right to cancel/withdraw all the stock options granted (including vested and unvested) to such employee in case in the opinion of the Company, the Participant is found to be employed with the competitors of the Company or serving or advising the competitors in any manner or working detrimental to the interests of the Company.

### **13.4 Voluntary Termination/Termination due to resignation**

If the Grantee voluntarily terminates employment with the Company/ Subsidiary Company / Holding Company or undergoes termination due to resignation as per the rules of the Company, the Stock Options to the extent not vested shall lapse/expire and be forfeited forthwith. All the vested Stock Options shall be exercised within a period of 30 days.

### 13.5 Other Termination

In case of termination of an employee other than voluntary termination/ resignation/ termination due to misconduct, the options to the extent not vested shall lapse/expire and be forfeited forthwith. The Committee shall decide at its absolute discretion the time within which the employee shall exercise the vested stock options, however such time shall not be more than one year from the date of such termination.

However, the Committee has the right to cancel/withdraw all the stock options granted (including vested and unvested) to such employee in case in the opinion of the Company, the Participant is found to be employed with the competitors of the Company or serving or advising the competitors in any manner or working detrimental to the interest of the Company.

### (14) Corporate Action

- 14.1 In case of any corporate action(s) such as rights issues, bonus issues, merger, sale of division and others, if any additional Equity Shares are issued by the Company to the Option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 77,83,433 Equity Shares shall be deemed to be increased to the extent of such additional Equity Shares issued;
- 14.2 In the event of a Corporate Action, the Committee in consultation with the Board, subject to the provisions of the ESOS Trust Scheme 2021 and the SEBI SBEB Regulations, shall determine the number of Shares which can be acquired on Exercise of a Stock Option (vested as well as unvested) or the Exercise Price in respect of such Shares, or both the number and the Exercise Price, subject to the applicable rules and regulations. Such number and/or Exercise Price would be determined by the Committee as is appropriate in accordance with the SEBI SBEB Regulations.

### (15) Method of valuing the Options

The Company will adopt the intrinsic value method to value the options granted under the Scheme or such other valuation as may be decided by the Committee.

### (16) Appraisal process for determining the eligibility of Employees

The process for determining the eligibility criteria for the eligible employees for this Scheme will be specified by the Compensation Committee, and will be based on, such criteria such as length of service, grade, performance, technical knowledge, leadership qualities, merit, contribution and conduct, future potential., etc., and such other factors as may be appropriate and as may be decided by the Committee, in its discretion, from time to time.

### (17) Power to surrender Options

The Employees are free to surrender their options voluntarily, whether vested or not, if in their opinion, the options granted are not beneficial to them, even before the expiry of their exercise period.

#### **(18) Lapsed / surrendered / cancelled / forfeited Options**

All the options that are lapsed/surrendered/cancelled/forfeited shall be available for re-issue by the Committee.

#### **(19) Notices and correspondence**

- 19.1 Any notice required to be given by a Participant to the Company or the Committee or any correspondence to be made between a Participant and the Company or the Committee may be given or made to the Company at the registered office of the Company or as may be notified by the Company or Committee in writing.
- 19.2 Any notice, required to be given by the Company or the Committee to a Participant or any correspondence to be made between the Company or the Committee and a Participant shall be given or made by the Company or the Committee on behalf of the Company at the address provided by the Participant in his Acceptance Form.

#### **(20) Beneficiary designation**

- 20.1 Each Participant under the ESOS Trust Scheme 2021 may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit under the ESOS Trust Scheme 2021 are to be delivered in case of his death before he receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Participant. The Nomination shall be in a form prescribed by the Company and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime;
- 20.2 In the event of death of the Grantee, the nominee specified as aforesaid shall alone be entitled to exercise the rights of the Grantee concerned and the Company shall not be liable in relation to any rights and obligations amongst the legal heirs inter-se of the Grantee concerned;
- 20.3 Where the Grantee has not made the nomination as above, then, the person appointed as nominee by the Grantee as per the Provident Fund rules, shall be deemed to be the nominee for the purposes of the ESOS Trust Scheme 2021;
- 20.4 If the Grantee fails to make a nomination as mentioned above in any case, the options shall vest on legal heirs in the event of death.

#### **(21) Non-transferability of Stock Options**

Save as provided in Clause 14.1 above, the Stock Options granted herein, are personal to the Participant. The Options cannot be assigned, alienated, pledged, attached, hypothecated, sold, or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent, to the extent permitted under the Applicable Laws, and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void



and unenforceable against the Company.

## **(22) Taxes**

- 22.1 All Options granted under the ESOS Trust Scheme 2021 shall be subject to all applicable withholding tax requirements, if any, and the Company or Committee may withhold such taxes accordingly;
- 22.2 All the tax liabilities arising on disposal or transfer of shares by the Grantees after exercise of Options would be required to be borne by the Grantee directly;
- 22.3 The Grantee shall pay all the applicable taxes;
- 22.4 In the event of any tax liability arising on account of the ESOS Trust Scheme 2021, the Company shall have the right to deduct the same from the salary or to cause the shares eligible or held by the Grantee under this ESOS Trust Scheme 2021, to be sold or otherwise alienated to meet the liability, on behalf of the Grantee;
- 22.5 Notwithstanding anything else contained in the ESOS Trust Scheme 2021, no Shares/sale proceeds therefrom, as the case may be, shall be disbursed to the Participant or his Beneficiary, on Exercise of the Options under this ESOS Trust Scheme 2021/winding up of the ESOS Trust Scheme 2021 unless appropriate taxes as required under the applicable tax laws, are discharged.

## **(23) Term of ESOS Trust Scheme 2021**

- 23.1 The ESOS Trust Scheme 2021 shall continue in effect unless terminated by the Company in accordance with applicable laws;
- 23.2 Any such termination of the ESOS Trust Scheme 2021 shall not affect Options already granted and such Options shall remain in full force and effect as if the ESOS Trust Scheme 2021 had not been terminated unless mutually agreed otherwise between the Participants and the Committee/the Company.
- 23.3 In case of winding up of the schemes, the excess monies or shares remaining with the trust after meeting all the obligations, if any, shall be utilised for repayment of loan or by way of distribution to employees as recommended by compensation committee

## **(24) Governing Law**

- 24.1 The ESOS Trust Scheme 2021 and all agreements thereunder shall be governed by and construed in accordance with the laws of India.
- 24.2 The ESOS Trust Scheme 2021 and all agreements thereunder shall be subject to the jurisdiction of the courts at Mumbai, India.
- 24.3 The Participant agrees and acknowledges that the Participant has received and read a copy of this Scheme / the ESOS Trust Scheme 2021. The Stock Options are subject to the ESOS Trust Scheme 2021.



## **(25) Regulatory approvals**

The implementation of the ESOS Trust Scheme 2021, the granting of any Stock Option under the ESOS Trust Scheme 2021 and the issuance of any Shares under this ESOS Trust Scheme 2021 shall be subject to the procurement by the Company and the Participants of all approvals and permissions required by any regulatory authorities having jurisdiction over the ESOS Trust Scheme 2021 and the Stock Options / Shares issued / allocated pursuant thereto. The Participants under this ESOS Trust Scheme 2021 will, if requested by the Committee, provide such assurances and representations to the Company, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.

## **(26) Modification of the ESOS Trust Scheme 2021**

26.1 Subject to compliance with the requirement of the SEBI SBEB Regulations and other applicable laws, the Committee may at any time and from time to time:

- i) revoke, add to, alter, amend or vary all or any of the terms and conditions of the ESOS Trust Scheme 2021 or all or any of the rights and obligations of the Participants;
- ii) formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Participants. Each of such sets of special terms and conditions shall be restricted in its application to those Participants;
- iii) formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Participants separately and each of such sets of special terms and conditions shall be restricted in its applications to such Participants; and
- iv) alter the Exercise Price, if the Option becomes unattractive due to fall in market price of the share.

Provided that no variation, alteration, addition or amendment to the ESOS Trust Scheme 2021 can be made if it is detrimental to the interest of the Participant/ Grantee.

26.2 The Company is entitled to vary the terms of the Scheme and any schemes to meet any regulatory requirements.

## **(27) Miscellaneous provisions**

27.1 ***No rights of a Shareholder*** - The Participant shall have no rights to receive any dividend or to vote or in any manner enjoy the benefits of a Shareholder in respect of Stock Options granted to them, until the name of the Participant has been entered in the register of members of the Company as the holder of the Equity Shares provided hereunder to such Participant.

27.2 ***Set-off*** - The Company's shall be entitled to convey to the Participant that the Shares shall be subject to set-off or counterclaim of amounts owed by the Participant to the Company or Group, to the extent permitted under applicable laws.

27.3 *New Scheme* - The Company reserves the right to carry forward the lapsed, unexercised and forfeited options to a new scheme or to grant the same to any other employees as it seems fit.

27.4 *Validity of the Scheme* - The Scheme shall continue to be in force until its termination by the Board/Committee in accordance with applicable laws.

## **(28) Confidentiality**

The Participant shall not divulge the details of the ESOS Trust Scheme 2021 to any person except with the prior written permission of the Committee, unless so required to do under any statutes or regulations applicable to such Participant.

## **(29) Certificate from Auditors**

In the case of every Company that has passed a resolution for the Employee Stock Option Scheme(s) under the SEBI SBEB Regulations, the Board of Directors shall at each Annual General Meeting place before the shareholders a certificate from the Auditors of the Company that the ESOS Trust Scheme 2021 has been and/or will be implemented in accordance with the SEBI SBEB Regulations and in accordance with the Resolution of the Company in the General Meeting.

Certified to be true  
For **Westlife Development Limited**



**Dr. Shatadru Sengupta**  
**Company Secretary**