

**Nippon Life India Asset Management Limited
Employee Stock Option Plan 2019**

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Nippon Life India Asset Management Limited
CIN: L65910MH1995PLC220793

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1. Name, Objectives and Term of the Plan

- 1.1 This employee stock option plan shall be called the ‘Reliance Nippon Life Asset Management Limited - Employee Stock Option Plan 2019’ (“**ESOP 2019**” / “**Plan**”).
- 1.2 The primary objective of ESOP 2019 is to reward the key Employees for their association, dedication and contribution to the goals of the Company. The Company intends to use this Plan to attract, retain and motivate key talents working with the Company, its Subsidiaries or its Holding Company, as the case may be, by way of rewarding their high performance and motivate them to contribute to the overall corporate growth and profitability. The Company views Employee Stock Options as long-term incentive tools that would enable the Employees not only to become co-owners, but also to create wealth out of such ownership in future.
- 1.3 ESOP 2019 is established with effect from July 12, 2019 on which the shareholders of the Company have approved the Plan by way of a special resolution, and amended with effect from _____ on which the shareholders of the Company have approved the variations in the Plan by way of a special resolution and it shall continue to be in force until (i) its termination by the Company as per provisions of Applicable Laws, or (ii) the date on which all of the Employee Stock Options available for issuance under the ESOP 2019 have been issued and exercised, whichever is earlier.
- 1.4 Subject to provisions of Clause 14 of this Plan, the Board or the Nomination and Remuneration Committee as authorized may at any time alter, amend, suspend or terminate the ESOP 2019.

2. Definitions and Interpretations

2.1 Definitions

- i. “**Applicable Law**” means every law relating to Employee Stock Options by whatever name called, including but without limitation to the Companies Act, 2013, Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**ICDR Regulations**”), the Securities Contracts (Regulation) Act, 1956, (“**SCRA Regulations**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“**SBEB Regulations**”), as amended and enacted from time to time read with all circulars and notifications issued thereunder and all relevant tax, securities, exchange control or corporate laws of India or of any relevant jurisdiction or of any Stock Exchange on which the Shares are listed or quoted.
- ii. “**Associate Company**” means any present or future associate company of the Company, as per the provisions of the Companies Act, 2013.
- iii. “**Board**” means the Board of Directors of the Company.

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- iv. **“Companies Act”** means the Companies Act, 2013 and rules made thereunder and includes any statutory modifications or re-enactments thereof.
- v. **"Company"** means **Nippon Life India Asset Management Limited** (formerly known as Reliance Nippon Life Asset Management Limited), a company incorporated under the provisions of the Companies Act, 1956.
- vi. **“Company Policy(ies)/ Terms of Employment”** means the Company’s policies for Employees and the terms of employment as contained in the employment letter and the company handbook, which includes provisions requiring a desired level of performance, securing confidentiality, non-compete and non-poaching of other Employees and customers.

Explanation: For this clause, the Company includes its Subsidiary and Holding Company to the extent Employees of the Subsidiary and Holding Company are covered.

- vii. **“Director”** means a member of the Board of the Company.
- viii. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Nomination and Remuneration Committee for determining the eligibility of Employees for Grant of Employee Stock Options under the Plan.
- ix. **“Employee”** means (i) a permanent employee of the Company working in or out of India; or (ii) a whole-time or executive Director of the Company, or (iii) an employee defined in Sub-clauses (i) and (ii) hereof of one or more Subsidiaries or of the Holding Company of the Company, but does not include:
 - a. an employee who is a Promoter or a person belonging to the Promoter Group;
 - b. a Director who either by himself /herself or through his/her relatives or through any body corporate, directly or indirectly, holds more than 10% of the issued and subscribed Equity Shares of the Company; and
 - c. an Independent Director of the Company, Subsidiaries or Holding Company of the Company within the meaning of the Companies Act.
- x. **“Employee Stock Option”** means a right granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date Share(s) underlying such right at a pre-determined price.
- xi. **“ESOP 2019”** means this ‘Nippon Life India Asset Management Limited - Employee Stock Option Plan 2019’ under which the Company is authorized to grant Employee Stock Options to the Employees.
- xii. **“Exercise”** of an Option means expression of intention by an Employee to subscribe/ purchase the Shares underlying the Options vested in him, in pursuance of the ESOP 2019, in accordance with the procedure laid down by the Company for Exercise of such Options.

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- xiii. **“Exercise Period”** means such time period commencing after Vesting within which the Employee should exercise the Options vested in him in pursuance of the ESOP 2019, as more particularly specified at Clause 8.2 of the Plan.
- xiv. **“Exercise Price”** means the average of the closing price of the Shares on the Stock Exchange with the higher trading volume during the thirty days immediately preceding the date of Grant; provided, however, that a discount of up to 20% may be given on such price, as determined by the Nomination and Remuneration Committee at its sole discretion.
- xv. **“Fair Market Value”** shall refer to “Market Price” within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- xvi. **“Grant”** means issue of Options to the Employees under the ESOP 2019.
- xvii. **“Grant Letter”** means the formal communication as regards Grant made by the Company to the Employee containing specific details of the Grant.
- xviii. **“Grant Date”** means the date of the meeting of the Nomination and Remuneration Committee in which Grant of Options to the Employees is approved or any such date after the date of the meeting of the Nomination and Remuneration Committee, which may be determined by the Nomination and Remuneration Committee as the Grant date.
- Explanation:** For accounting purposes, the Grant Date will be determined in accordance with applicable accounting standards provided under the SBEB Regulations.
- xix. **“Group Company”** shall refer to “Group” within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- xx. **“Holding Company”** means any present or future holding Company of the Company, as per the provisions of the Companies Act, 2013.
- xxi. **“Independent Director”** means a Director within the meaning of Section 149(6) of the Companies Act read with Regulation 16(1)(b) of the LODR Regulations.
- xxii. **“Merchant Banker”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, which is registered under Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- xxiii. **“Misconduct”** means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or terms of employment amounting to violation or breach of terms of employment as determined by the Board, or Nomination and Remuneration Committee thereof, after giving the Employee an opportunity of being heard:
- i. dishonest statements or acts of an Employee, with respect to the Company;

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- ii. a felony or any misdemeanor involving moral turpitude, deceit, dishonesty or fraud committed by the Employee;
 - iii. gross negligence, misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company, its Subsidiaries or its Holding Company;
 - iv. breach by the Employee of any terms of his employment agreement or the Company's policies or other documents or directions of Company, its Subsidiaries or its Holding Company;
 - v. participating in or abetting a strike in contravention of any law for the time being in force;
 - vi. misconduct as provided under the labour laws after following the principles of natural justice.
- xxiv. **“Nomination and Remuneration Committee”** means the existing Nomination and Remuneration Committee constituted by the Board, comprising of such members of the Board as provided under Regulation 19 of the LODR Regulations and having such powers as specified under the SBEB Regulations read with powers specified in this ESOP 2019.
- xxv. **“Option”** means an Employee Stock Option(s) granted pursuant to this Plan.
- xxvi. **“Option Grantee”** means an Employee who has been granted Options and has accepted such Grant as required under the Plan and shall deem to include nominee / legal heir of the Option Grantee in case of his/her death to the extent provisions of the Plan are applicable to such nominee / legal heir.
- xxvii. **“Permanent Disability”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined in this regard based on a certificate of a medical practitioner appointed by the Company on a case to case basis.
- xxviii. **“Plan”** means this ‘Nippon Life India Asset Management Limited - Employee Stock Option Plan 2019’ under which the Company is authorized to grant Employee Stock Options to the Employees.
- xxix. **“Promoter”** shall have the same meaning assigned to it under the ICDR Regulations.
- xxx. **“Promoter Group”** shall have the same meaning assigned to it under the ICDR Regulations.
- xxxi. **“Retirement”** means retirement as per the rules of the Company and as provided in the respective appointment letters of such Employee(s).

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- xxxii. **“Secretarial Auditor”** means a company secretary in practice appointed by a company under Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit pursuant to Regulation 24A of the LODR Regulations.
- xxxiii. **“Shares”** means equity shares of the Company of face value of Rs. 10 (Ten) each fully paid-up including the equity shares arising out of the Exercise of Options granted under this Plan.
- xxxiv. **“Stock Exchange”** means the National Stock Exchange of India Ltd., BSE Ltd., or any other recognized Stock Exchange in India on which the Shares are listed.
- xxxv. **“Subsidiary(ies)”** means any present or future subsidiary company of the Company, as per the provisions of the Companies Act, 2013.
- xxxvi. **“Unvested Option”** means an Option in respect of which the Vesting Period has not been completed and/or the Vesting Conditions have not been satisfied, and the Option Grantee has not become eligible to exercise the Option.
- xxxvii. **“Vested Option”** means an Option in respect of which the relevant Vesting Period has been completed and Vesting Conditions have been satisfied, and the Option Grantee has become eligible to exercise the Option.
- xxxviii. **“Vesting”** means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of the ESOP 2019.
- xxxix. **“Vesting Condition”** means the condition prescribed, if any, in this Plan or as may be prescribed by the Nomination and Remuneration Committee in the Grant Letter or otherwise, subject to satisfaction of which the Options granted would vest in an Option Grantee.
- xl. **“Vesting Period”** means the period during which the Vesting of the Option granted to the Employee, in pursuance of the ESOP 2019 takes place.

2.2 Interpretation

In this Plan, unless the contrary intention appears:

- (a) the Clause headings are for ease of reference only and shall not be relevant for interpretation;
- (b) a reference to a clause number is 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; and

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- (f) the terms defined above shall for the purposes of this Plan have the meanings herein specified and terms not defined above shall have the meanings as defined in the Companies Act or Applicable Laws, as the context requires. Reference to any Act, Rules, Statute or Notification shall include any statutory modifications, substitution or re-enactment thereof.

3. Authority and Ceiling

- 3.1 The shareholders of the Company have vide their resolution dated July 12, 2019, approved the ESOP 2019 authorizing the Nomination and Remuneration Committee to grant **27,939,017 (Two Crore Seventy Nine Lac Thirty Nine Thousand and Seventeen only)**. Employee Stock Options to the eligible Employees in one or more tranches, from time to time, which in aggregate exercisable into not more than **27,939,017 (Two Crore Seventy Nine Lac Thirty Nine Thousand and Seventeen only)** Shares of face value of Rs. 10 each fully paid up, with each such Option conferring a right upon the Employees to apply for one Share in the Company, in accordance with the terms and conditions of ESOP 2019.
- 3.2 The maximum number of Options that may be granted to each Employee shall vary depending upon the designation and the appraisal/assessment process, however, shall not exceed **13,969,509 (One Crore Thirty Nine Lac Sixty Nine Thousand Five Hundred and Nine only)** in number per eligible Employee. However, the Nomination and Remuneration Committee reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to each Employee within this ceiling.
- 3.3 If an Employee Stock Option expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the Options reserve specified above and shall become available for future Grants, subject to compliance with the provisions of the Applicable Laws.
- 3.4 Where Shares are issued consequent upon Exercise of an Employee Stock Option under the ESOP 2019, the maximum number of Shares that can be issued under ESOP 2019 as referred to in Clause 3.1 above shall stand reduced to the extent of such Shares issued.
- 3.5 In case of a Share split or consolidation, if the revised face value of the Share is less or more than the current face value as prevailing on the date of coming into force of this Plan, the maximum number of Shares available for being issued under ESOP 2019 as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares X face value per Share) prior to such Share split or consolidation remains unchanged after such Share split or consolidation. For example, if the prevailing face value of each Share is Rs. 10 per Share and the revised face value after the Share split is Rs. 5 per Share, the total number of Shares available under ESOP 2019 would be (Shares reserved at Clause 3.1 x 2) Shares of Rs. 5 each. Similarly, in case of bonus issue, etc. the available number of Shares under ESOP 2019 shall be revised to restore the value.
- 3.6 Prior approval of shareholders by way of a resolution in the general meeting shall be obtained in case the Grant of Options to any identified Employee, during any one year, is equal to or

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exceeding 1% (one percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Option. Further, grant of Options to Employees of the Subsidiaries and/or the Holding Company will also be subject to a prior approval of the shareholder by way of a separate resolution in a general meeting.

4. Administration

- 4.1 The ESOP 2019 shall be administered by the Nomination and Remuneration Committee. All questions of interpretation of the EOSP 2019 shall be determined by the Nomination and Remuneration Committee and such determination shall be final and binding upon all persons having an interest in the ESOP 2019.
- 4.2 The Nomination and Remuneration Committee shall, in accordance with this ESOP 2019 and Applicable Laws, determine the following:
- a) The Eligibility Criteria for grant of Options to the Employees;
 - b) The quantum of Options to be granted under the ESOP 2019 per Employee, subject to the ceiling as specified in Clause 3.2;
 - c) The procedure and terms for the Grant, Vesting and Exercise of Employee Stock Option in case of Employees who are on long leave;
 - d) The specified time period within which the Employee shall exercise the Vested Options and the manner in which such Options would lapse on failure to Exercise them within the Exercise Period;
 - e) The right of an Employee to exercise all the Options vested in him at one time or at various points of time within the Exercise Period;
 - f) The procedure for making a fair and reasonable adjustment to the number of Options 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 following shall be taken into consideration by the Nomination and Remuneration Committee:
 - (i) the number and the price of Options shall be adjusted in a manner such that total value 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 Grantees.
 - g) The specified time period within which the employee shall exercise the Vested Options in the event of cessation or termination or resignation and modify Clause 8.2(b) as needed, based on business requirements, while adhering to the maximum Exercise Period approved by the shareholders;
 - h) the procedure for buy-back of specified securities if to be undertaken at any time by the Company, and the applicable terms and conditions, including:

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- permissible sources of financing for buy-back;
- any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
- limits upon quantum of specified securities that the Company may buy-back in a financial year.

Explanation: 'specified securities' means as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

- i) The conditions under which Options vested in Employees may lapse or be cancelled in case of termination of employment for Misconduct;
 - j) determine the treatment of the Options held by an eligible Employee in case of suspension/ termination of services or in case of any pending inquiries;
 - k) The Vesting Period and exercisability of Options in case of transfer/deputation of an Option Grantee to the Associate Company or Group Company of the Company, to the extent allowed under the Applicable Laws read with SEBI SBEB Regulations and this Plan;
 - l) The procedure for cashless Exercise of Options, if thought expedient; and
 - m) Approve forms, writings and/or agreements for use in pursuance of the ESOP 2019.
 - n) formulate suitable policies and procedures to ensure that there is no violation of Applicable Laws, in relation to the Plan, by the Company and the Employees;
- 4.3 The Company shall also frame suitable policies and systems to ensure that there is no violation of (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 (as amended from time to time) and (c) any other regulation as may be notified by the Securities and Exchange Board of India or any other authority from time to time, by the Company and any Employee.
- 4.4 The Nomination and Remuneration Committee shall have a right to delegate or authorize any officer of the Company, if required and subject to the extent allowed under the Applicable Laws, such power to do specific acts and things without limitation to the listing of Shares on recognized Stock Exchange(s) arising pursuant to Exercise of Vested Options, execution and submission of various document(s) to recognized Stock Exchange(s) or any other institution as may be deemed necessary in connection with the ESOP 2019.
- 5. Eligibility and Applicability**
- 5.1 Only Employees are eligible for being granted Options. The specific employees to whom the Options would be granted and their Eligibility Criteria would be determined by the Nomination and Remuneration Committee at its sole discretion.

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5.2 The Plan shall be applicable to the (i) Company and any successor company thereof, (ii) the Subsidiaries or Holding Company, to the extent any of their employees/ directors are covered as “Employees” under the Plan and also (iii) to the each Option Grantee and their nominees/ legal heirs, in case of death of the Option Grantee, to the extent provisions of the Plan are applicable to such nominees/ legal heirs.

6. Grant and Acceptance of Grant

6.1 Grant of Options

- a) Grants contemplated under the Plan shall be made as decided by the Nomination and Remuneration Committee at its discretion.
- b) Each Grant of Option under the ESOP 2019 shall be made in writing by the Company to the eligible Employees by way of Grant Letter containing specific details of the Grant, and disclosure requirements, as prescribed under Applicable Laws.

6.2 Acceptance of the Grant

- a) Any eligible Employee who wishes to accept the Grant made under this Plan must deliver to the Company a duly signed acceptance of the Grant on or before the 60th day from the date of the Grant as specified in the Grant Letter.
- b) On duly receipt by the Company of the signed acceptance, the eligible Employee will become an Option Grantee. On failure to deliver such acceptance before the specified date, shall result in rejection of the Grant and lapse of Options unless the Nomination and Remuneration Committee determines otherwise.
- c) No amount is payable by the Option Grantee at the time of Grant and until Exercise of Vested Options.

7. Vesting Schedule/ Conditions

7.1 Employee Stock Options granted under ESOP 2019 shall vest not earlier than **1 (One) year** and not later than maximum Vesting Period of **4 (Four) years** from the date of Grant.

Provided that in case where Options are granted by the Company under the Plan in lieu of options held by a person under a similar plan in another company (“Transferor Company”) which has merged or amalgamated with the Company, the period during which the options granted by the Transferor Company were held by him may be adjusted against the minimum Vesting Period required under this Sub-clause in due compliance with the provisions of SBEB Regulations.

Provided further that in the event of death or Permanent Incapacity of an Option Grantee, the minimum Vesting Period of 1 (One) year shall not be applicable and in such instances, all the Unvested Options shall Vest with effect from date of the death or Permanent Incapacity.

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Provided further that in case of Retirement, all the Unvested Options as on the date of Retirement would continue to Vest in accordance with the original vesting schedule provided for in the letter of Grant, even after the Retirement unless otherwise determined by the Nomination and Remuneration Committee and as per the provisions of the then prevailing Applicable Laws.

- 7.2 Unless the Nomination and Remuneration Committee requires a different Vesting schedule, subject to compliance with Clause 7.1, on any other occasion of Grant, the following Vesting schedule shall apply to all Grants made under this Plan:

Dates of Vesting	Percentage of Options to vest
On 1 st anniversary from the date of Grant	25% of Options granted
On 2 nd anniversary from the date of Grant	25% of Options granted
On 3 rd anniversary from the date of Grant	25% of Options granted
On 4 th anniversary from the date of Grant	25% of Options granted

- 7.3 Vesting of Options would be subject to continued employment with the Company, the Subsidiaries or Holding Company, as the case may be, and thus the Options would vest essentially on passage of time and subject to compliance with the Vesting Conditions. In addition to this, the Nomination and Remuneration Committee may also specify certain performance criteria as a part of the Vesting Conditions.
- 7.4 The specific Vesting Period and Vesting Conditions subject to which Vesting would take place would be outlined in the Grant Letters.
- 7.5 **Vesting of Options in case of Employees on long leave**

The period of leave shall not be considered in determining the Vesting Period in the event the Employee is on a sabbatical. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Nomination and Remuneration Committee.

8. Exercise

8.1 Exercise Price

- a) The Exercise Price per Option shall be determined by the Nomination and Remuneration Committee as per provisions of this Plan. The Exercise Price for each grant shall be specified in the respective Grant Letter, and shall be payable by such Employee at the time of Exercise of the Options vested with them under the ESOP 2019.
- b) Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn or by any electronic mode in favour of the Company or in such other manner as the Nomination and Remuneration Committee may decide from time to time.

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8.2 Exercise Period

(a) While in employment/ service

Exercise Period in respect of an Option shall commence after Vesting of each such Option until a maximum period of **9 (Nine) years** from the date of Grant of such Options, as may be specified in the Grant Letter.

(b) Exercise Period in case of separation from employment/ service

Subject to maximum Exercise Period stated above, the Vested Options can be exercised as under:

S. No.	Separations	Vested Options	Unvested Options
1	Resignation / Termination (other than due to Misconduct)	Vested Options shall be exercised within 30 working days from the last working day of such Employee, or till the end of the Exercise Period under Clause 8.2 (a), whichever is earlier.	All the Unvested Options on the effective date of resignation / date of termination shall stand cancelled with effect from that date.
2	Termination due to Misconduct	All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All the Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	Retirement / early Retirement approved by the Company	Vested Options can be exercised immediately after, but in no event later than three months from the date of such Retirement or till the end of the Exercise Period under Clause 8.2 (a), whichever is earlier.	All Unvested Options as on the date of Retirement would continue to vest in accordance with the original vesting schedules provided in the letter of Grant, even after the Retirement unless otherwise specified under Company policies, if any, and as per the provisions of the then prevailing Applicable Law. Such aforesaid Vested Options, if any, can be exercised within a period of three months from the date of such Vesting.

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4	Death	Vested Options can be exercised by the Option Grantee's nominee or legal heirs immediately after, but in no event later than six months from the date of death of the Option Grantee.	All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir in the manner prescribed for the Vested Options.
5	Permanent Disability	Vested Options can be exercised immediately after, but in no event later than six months from the date of incurring such incapacity.	All the Unvested Options as on the date of incurring Permanent Incapacity shall vest immediately and may be exercised by the Option Grantee in the manner prescribed for the Vested Options.
6	Transfer or deputation to Associate Company	All the Vested Options shall be exercisable as if the employment/service is continuing.	All the Unvested Options shall continue to vest as per original vesting schedule unless otherwise decided by the Nomination and Remuneration Committee and such decision shall be final.
7	Transfer or deputation to a Group Company	All the Vested Options shall be exercisable as if the employment/service is continuing.	All the Unvested Options on the date of such transfer or deputation shall become vested as on one day prior to the effective date of transfer/deputation, subject to the minimum vesting period of one year from the date of Grant. Such Vested Options may be exercised by the Option Grantee in the manner prescribed for the Vested Options.

8.3 The Options shall be deemed to have been exercised when an Option Grantee makes an application in writing to the Company or by any other means as decided by the Nomination and Remuneration Committee, for the issuance of Shares against the Options vested in him/her, subject to payment of Exercise Price and compliance of other requisite conditions of Exercise including compliance of requirements of the Personal Securities Trading Policy (“PSTP”) of the Company.

8.4 The Options not exercised within the Exercise Period shall lapse and the Employee shall have no right over such lapsed or cancelled Options.

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9. Lock-In

The Shares arising out of Exercise of Vested Options shall not be subject to any lock-in period from the date of allotment of such Shares under ESOP 2019.

Provided that the Shares allotted on such Exercise cannot be sold, transferred or alienated in any manner during such period as required under the terms of Code of Conduct for Prevention of Insider Trading of the Company framed under Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

10. Transfer Restrictions

The Shares issued upon Exercise of Options shall be freely transferable and shall not be subject to any transfer restriction after issue except as required under:

- (i) PSTP of the Company along with the code of conduct framed by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015; and
- (ii) The Applicable Laws.

11. Restriction on transfer of Options

- 11.1 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 11.2 Employee Stock Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case provisions of Clause 8.2(b) would apply.
- 11.3 No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option except in the event of the death of the Option Grantee, in which case provisions of Clause 8.2(b) would apply.

12. Other Terms and Conditions

- 12.1 The Employee shall not have a right to receive any dividend or to vote or in any manner enjoy the benefits of a Shareholder in respect of Employee Stock Options granted, till the time Equity Shares are allotted to them upon Exercise of such Employee Stock Options.
- 12.2 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 Option and thereupon, becomes a registered holder of the Shares of the Company.

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

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Clause 4.2(f) of ESOP 2019.

13. Deduction of Tax

- 13.1 The liability of paying taxes, if any, in respect of Employee Stock Options granted pursuant to this Plan and the Shares issued pursuant to Exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employees working abroad, if any.
- 13.2 The Company shall have the right to deduct from the Option Grantee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.
- 13.3 The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

14. Authority to vary terms

- 14.1 Company may by special resolution, in a general meeting, vary the terms of the Options not yet Exercised, provided such variation is not prejudicial to the Option Grantees, unless such variation is required in order to meet any regulatory requirement(s) under Applicable Law.
- 14.2 Further, the Company shall not vary the terms of the Plan in any manner which may be detrimental to the interests of the employees.
- 14.3 Subject to Clause 14.1, the Company may also reprice the Options which are not exercised, whether or not they have vested, if ESOP 2019 is rendered unattractive due to fall in the price of the Equity Shares on the Stock Exchanges. Further, subject to provisions of this Plan, the definition of Exercise Price as per Clause 2.1(xiv), and Applicable Law, the Nomination and Remuneration Committee may at any time alter, amend, suspend or terminate this Plan, make amendments to the terms of the Grant, including the Exercise Price for options which have been granted.

15. Certificate from Secretarial Auditors

The Board shall at each annual general meeting place before the shareholders a certificate from the Secretarial Auditors of the Company that the ESOP 2019 has been implemented in accordance with the SBEB Regulations and in accordance with the resolution of the Company in the general meeting.

16. Miscellaneous

- 16.1 Government Regulations

This ESOP 2019 shall be subject to all Applicable Laws, and approvals from

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governmental authorities.

16.2 Inability to obtain authority

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

16.3 The existence of this Plan shall not give any Employee a right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Plan by being granted an Option on any occasion. Further, the fact that an Employee has on any occasion been granted an Option, shall not give such Employee a right, entitlement or expectation that they will in future have any such right, entitlement or expectation to participate in this Plan by being granted further Options on any other occasion.

16.4 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 or 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).

16.5 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Option in whole or in part.

16.6 Participation in ESOP 2019 shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the market price of the Shares and the risks associated with the investments are that of the Option Grantee alone.

17. Accounting and Disclosures

17.1 The Company shall follow the laws/regulations applicable to accounting related to Options, 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.

17.2 The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features of ESOP 2019 in a format as prescribed under SBEB Regulations.

17.3 The Company shall disclose details of Grant, Vest, Exercise and lapse of the Options in the Directors' Report or in an annexure thereof as prescribed under SBEB Regulations or any other Applicable Laws as in force.

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18. Governing Laws and jurisdiction

18.1 The terms and conditions of the ESOP 2019 shall be governed by and construed in accordance with the Applicable Laws of India including the foreign exchange laws

18.2 Foreign Exchange Laws

In case any Options are granted to any Employee being resident outside India, working outside India, the provisions of the Foreign Exchange Management Act, 1999 and rules or regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vest and Exercise of Options.

18.3 The Courts in Mumbai, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2019.

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

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

19. Notices

19.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP 2019 shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company; or delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or Emailing the communication(s) to the Option Grantee at the official email address provided, if any, during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

19.2 Any communication to be given by an Option Grantee to the Company in respect of ESOP 2019 shall be addressed to Chief Human Resource Officer of the Company at Rajesh.Derhgawen@nipponindiaim.com

20. Severability

In the event any one or more of the provisions contained in this Plan shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Plan in which case the Plan shall be construed as if such invalid, illegal, or unenforceable provisions had never been set forth herein, and the Plan shall be carried out as nearly as possible according to its original intent and terms.

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21. Confidentiality

- 21.1 An Option Grantee must keep the details of the ESOP 2019 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this confidentiality Clause, the Company has undisputed right to terminate any agreement and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this confidentiality Clause shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Board shall have the authority to deal with such cases as it may deem fit.
- 21.2 On acceptance of the Grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Plan or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need to know basis.
