

**Honasa Consumer Limited
Employee Stock Option Plan 2021**

HONASA CONSUMER LIMITED
EMPLOYEE STOCK OPTION PLAN 2021

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1 Name of the Plan

This Plan shall be termed as Honasa Consumer Limited Employee Stock Option Plan 2021 ("Plan"). The Plan has been approved by a special resolution passed on **30th** September 2021 at the extraordinary general meeting of the shareholders. The Plan shall be effective from **30th September 2021** herein after referred to as the "Effective Date".¹

This document sets out the terms and conditions of the Plan.

2 Purpose of the Plan

Honasa Consumer Limited ("Company"), a company incorporated under the Companies Act, 2013 and having its registered office at Unit No - 404, 4th Floor, City Centre, Plot No 05, Sector-12, Dwarka New Delhi 110075, has structured this Plan for its Employees. The purpose of this Plan is as under:

- (i) Alignment of employee's gains with Company's performance
- (ii) Creation of employee wealth
- (iii) Driving performance of the key employees
- (iv) Retaining/motivating/attracting the best talent within the Company

3 Definitions

In this Plan, except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against:

- 3.1 "Articles" shall mean the Articles of Association of the Company, as amended from time to time.
- 3.2 "Acceptance Form" shall mean the form that the Grantee has to submit indicating his acceptance of the offer made to him to participate in the Plan.
- 3.3 "Applicable Laws" shall mean laws of India to the extent applicable and as amended, modified and substituted from time to time, including, but not limited to the Companies Act, 2013 the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB & SE Regulations"), the Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018 (as and when applicable). 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.
- 3.4 "Associate Company" shall mean the Company as ascribed to it under Section 2(6) of Companies Act, 2013.
- 3.5 "Beneficiary or Nominee" means the person or persons, designated by the Participant, or in the absence of any designation by the Participant, a person or persons who is/are entitled by the will or probate of the Participant to receive the benefits specified in the Plan, 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 the nomination form in the exercise of any powers conferred under the Plan or any other agreements forming part thereof.
- 3.6 "Board" means the Board of Directors of Honasa Consumer Limited, and where the context so requires shall include the Committee.

¹ Amended pursuant to the shareholders' approval obtained at the Extra-Ordinary General Meeting held on December 17, 2022.

- 3.7 “Cause” means negligence, fraud, professional misconduct, moral turpitude etc. as per Group’s policy.
- 3.8 “Closing Date” means the last date on which the offer of ESOPs granted by the Company to a Grantee can be accepted. In case the last date is a non-working day, then it shall be the immediately following working day.
- 3.9 “Committee” means Nomination and Remuneration Committee as constituted in accordance with Regulation 5 of SBEB & SE Regulations.
- 3.10 “Company” means Honasa Consumer Limited, a company incorporated and registered under the Companies Act, 2013 having its registered office at Unit No - 404, 4th Floor, City Centre, Plot No 05, Sector-12, Dwarka, New Delhi – 110075. Provided where the context so requires, the term Company shall include the Subsidiary Company, and the Holding Company, and Associate Company and Group company as well.
- 3.11 “Companies Act” means the Companies Act, 2013 and the rules framed thereunder and any subsequent amendment or re-enactment thereof for the time being in force.
- 3.12 “Control” shall have the same meaning as defined under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- 3.13 “Director” means a member of the board of directors of the Company.
- 3.14 “Eligible employee” for the purpose of this Plan means the identified employee(s) as per Clause 4 of the Plan.
- 3.15 “Employee” means
- (i) an Employee as designated by the Company, who is exclusively working in India or outside India; or
 - (ii) 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
 - (iii) an Employee as defined in sub-clauses (i) or (ii) above, of a Group including Subsidiary or its Associate Company, in India or outside India, or of a Holding Company of the Company,
- but does not include:
- (i) an Employee who is a Promoter or belongs to the Promoter Group.
 - (ii) Director who either by himself or through his Relatives or through any body corporate, directly or indirectly holds more than ten percent of the outstanding equity shares of the Company.
- 3.16 “ESOP” means any option/ right issued by the Company under this Plan to the eligible persons which entitles the Grantee to the equity shares of the Company.
- 3.17 “Exercise” means making of an application by the Participant/Beneficiary to the Company for issue of shares against vested ESOPs to him in pursuance of the Plan and will include the Participant/Beneficiary paying the Exercise Price (in case of shares), applicable taxes and meeting other requirements as per this Plan.
- 3.18 “Exercise Event” means the Liquidity Event during which the Participant/Beneficiary shall be eligible to Exercise the vested ESOPs.

- 3.19 "Exercise Date" means the date on which the Participant Exercises his right to apply for shares against the vested ESOPs and in case of partial Exercise, shall mean each date on which the Participant/Beneficiary Exercises his right to apply for part of his vested ESOPs.
- 3.20 "Exercise Period" means the time period after vesting and upon happening of Exercise Event, within which the Participant should Exercise his right to apply for shares against the Vested ESOPs in pursuance of the Plan.
- 3.21 "Exercise Price" means the price per share that shall be paid by the Participant/Beneficiary at the time of Exercise of the Options granted as specified in the Grant letter and it shall not be less than the face value of the share.
- 3.23 "Fair Market Value or FMV" means the latest available closing price on recognized stock exchange on which the shares of the Company are listed on the date immediately prior to the relevant date.
- Explanation: If such shares are listed on more than one recognized stock exchange, then the closing price on the recognized stock exchange having higher trading volume shall be considered as the market price.*
- 3.24 "General Meeting" means a general meeting (including extraordinary general meeting) of the shareholders held in accordance with the Articles of Association of the Company and the Applicable Laws to the Company.
- 3.25 "Grant" means the process by which Company issues ESOPs to eligible Employee under this Plan.
- 3.26 "Grant Date" means the date on which the Committee approves the Grant.
- 3.27 "Grantee" shall mean an eligible Employee to whom ESOP is granted pursuant to Clause 7 of this Plan.
- 3.28 "Grant Letter" means the letter by which grant of ESOPs is communicated to the Grantee.
- 3.29 "Group" shall have the same meaning as assigned to it under regulation 2(r) of SBEB & SE Regulations.
- 3.30 "Holding Company" means any present or future holding company of the Company, as per provisions of the Companies Act, 2013.
- 3.31 "Insider" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- 3.32 "Independent Director" shall have the meaning as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 3.33 "Key Managerial Personnel" shall have the same meaning assigned to it under section 2(51) of the Act.
- 3.34 "Liquidity Event" means and includes (a) Partial liquidity – means a Secondary Transaction by third party investor(s) where the Grantees offer their shares to the third party investor(s) (b) demerger, acquisition, change of control, consolidation, sale of shares or other transaction or series of transactions in which the shareholders immediately prior to such transaction will not, (i) retain a majority of the voting power of the surviving entity, or (ii) control the appointment of majority of the board of directors of the surviving entity, (c) a transfer of all or substantially all the Company's assets, (d) Listing and (e) any other event as per the discretion of the Board.
- 3.35 "Options" means a stock option granted by Honasa pursuant to the Plan to any Eligible Person.

This is a right but not an obligation granted under the Plan to apply for and be issued ESOP Shares of Honasa at the Exercise Price determined earlier, during or within the Exercise Period, subject to the requirements of Vesting

- 3.36 "Participant" means a Grantee who accepts the Grant from the Company to participate in the Plan pursuant to Clause 8 of this Plan.
- 3.37 "Plan" shall mean the Honasa Consumer Limited Employee Stock Option Plan 2021 under which the Company grants ESOPs to the Grantees, and shall include any alterations, amendments, additions, deletions, modifications, addendums or variations thereof from time to time.
- 3.38 "Promoter" shall have the meaning as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 3.39 "Promoter Group" shall have the meaning as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 .
- 3.40 "Primary Transaction" means allotment of equity shares or any instruments which are convertible into equity shares of the Company.
- 3.41 "Recognized Stock Exchange" means a stock exchange which has been granted recognition under section 4 of the Securities Contracts (Regulation) Act, 1956.
- 3.42 "Relative" shall have the same meaning as all the people or entities covered in the definition of 'Relative' under Section 2(77) of the Companies Act, 2013.
- 3.43 "Relevant Date" means-
- (i) in the case of the grant, the date of meeting of the Committee on which the grant is made; or
 - (ii) in the case of the exercise, the date on which the notice of exercise is given to the Company by the employee.
- 3.44 "Retirement" means retirement of an Employee as per the rules of the Company.
- 3.45 "SBEB & SE Regulations" means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB & SE Regulations"), as amended from time to time.
- 3.45 "Secondary Transaction" means transfer of equity shares or any instruments which are convertible into equity shares of the Company by the existing shareholders to another existing shareholder or to a new person / entity
- 3.46 "Share" means equity shares and securities convertible into equity shares and includes American Depository Receipts, Global Depository Receipts or other depository receipts representing underlying equity shares or securities convertible into equity shares.
- 3.47 "Subsidiary" or "Subsidiary Company" means any present or future subsidiary company of the Company, as defined in the Companies Act, 2013.
- 3.48 "Termination Date" means the date of termination of employment of the Participant with the Company/Group.
- 3.49 "Unvested ESOP" means an ESOP, which is not a vested ESOP and in respect of which the applicable Vesting Period or vesting condition is not completed.
- 3.50 "Vested ESOP" means an ESOP, which has vested in pursuance of Clause 9 of this Plan with

the Participant/Beneficiary and has thereby become exercisable.

- 3.51 "Vesting" means the process by which the Participant/Beneficiary becomes entitled to Exercise the ESOPs granted to him under this Plan.
- 3.52 "Vesting Date" means the respective date on and from which the ESOP vests with the Participant/Beneficiary.
- 3.53 "Vesting Period" means a period, from the date of Grant of ESOPs till the date the Grantee becomes eligible to Exercise the ESOPs Granted to him/her pursuant to the Plan, in the manner as may be determined by the Board/Committee, however the vesting period in any case shall not be less than 1 (one) year.
- 3.54 "Construction"
- a) Clause reference is to the clauses of the Plan.
 - b) 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, which shall be interpreted solely in light of the contents thereof.
 - c) Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
 - d) Words and expressions not defined in the Plan but defined in the Companies Act, 2013, shall have the meanings assigned to them in the Act.
 - e) Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form.
 - f) The term 'including' shall mean 'including without limitation', unless otherwise specified.
 - g) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.
 - h) 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.

4. Eligibility

- 4.1 The Board/Committee will decide which of the Employees should be granted ESOPs under the Plan and accordingly, the Company would offer the ESOPs to the identified Employees, subject to Applicable Laws.
- 4.2 The Board/Committee may, at its own discretion, grant ESOPs to new Employees at the time of joining the Company.

5. Administration of the Plan

- 5.1 This Plan shall be administered and supervised by the Board/Committee. The Board/Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Plan. The Board/Committee may correct any defect, omission or reconcile any inconsistency in the Plan in the manner and to the extent the Board/Committee deems necessary or desirable.
- 5.2 Any decision of the Board/Committee in the interpretation and administration of the Plan, 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 Participant/Nominee(s) and their Beneficiary(s) or successor(s)]. Subject to the Applicable Laws, the Board/Committee shall, *inter-alia*, do the following:
- a) Adopt rules and regulations for implementing the Plan from time to time.

- b) Provide approval/rejection to the Employees identified as eligible to participate under the Plan.
- c) Provide approval/rejection to the number of ESOPs to be granted to eligible Employees and in aggregate under the Plan.
- d) Determine the quantum of ESOPs or as the case maybe, per employee and in aggregate under the Plan;
- e) Grant ESOPs to the identified Employees and determine the Grant Date.
- f) Determine the Closing Date.

- g) Determine the terms and conditions under which the ESOPs, as the case maybe, may Vest in Employees and may lapse, in case of termination of employment for misconduct or Cause.
- h) Determine the Exercise Price for the ESOPs granted.
- i) Determine the Exercise Period within which the Participant/Employee can Exercise the ESOPs and the period within which the ESOPs would lapse on the failure to Exercise of the same within the Exercise Period.
- j) Determine the specified time period within which the Employee/Participant shall Exercise the Vested ESOPs in the event of termination or resignation of the Participant.
- k) Determine the right of a Participant to Exercise all the ESOPs, as the case may be, Vested in him at one time or various points in time within the Exercise Period.
- l) the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of ESOPs and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, *inter alia*, be taken into consideration by the Committee:
 - (A) the number and price of ESOPs shall be adjusted in a manner such that total value to the Employee of the ESOPs remains the same after the corporate action;
 - (B) the Vesting Period and the life of the ESOPs shall be left unaltered as far as possible to protect the rights of the Employee(s) who is granted such ESOPs;
- m) Determine the Grant, Vesting and Exercise of ESOPs in case of Employees who are on long leave.
- n) The procedure for funding the Exercise of ESOPs.
- o) The procedure for buy-back of specified securities issued under the SBEB & SE Regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
 - (A) permissible sources of financing for buy-back;
 - (B) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
 - (C) limits upon quantum of specified securities that the Company may buy-back in a financial year.
- p) Alter/modify the Vesting Period and/or Exercise Price for subsequent grants.
- q) Decide all other matters that must be determined in connection with ESOP granted under the Plan in accordance with the Applicable Laws.
- r) Any other specific function as may be delegated to it by the Board and/or as may be required to be performed under the Applicable Laws.

All decisions made by the Board/ Committee in the matters referred to above shall be conclusive and binding on all parties concerned (including, but not limited to, Grantee and/or Participant/Nominee(s) and their Beneficiary(s) or successor(s)). Neither the Company, nor the Board/Committee shall be liable for any action or determination made with respect to the Plan or any ESOP granted thereunder.

6. ESOP Pool

6.1 The ESOP Pool is common under both the ESOP Plans of the Company, which at the time of adoption of the plan is 1,29,00,000 options. Further, subject to Clause 6.2 of the Plan, the maximum number of ESOPs that may be granted to the any one employee or optionee of the Company under this or any other Plan shall not be equal to or exceed 1% (one per cent) of the issued/paid-up share capital of the Company. The Board/Committee reserves the right to increase or reduce this pool as it deems fit. The maximum number of ESOPs to be Granted to an individual Employee in aggregate shall not be equal to or exceed 1% of the issued share capital of the Company.

6.2 Notwithstanding the foregoing provisions of Clause 6.1 and Clause 7 of the Plan, ESOPs granted under the Plan that are waived by the Grantee in writing or remain unexercised at the expiration, forfeiture or other termination of such ESOPs may be the subject of the grant of further ESOPs within the overall limits permissible under the Plan. ESOPs that have lapsed (including those having lapsed by way of forfeiture) shall be added back to the number of ESOPs that are pending to be granted. The Company may grant such ESOPs through fresh grants within the overall limits as per Clause 6.1 of the Plan.

7. Grant of ESOPs

7.1 The Committee may, at its absolute discretion, invite the eligible Employees identified under Clause 4 of the Plan to participate in the Plan in accordance with the terms and conditions stated herein.

7.2 The approval of shareholders by way of separate resolution shall be obtained by the Company in case of:

- a) Grant of ESOPs to Employees of Subsidiary Company or Holding Company; or
- b) Grant of ESOPs to identified Employees, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of ESOP.

7.3 A Grant Letter, *inter-alia*, will specify:

- a) the number of ESOPs granted to eligible Employee;
- b) the Closing Date;
- c) the Vesting Period;
- d) the Exercise Price.

7.4 Each Grant Letter shall be accompanied with a prescribed Acceptance Form, requiring the Grantee to accept the grant of ESOPs, give a declaration that the Grantee has read the terms and conditions of the Plan.

7.5 A Grant made under Clause 7.1 of the Plan, is personal to the Grantee and cannot be transferred or assigned in any manner whatsoever.

8. Method of acceptance

8.1 Any Grantee who wishes to accept the Grant made pursuant to Clause 7 of the Plan, must deliver an Acceptance Form duly completed as required therein to the Committee on or before the Closing Date stated in the Grant Letter.

8.2 Any Grantee who fails to return the Acceptance Form on or before the Closing Date shall, unless the Board/ Committee determines otherwise, be deemed to have rejected the Grant. Any Acceptance Form received after the Closing Date shall not be valid.

8.3 Upon receipt of a duly completed Acceptance Form from the Grantee in respect of the offer, the Grantee will become a Participant.

8.4 Subject to the terms contained herein, the acceptance in accordance with this Clause, of an offer made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each ESOP shall, on such acceptance, be an unvested ESOP.

9. Vesting of ESOPs

- 9.1 Subject to Participant's continued employment with the Group, the unvested ESOPs shall vest with the Participants in the manner as prescribed in the Grant letter.
- 9.2 Upon vesting, the vested ESOPs shall be exercisable in accordance with the terms and conditions set forth in the grant letter as approved by the Board/ Committee.
- 9.3 No ESOPs would vest in a Participant, unless the Board/Committee decides otherwise, if the Participant carries on or engages directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise any business which competes directly or indirectly with the whole or any part of the business of or any other business carried on by the Company or any activity related to the business carried on by the Company. Granted ESOPs shall stand automatically cancelled and forfeited and the contract referred to in Clause 8.4 above of the Plan shall automatically stand terminated without any surviving rights/liability for any party. Decision of the Board/Committee in this regard shall be final and conclusive and cannot be called in question by the Participant. For the sake of clarity, the restriction contained in this Section shall not apply to any investment held as a portfolio investment by the Participant and shall not apply to the Beneficiary of the Participant.

10. Exercise of ESOPs

- 10.1 Subject to Clause 11.1 and 11.2 of the Plan, the Participant alone can Exercise the vested ESOPs within the Exercise Period at the time of an Exercise Event as per method prescribed below. Such Exercise may be of all Vested ESOPs or part of the vested ESOPs. Exercise Period shall be mentioned in the grant letter.
- 10.2 No Participant shall be entitled to Exercise, if such Participant carries on or engages in, directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, any business which competes directly or indirectly with the whole or any part of the business carried on by the Group or any activity related to the business carried on by the Group. Decision of the Board/Committee in this regard shall be final and conclusive and cannot be called in question by the Participant. For the sake of clarity, the restriction contained in this Clause shall not apply to any investment held as a portfolio by the Participant or any activity/ business carried out by the Participant pursuant to his duties as an employee or director of the Company and shall not apply to the nominee of the Participant.
- 10.3 A vested ESOP shall be deemed to be validly exercised only when the Board/Committee or any other person ratified by the Board/Committee receives written and signed notice of Exercise (Exercise Form) from the Participant/Beneficiary and upon payment of Exercise price and applicable taxes, by the Participant/Beneficiary.
- 10.4 In case the Participant/Beneficiary does not Exercise (in the manner laid down in clause 10.3), the vested ESOP within the Exercise Period, the ESOPs will lapse and no rights will accrue after that date.
- 10.5 Upon completion of a valid Vesting of ESOPs as per Clause 9.2 of the Plan, the Company shall issue Shares for Vested ESOPs on Exercise by the employee. Such issue will be made to the Participant/Beneficiary/Nominee either directly from the Company or under any other mechanism as permissible under Applicable Laws within reasonable time. For the purpose of issue of Shares, the Company shall get the necessary valuations done till such time shares of the Company are listed on a recognized stock exchange in India.

- 10.6 The Exercise shall be made in a lot of such number of ESOPs as would result in a whole number of Shares (subject to minimum of 1 Share) being converted.
- 10.7 Shares issued pursuant to exercise of Options under the Scheme shall not be subject to any lock-in.
- 10.8 The amount paid by the employee, if any, at the time of grant, vesting or exercise of the ESOPs:
- (a) may be forfeited by the Company if the ESOP is not exercised by the employee within the exercise period; or
 - (b) may be refunded to the employee if the ESOPs are not vested due to non-fulfilment of conditions relating to vesting of ESOP as per the Plan.

11. Termination of employment

11.1 On death of a Participant

In the event of death of a Participant while in employment with the Company/Group, all the ESOPs granted will vest in the Beneficiary of the deceased Participant with effect from the date of death. All the vested ESOPs shall be permitted to be Exercised in accordance with Clause 10 above within a period of one year from the date of death of the Participant unless the Board/Committee decides otherwise upon receiving a written request from the Beneficiary. Any vested ESOPs not Exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period and the contract referred to in Clause 8.4 of the Plan shall stand automatically terminated without any surviving right/liability for any party. Upon valid Exercise of ESOPs by the Beneficiary, the Company shall issue Shares to the Beneficiary.

11.2 On permanent incapacitation of a Participant

In the event of the termination of a Participant's employment with the Company/Group as a result of permanent incapacitation (i.e. incapacity to engage in work as a result of sickness, mental disability or otherwise or by reason of an accident), all the ESOPs granted to him till such date of permanent incapacitation and lying unvested, shall vest in him on that day. All the vested ESOPs shall be permitted to be Exercised in accordance with Clause 10 of the Plan within a period of one year from the date of permanent incapacitation of the participant unless the Board/Committee decides otherwise upon receiving a written request from the Beneficiary. Any vested ESOPs not exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period and the contract referred to in Clause 8.4 of the Plan shall stand automatically terminated without any surviving right/liability for any party. Upon valid Exercise of ESOPs by the Participant, the Company shall issue Shares to the Participant.

11.3 On attainment of superannuation age

In case services of the Participant with the Company/Group ceases due to the Participant's Retirement or on participant attaining the superannuation age, all unvested ESOPs granted to him/her shall continue to vest in accordance with the respective vesting schedules even after retirement or superannuation in accordance with the company's policies. All vested ESOPs, after the completion of the vesting period, shall be permitted to be exercised in accordance with Clause 10 of the Plan within Exercise Period as decided by the Board, unless the Board/Committee decides otherwise upon receiving a written request from the Participant. Any vested

ESOPs not Exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period and the contract referred to in Clause 8.4 of the Plan shall stand automatically terminated without any surviving right/liability for any party. Upon valid Exercise of ESOPs by the Participant, the Company shall issue Shares to the Participant.

11.4 On termination without cause – Initiated by the Participant

In case the Participant resigns from the Company/Group, all unvested ESOPs, shall automatically lapse and the contract referred to in Clause 8.4 of the Plan shall stand automatically terminated without any liability to the Company. The vested ESOPs shall be permitted to be Exercised in accordance with Clause 10 of the plan within Exercise Period unless the Board/Committee decides otherwise upon receiving a written request from the Participant. Upon valid Exercise of ESOPs by the Participant, the Company shall issue Shares to the extent of Vested ESOPs to the Participant.

11.5 On termination without cause – Initiated by the Company

In case the termination of the Participant is initiated by the Company, without cause, all unvested ESOPs, shall automatically lapse and the contract referred to in Clause 8.4 of the plan shall stand automatically terminated without any liability to the Company. The Board/Committee may, in its absolute discretion, allow the unvested ESOPs to vest, as the case may be. The vested ESOPs shall be permitted to be exercised in accordance with Clause 10 of the Plan within Exercise Period unless the Board/Committee decides otherwise upon receiving a written request from the Participant. Upon valid Exercise of ESOPs by the Participant, the Company shall issue shares to the Participant.

11.6 On termination with cause

In case the termination of employment of a Participant with the Company/Group is with cause, his/her vested ESOPs and unvested ESOPs shall automatically stand forfeited on the termination date and the contract referred to in Clause 8.4 of the Plan shall stand automatically terminated without any liability to the Company.

11.7 On transfer within the Group

In the event of transfer of a Participant within the Group, there will not be any additional grant of ESOPs. The Participant will continue to hold all vested ESOP and can Exercise them within Exercise Period. Further, all the unvested ESOPs may lapse/ vest as per the discretion of the Board.

11.8 On transfer pursuant to scheme

In the event of transfer of a Participant who has been granted benefits under a scheme, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing company, prior to the vesting or exercise, the treatment of options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Participant.

11.9 In the event of **winding up** of Company, the Unvested ESOPs held by the Participant shall forthwith lapse. In case of Vested ESOPs, a 30 (Thirty) days' notice/ intimation shall be given to all the Vested ESOPs, the Participant shall have the right to exercise all the Vested ESOPs, within the notice period. In the event that the ESOPs are not exercised by the end of the notice period, they would lapse.

12. Notices and correspondence

- 12.1 Any notice required to be given by a Participant to the Company/Committee/Board or any correspondence to be made between a Participant and the Company/Committee may be given or made to the Company/Committee/Board at the registered office of the Company or at a place as may be notified by the Company/Committee/Board in writing.
- 12.2 Any notice required to be given by the Company/Committee/Board to a Participant or any correspondence to be made between the Company/Committee/Board and a Participant shall be given or made by the Company/Committee on behalf of the Company at the address provided by the Participant in the Acceptance Form. In the event of death of a Participant, any notice or any correspondence so sent at the address provided by such Participant in the Acceptance Form, shall be deemed to have been duly given except where his Beneficiary/Nominee has supplied to the Company or the Committee/Board an alternate address at which the notice or correspondence are to be sent.

13. Beneficiary designation

Each Participant under the Plan may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit accrued to such Participant under the Plan is to be delivered in case of his or her death or permanent incapacity before he or she receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Participant, 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.

14. Non-transferability of ESOPs

- 14.1 Save as provided in Clause 11.1 of the Plan, ESOPs granted herein, are personal to the Participant. The ESOPs 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.
- 14.2 The Participants shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of ESOPs granted to them.

15. Re-organisation of capital structure and other Corporate Actions

- 15.1 In the event of any Corporate Action including (without limitation) rights on a general offer, rights on compromise, arrangement, reconstruction or amalgamation, rights where a person becomes bound or entitled to acquire Shares and rights where there is a change in control of the Company, which is not contemplated by this Clause, the Committee may, subject to the provisions of the Plan and the applicable laws, adjust the number of ESOPs (vested as well as unvested) or the Vesting Period or take actions as it deems appropriate while ensuring that the interests of the Participants are protected.

16. Withholding tax or any other sums

- 16.1 All Exercises made under the Plan shall be subject to deduction of tax at source as per the Applicable Laws.
- 16.2 The Participants/Beneficiary are liable to make good to the Company any tax paid or payable by the Company as per the Applicable Laws or any other tax levied on the Company in respect of any Exercises made under the Plan.
- 16.3 Notwithstanding anything else contained in this Plan, no ESOP compensation shall be allotted to the Participant or his Beneficiary, on Exercise of ESOPs under the Plan, unless tax or any other levy deductible by or directly imposed on the Company as a result of the said transaction has been recovered to the satisfaction of the Company.

- 16.4 The tax obligations, if any, arising at the time of issue of Shares shall be the sole responsibility of the Participants/Beneficiary.

17. Arbitration

In the event of a dispute arising out of or in relation to the provisions of this Plan (including a dispute relating to the construction or performance thereof), the same shall be referred to the Board for determination/decision/interpretation and any such determination/decision/ interpretation by the Board shall be final and binding on all persons affected thereby.

18. Governing law

- 18.1 This Plan and all agreements there under shall be governed by and construed in accordance with the Applicable Laws.

- 18.2 The Participant agrees and acknowledges that the Participant has received and read a copy of the Plan. The ESOPs are subject to the Plan. The terms of the Plan or any other applicable laws, including but not limited to the Foreign Exchange Management Act, 1999, and the rules and regulations framed there under shall not apply to the extent it is contrary.

- 18.3 In the event that any term, condition or provision of the Plan being held to be a violation of any Applicable Laws, statute or regulation the same shall be severable from the rest of the Plan and shall be of no force and effect and the Plan shall remain in full force and effect as if such term, condition or provision had not originally been contained in the Plan.

19. Regulatory approvals

The implementation of the Plan, the grant of any ESOP under the Plan and allotment of Shares under the Plan shall be subject to the procurement by the Company and the Participant/Beneficiary of all approvals and permits required by any regulatory authorities having jurisdiction over the Plan, ESOP and Shares pursuant thereto. The Participant/Beneficiary under the Plan will, if requested by the Committee, provide such assurances and representations to the Company/Committee, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.

20. Modification of the Plan

- 20.1 The Board/Committee may, subject to a special resolution passed at a General Meeting at any time and from time to time:

20.1.1 Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Plan or all or any of the rights and obligations of the Participant/Beneficiary;

20.1.2 Formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Participant/Beneficiary separately and each of such sets of special terms and conditions shall be restricted in its applications to such Participant/Beneficiary.

Provided that no variation, alteration, addition or amendment to the Plan can be made if it is detrimental to the interests of the Participant/Beneficiary unless such variation, alteration, addition or amendment to the terms of the Plans are made to meet any regulatory requirements.

The notice for passing a special resolution for variation of terms of the Scheme shall disclose full details of the variation, the rationale therefor, and the details of the employees who are beneficiaries of such variation.

The Company may reprice the options or shares, as the case may be, which are not exercised, whether or not they have been vested, if the Scheme is rendered unattractive due to fall in the price of the shares in the stock market.

Further the repricing should not be detrimental to the interests of the employees and approval of the shareholders by a special resolution has been obtained for such repricing.

21. Miscellaneous provisions

- 21.1 The Participant/Beneficiary shall have no rights as a Shareholder with respect to any of the ESOPs whether Vested or Unvested.

- 21.2 This Plan shall not form part of any contract of employment between the Company/employing entity and any eligible Employee, and the rights and obligations of any eligible Employee under the terms of his office or employment shall not be affected by his participation in the Plan or any right which he may have to participate in it and the Plan shall afford such an eligible Employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 21.3 This Plan shall not confer on any person, any legal or equitable rights against the Company/Committee/Board, directly or indirectly, or give rise to any cause of action at law or in equity against the Company/Committee/Board.
- 21.4 The Company shall bear the costs of establishing and administering the Plan, including any costs of the Company's auditors or any independent financial advisor in relation to the preparation of or any confirmation by them or provision of any other service in relation to the Plan.
- 21.5 A Grantee shall, before accepting a Grant, obtain all necessary consents that may be required to enable him to accept the Grant and the Company to /issue/allot Shares to him in accordance with the provisions of the Plan. By accepting a Grant, the Grantee/Participant/Beneficiary thereof is deemed to have represented to the Company or the Committee that he has obtained all such consents. The compliance with this paragraph shall be a condition precedent to an acceptance of a Grant by a Grantee or benefits for the Vested ESOPs by the Participant/ Beneficiary.
- 21.6 By accepting a Grant, a Grantee expressly acknowledges that the Grant of ESOPs does not constitute guarantee or continuity of employment and the Company shall reserve the right to terminate the employment of Grantee with the Company in accordance with the terms of employment. Grantee shall be deemed irrevocably to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate him for loss of any rights under the Plan.
- 21.7 This Plan constitutes the entire document in relation to its subject matter and supersedes all prior agreements and understandings, whether oral or written, with respect to such subject matter.
- 21.8 The provisions of this Plan are subject to the Articles of the Company. In the event of conflict between the provisions of this Plan and Articles of the Company, the provisions of the latter shall prevail.
- 21.9 The Participant shall comply with the provisions of 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 Securities Market) Regulations 2003, as amended from time to time, to the extent applicable, or other applicable regulations notified in accordance with Applicable Laws as well as any code of conduct or such similar policy procedure or system formulated or adopted by the Board and communicated to the Participant from time to time. Any violation of the Applicable Laws or code of conduct may result in cancellation of all Vested and Unvested ESOPs as well as subject the Participant to disciplinary action at the discretion of the Company.
- 21.10 The Company shall follow the laws/regulations applicable to accounting related to ESOPs, including but not limited to the IND AS/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 or any other appropriate authority, from time to time, including the disclosure requirements prescribed therein in accordance with the applicable laws.

The Board of Directors of the Company shall, at each annual general meeting, place before the shareholders, a certificate from the secretarial auditors of the Company that the scheme(s) has been implemented in accordance with these regulations and in accordance with the resolution of the Company in the general meeting.

22. Term of the Plan

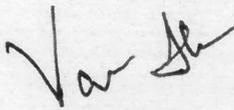
- 22.1 This Plan shall continue in effect unless terminated by the Company/Committee/Board.
- 22.2 Any such termination of the Plan shall not affect the ESOPs already granted and such ESOPs shall remain in full force and effect as if the Plan had not been terminated unless mutually agreed otherwise between the Participant/Beneficiary and the Committee/Company/Board.
- 22.3 The excess monies or shares remaining after meeting all the obligations, if any, shall be utilised for repayment of loan or by way of distribution to employees or subject to approval of the shareholders, be transferred to another Scheme under these regulations, as recommended by the Committee.

23. Confidentiality

Notwithstanding anything contained in the Plan, the Grantee/Participant/Beneficiary shall not divulge the details of the Plan and/or his holdings to any person except with the prior written permission of the Committee/Board unless so required to do under the Applicable Laws or any statutes or regulations applicable to such Grantee/Participant/Beneficiary. In case of failure to comply with this Clause by the Grantee/Participant/Beneficiary, the Grant or the contract referred to in Clause 8.4 above, as the case may be, shall, unless the Committee/Board decides otherwise, stand automatically terminated without any liability to the Company.

APPROVED

For Honasa Consumer Limited



Varun Alagh
Director
DIN 07597289
Date: January 28, 2024

