



**Nippon Life India Asset Management Limited –  
Performance Linked Stock Unit Scheme 2023**

**Nippon Life India Asset Management Limited**

CIN: L65910MH1995PLC220793

Registered Office Address: 4th Floor, Tower A,  
Peninsula Business Park, Ganapatrao Kadam Marg,  
Lower Parel (West), Mumbai – 400013

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## 1. Name, Objective and Term of the Scheme

- 1.1 This employee stock unit scheme shall be called ‘**Nippon Life India Asset Management Limited – Performance linked Stock Unit Scheme 2023**’ (“**PSU 2023**”/ “**Scheme**”).
- 1.2 The primary objectives of the Scheme are to reward the Employees for their association, dedication and contribution to the goals of the Company. The Company intends to use this Scheme to attract and retain the key talents by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The Company views performance linked stock unit scheme as a long-term incentive tool that would assist in aligning Employees interest with that of the shareholders while limiting the dilution in the shareholding and enable the Employees not only to become co-owners, but also to create wealth out of such ownership in future.
- 1.3 The Scheme has been approved by the shareholders of the Company on [●]. The Scheme is effective from the date of the shareholders’ approval and shall continue to be in force until (i) its termination by the Committee as per provisions of Applicable Laws, or (ii) the date on which all of the Units available for issuance under the Scheme have been issued and exercised, whichever is earlier.

## 2. Definitions and Interpretation

### 2.1 Definitions

- i. “**Applicable Law**” means every law relating to Performance linked Stock Units by whatever name called, including but without limitation to the Companies Act and the rules framed thereunder, Securities and Exchange Board of India Act 1992 (“**SEBI**”), SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“**SBEB Regulations**”) 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. “**Board**” means the Board of Directors of the Company.
- iii. “**Committee**” means the Nomination and Remuneration Committee constituted by the Board from time to time, comprising of such members of the Board as provided under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”), as amended from time to time and having such powers as specified under the SBEB Regulations read with powers specified in this Scheme.
- iv. “**Companies Act**” means the Companies Act, 2013 read with rules issued thereunder from time to time and includes any statutory modifications or reenactments thereof.

- v. **“Company”** means **Nippon Life India Asset Management Limited**, a company registered in India under the provisions of the Companies Act, 1956, having corporate identification number L65910MH1995PLC220793 with its registered office at 4th Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (West), Mumbai – 400013.
- vi. **“Company Policies/ 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.
- 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 Committee for granting the Units to the Employees.
- ix. **“Employee”** means
- a) an employee as designated by the Company, who is exclusively working in India or outside India; or
  - b) a Director of the Company, whether a whole-time director or not, including a non-executive director who is not a Promoter or member of the Promoter Group; or
  - c) an employee as defined in sub-clauses (i) or (ii), of a Group Company including Subsidiary Company 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; or
    - ii. a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company;
    - iii. an Independent Director; or
    - iv. Chief executive officer of the Company.
- x. **“Exercise”** of Units means expression of an intention by an Employee to the Company to purchase the Shares underlying the Units vested in him, in pursuance of the Scheme, in accordance with the procedure laid down by the Company for Exercise of Units.
- xi. **“Exercise Period”** means such time period after Vesting within which the Employee should Exercise the Units vested in him in pursuance of the Scheme.



- xii. **“Exercise Price”** means the price payable by an Employee in order to Exercise the Units granted to him in pursuance of the Scheme determined as per provisions of Sub-clause 8.1.
- xiii. **“Grant”** means issue of Units to the Employees under the Scheme.
- xiv. **“Grant Date”** means the date of the meeting of the Committee in which Grant of Units to the Employees is approved.

**Explanation:** For accounting purposes, the grant date will be determined in accordance with applicable accounting standards.

- xv. **“Grantee”** means an Employee who has been granted Units, has accepted such Grant as required under the Scheme and shall deem to include nominee / legal heir of the Grantee in case of his/her death to the extent provisions of the Scheme are applicable to such nominee / legal heir.
- xvi. **“Group” or “Group Company”** means two or more companies which, directly or indirectly, are in position to-
- a) exercise twenty-six percent, or more of the voting rights in the other company; or
  - b) appoint more than fifty percent, of the members of the board of directors in the other company; or
  - c) control the management or affairs of the other company.
- xvii. **“Holding Company”** means any present or future holding company of the Company, as defined in the Companies Act 2013.
- xviii. **“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.
- xix. **“Lock-in Period”** means the period during which the Employee must not sell, pledge or otherwise transfer, directly or indirectly, any of his Shares or dispose of any interest in or over or right attaching to any of his Shares.
- xx. **“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).
- xxi. **“Misconduct”** means any act of omission or commission by a Grantee, which the Committee may, at its sole discretion, determine as being considered as such, for the purposes of this Scheme.



- xxii. "**Nomination Form**" means the form through which an Employee may nominate a person on his behalf to exercise the rights of such Employee under the Scheme.
- xxiii. "**Performance linked Stock Units**" means a Unit(s) granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the Shares underlying the units at pre-determined price.
- xxiv. "**Permanent Incapacity**" means any disability of whatsoever nature, be it physical, mental or otherwise, which permanently 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(s) identified by the Company.
- xxv. "**Promoter**" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("**ICDR Regulations**"), as amended from time to time.
- xxvi. "**Promoter Group**" shall have the same meaning assigned to it under the ICDR Regulations, as amended from time to time.
- xxvii. "**PSU 2023**" means the 'Nippon Life India Asset Management Limited – Performance linked Stock Unit Scheme 2023' under which the Company is authorized to grant Units to the Employees.
- xxviii. "**Retirement**" means retirement or superannuation as per the applicable rules of the Company.
- xxix. "**SBEB Regulations**" means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and enacted from time to time read with all circulars and notifications issued thereunder.
- xxx. "**Scheme**" means 'Nippon Life India Asset Management Limited – Performance linked Stock Unit Scheme 2023' ("**PSU 2023**"/ "**Scheme**").
- xxxi. "**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.
- xxxii. "**Shares**" means equity shares of the Company of face value of Rs. 10 (Rupees Ten only) each fully paid-up.



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- xxxiii. **“Stock Exchange”** means the National Stock Exchange of India Limited, BSE Limited or any other recognized stock exchanges in India on which the Company’s Shares are listed or to be listed.
- xxxiv. **“Subsidiary Company”** means any present or future subsidiary company of the Company determined as per provisions of the Companies Act.
- xxxv. **“Unit”** means Performance linked Stock Unit individually or collectively, as the context may require within the meaning of the Scheme.
- xxxvi. **“Unvested Units”** means a Unit in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Grantee has not become eligible to Exercise the Unit.
- xxxvii. **“Vest”** or **“Vesting”** means earning by the Grantee, of the right to Exercise the Unit granted to him in pursuance of the Scheme.
- xxxviii. **“Vested Units”** means a Unit in respect of which the relevant Vesting Conditions have been satisfied and the Grantee has become eligible to Exercise the Unit.
- xxxix. **“Vesting Condition”** means any condition subject to which the Unit granted would Vest to a Grantee.
- xl. **“Vesting Period”** means the period during which the Vesting of the Unit granted to the Employee, in pursuance of the Scheme takes place.

## 2.2 Interpretation

In this Scheme, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number 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;
- f) for the purposes of any calculation under this Scheme any fraction will be rounded up or down to the nearest integer;
- g) reference to any statute, rules, regulations, or notification shall include any amendment, modification, substitution, or re-enactment thereof;
- h) the terms defined above, including their grammatical variations and cognate expressions, shall, unless repugnant to the context or meaning thereof, for the purposes of this Scheme have the meanings herein specified and terms not defined above shall have the meanings as defined in the Companies Act or Applicable Laws including SBEB Regulations, as the context requires; and

- i) Words / phrases and expressions used and not defined here but defined in the SBEB Regulations, Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Companies Act, and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation, as the context requires.

### **3. Authority and Ceiling**

- 3.1 The shareholders of the Company by way of special resolution dated [●] approved the Scheme, authorizing the Board to grant not exceeding 74,97,524 (Seventy-four Lacs Ninety Seven Thousand Five Hundred and Twenty Four) Units to the eligible Employees, in one or more tranches, from time to time, which in aggregate shall be exercisable into not more than 74,97,524 (Seventy-four Lacs Ninety Seven Thousand Five Hundred and Twenty Four) Shares, with each such Unit conferring a right upon the Employees to apply for one Share in the Company in accordance with the terms and conditions as may be decided under the Scheme.
- 3.2 The maximum number of Units under Scheme that may be granted per Employee per grant shall not exceed 75,000 (Seventy-five Thousand) Units and in aggregate shall not exceed 3,00,000 (Three Lacs) Units.
- 3.3 If a Unit expires, lapses, or becomes un-exercisable due to any reason, it shall be brought back to the Units pool as mentioned in Sub-clause 3.1 and shall become available for future Grants, subject to compliance with all Applicable Laws.
- 3.4 Where Shares are issued consequent upon Exercise of a Unit under the Scheme, the maximum number of Shares that can be issued under the Scheme as referred to in Sub-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 Scheme, the maximum number of Shares available for being issued under Scheme 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.
- 3.6 In addition to the requirement of seeking a shareholders approval for this Scheme, prior approval of shareholders of the Company in a general meeting by passing special resolution shall also be required to be obtained in case the Grant of Units to any identified Employee, during any one year, is equal to or exceeding 1% (one percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Units.





#### 4. Administration

- 4.1 The Scheme shall be administered by the Committee. All questions of interpretation of the Scheme including or any of the Scheme thereunder or any Unit shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Scheme or in any Unit issued thereunder.
- 4.2 The Committee shall in accordance with this Scheme and Applicable Laws determine the following:
- (a) the quantum of the Units to be granted under the Scheme per Employee, subject to the ceiling as specified in Sub-clauses 3.1 and 3.2;
  - (b) the Eligibility Criteria for Grant of Units to the Employees;
  - (c) the specific Exercise Period within which the Employee should Exercise the Unit and that Unit would lapse on failure to Exercise the Unit within the Exercise Period;
  - (d) the specified time period within which the Employee shall Exercise the Vested Units in the event of termination or resignation of an Employee;
  - (e) the right of an Employee to Exercise all the Units 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 Units 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 Committee:
    - (i) the number and the price of Units shall be adjusted in a manner such that total value of the Units remain the same after the corporate action; and the Vesting Period and the life of the Units shall be left unaltered as far as possible to protect the rights of the Grantees.
  - (g) the procedure and terms for the Grant, Vesting and Exercise of Units in case of Employees who are on long leave;
  - (h) the circumstances under which the Unvested Units can be accelerated for Vesting;
  - (i) the aspects pertaining to the acts of commission & omission, which may be considered/ determined as Misconduct & terms and conditions relevant thereto;
  - (j) the conditions under which Units vested in Employees may lapse in case of termination of employment on account of Misconduct;
  - (k) the procedure for buy-back of Units granted under the Scheme if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
    - (i) permissible sources of financing for buy-back;
    - (ii) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
    - (iii) limits upon quantum of Units that the Company may buy-back in a financial year.
  - (l) the procedure for funding for Exercise of Units, as permitted under the Applicable Laws; and
  - (m) approve forms, writings and/or agreements for use in pursuance of the Scheme.



4.3 The Committee 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 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 Units, 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 Scheme.

## **5. Eligibility and Applicability**

5.1 Only Employees are eligible for being granted Units under the Scheme. The specific Employees to whom the Units would be granted, and their Eligibility Criteria shall be determined by the Committee from time to time.

5.2 Appraisal process for determining the eligibility of the Employees will be based on grade, criticality, skills, potential contribution, and such other criteria as may be determined by the Committee at its sole discretion, from time to time.

**Provided that** the Committee while granting the Units to any eligible Employee(s) of any Group Company including Subsidiary or/and Associate Company(ies) or/and of Holding Company, shall at its discretion, consider the factors including but not limited to the role(s) of such Employee(s) for safeguarding the interest of the Company, or such Employee's contribution to the Company.

5.3 This Scheme shall be applicable to

- i. the Company (including any successor company thereof), its Employees and
- ii. the Group Company including Subsidiary Company or Associate Company, or Holding Company, as the case may be and their employees/ directors, to the extent any of them covered as "Employees" under the Scheme.

## **6. Grant of Performance linked Stock Units**

### **6.1 Grant of Units**

a) Grants contemplated under the Scheme shall be made on such day and month as decided by the Committee at its discretion.



- b) Each Grant of Units under the Scheme shall be made in writing by the Company to the eligible Employees by way of letter of Grant containing specific details of the Grant, and disclosure requirements, as prescribed under Applicable Laws.

## 6.2 Acceptance of the Grant

Any eligible Employee who wishes to accept the Grant made under this Scheme must deliver to the Company a duly signed acceptance of the letter of Grant on or before the date (“**Closing Date**”) which shall not be more than **30 days** from the Grant Date, as specified in the letter of Grant. On receipt of the signed acceptance by the Company, the eligible Employee will become a Grantee.

- 6.3 Any eligible Employee who fails to deliver the signed acceptance of the letter of Grant on or before the Closing Date stated above, shall be deemed to have rejected the Grant unless the Committee determines otherwise.

- 6.4 No amount would be required to be paid by the Grantee at the time of the Grant.

## 7. Vesting Schedule and Vesting Conditions

- 7.1 Units granted under the Scheme shall Vest not earlier than minimum Vesting Period of **1 (one)** year and not later than **4 (Four)** years from the Grant Date.

**Provided that** in case where Units are granted by the Company under the Scheme in lieu of Units held by a person under a similar Scheme in another company (“**Transferor Company**”) which has merged, demerged, arranged or amalgamated with the Company, the period during which the Units granted by the Transferor Company were held by him shall be adjusted against the minimum Vesting Period as per the Scheme.

**Provided further that** in the event of death or Permanent Incapacity while in employment, the minimum Vesting Period of 1 (one) year shall not be applicable and in such instances, all the Unvested Units shall Vest with effect from date of death or Permanent Incapacity, as the case may be.

**Provided further that** in case of Retirement, all Unvested Units as on the date of Retirement would continue to Vest in accordance with the original vesting schedules even after the Retirement unless otherwise determined by the Committee in accordance with the Company’s Policies and provisions of the then prevailing Applicable Laws.

- 7.2 Vesting of Units would be subject to continued employment with the Company or Group Company including Subsidiary Company or Associate Company or Holding Company, as the case may be. In addition to continued employment, Vesting shall also be dependent on achievement of below corporate performance parameter:

**Achievement of target set for Profit After Tax (PAT) as per below metrics,**

<b>Performance parameter</b>	<b>Performance Condition</b>	<b>Vesting</b>
PAT Target set per financial year	$\geq 100\%$ PAT Target Achievement	100% Vesting
	$\geq 75\%$ PAT Target Achievement	proportionate Vesting between 75% to 99%
	$< 75\%$ PAT Target Achievement	No Vesting

The Committee may suitably review the performance conditions metrics as per the business requirement.

- 7.3 A Grantee who has tendered his/her resignation and is serving the notice period after resignation, such notice period shall not be considered for Vesting and all the Unvested Units as on date of resignation shall be cancelled forthwith.
- 7.4 The specific Vesting Conditions subject to which Vesting would take place shall be specified in the letter of Grant issued to the Grantee at the time of Grant.
- 7.5 As a prerequisite for a valid Vesting, a Grantee must not be subject to any disciplinary proceedings pending against him on such date of Vesting. In case of any disciplinary proceedings against any Grantee, the relevant Vesting shall be kept in abeyance until disposal of the proceedings. In case of reinstatement, Vesting shall happen as if there was no abeyance. In case of termination from employment/ service, the provisions of serial number 2 in the table given in Sub-clause 8.2(b) of the Scheme shall apply.
- 7.6 Unless otherwise determined by the Committee, the specific Vesting schedule for any Grant shall be as follows:

<b>Dates of Vesting</b>	<b>Vesting of Units</b>
1 <sup>st</sup> Anniversary from the date of Grant	25% of the Units Granted
2 <sup>nd</sup> Anniversary from the date of Grant	25% of the Units Granted
3 <sup>rd</sup> Anniversary from the date of Grant	25% of the Units Granted
4 <sup>th</sup> Anniversary from the date of Grant	25% of the Units Granted

**7.7 Vesting of Units 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 maternity leave, earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Committee.

## 8. Exercise

### 8.1 Exercise Price

- (a) The Exercise Price per Unit shall be the face value of the Shares of the Company as on Grant Date. However, the Exercise Price per Unit shall not be less than the face value of the Share of the Company. The Exercise Price shall be intimated to the Grantee in the letter of Grant at the time of Grant.
- (b) Payment of the Exercise Price shall be made by cheque, draft, recognized electronic mode to the account of the Company, or in such other mode and manner as the Committee may decide from time to time.

### 8.2 Exercise Period

The Exercise Period in respect of a Unit shall commence after Vesting of each such Unit until a maximum period of 7 (Seven) years from the date of Grant of such Unit, as may be specified in the Grant Letter.

**a) Exercise while in employment:**

The Grantees can exercise all or part of the Vested Units within the maximum Exercise Period.

**b) Exercise in case of separation from employment:**

The Units can be exercised as under:

S. No.	Events of separation	Vested Units	Unvested Units
1	<b>Resignation / Termination</b> (other than due to Misconduct)	All the Vested Units as on the date of resignation / termination shall be exercisable by the Grantee within 30 working days from the last working day of such Grantee, or till the end of the prescribed Exercise Period, whichever is earlier.	All the Unvested Units as on date of resignation / termination shall stand <b>cancelled</b> with effect from effective date of such resignation/ termination.
2	<b>Termination due to Misconduct</b>	All the Vested Units as on date of termination shall stand <b>cancelled</b> with effect from the date of such termination.	All the Unvested Units as on date of termination shall stand <b>cancelled</b> with effect from the date of such termination.
3	<b>Retirement</b>	All the Vested Units as on the date of Retirement shall be <b>exercisable</b> immediately after, but in no event later <b>than Three months</b> from the date of such Retirement or till the end of the	All Unvested Units as on the date of Retirement would continue to Vest in accordance with the original Vesting schedules even after the Retirement, unless otherwise determined by the Committee

S. No.	Events of separation	Vested Units	Unvested Units
		prescribed Exercise Period, whichever is earlier.	in accordance with the Company's Policies and provisions of the then prevailing Applicable Law.  Such Vested Units are exercisable within Three months from the date of Vesting.
4	<b>Death</b>	All the Vested Units as on date of death shall be <b>exercisable</b> by the legal heir/nominee of such deceased Grantee immediately after, but in no event later than Twelve <b>months</b> or till the end of the prescribed Exercise Period, whichever is later.	All the Unvested Units as on date of death shall <b>Vest immediately</b> and can be <b>exercisable</b> by the legal heir/nominee of such deceased Grantee in the manner specified for Vested Units.
5	<b>Permanent Incapacity</b>	All the Vested Units shall be <b>exercisable</b> by the Grantee, immediately after, but in no event later than <b>Twelve months</b> from the date of incurring such incapacity or till the end of the prescribed Exercise Period, whichever is later.	All the Unvested Units as on date of incurring of Permanent Incapacity shall <b>Vest immediately</b> and be <b>exercisable</b> in the manner specified for Vested Units.
6	<b>Transfer / deputation to Associate Company or Holding Company or Group Company including Subsidiary Company</b>	Exercise Period to remain the same as per the terms of the Grant. In case of subsequent separation, treatment of Units shall be as per the applicable circumstance mentioned in this table.	Vesting schedule and Exercise Period to remain same as per the terms of the Grant. In case of subsequent separation, treatment of Units shall be as per the applicable circumstance mentioned in this table.
7	<b>Any other reason</b>	The Committee shall decide whether the Vested Units as on that date can be exercised by the Grantee or not, and such decision shall be final.	All Unvested Units on the date of such resignation/termination shall stand <b>cancelled</b> unless otherwise required by Applicable Laws.



8.3 The Units shall be deemed to have been exercised when an Employee makes an application in writing to the Company or by any other means as decided by the Committee, for the issue of Shares against the Units Vested in him/ her, subject to payment of Exercise Price and compliance of other requisite conditions of Exercise.

#### 8.4 **Lapse of Units**

The Units not exercised within the respective Exercise Period prescribed in Sub-clause 8 shall lapse and be deemed to be cancelled on expiry of such Exercise Period. The Grantee shall have no right or recourse over such lapsed/ cancelled/ expired Units.

### 9. **Lock-in-Period**

9.1 The Shares arising out of Exercise of Vested Units shall not be subject to any Lock-In Period from the date of allotment of such Shares under the Scheme.

**Provided that** the Shares allotted on such Exercise cannot be transferred for such further period or intermittently as required under the terms of code of conduct for prevention of insider trading of the Company framed under Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

### 10. **Exit route in case of de-listing**

10.1 If the Company gets de-listed from all the recognized Stock Exchanges, then the Committee shall have the powers to set out terms and conditions for the treatment of Vested Units and Unvested Units in due compliance of the Applicable Laws.

### 11. **Restriction on transfer of Units**

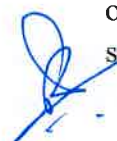
11.1 The Units shall not be pledged, hypothecated, mortgaged, or otherwise alienated in any manner, whatsoever.

11.2 Units shall not be transferable to any person except in the event of death of the Grantee, in which case provisions at sub-clause 8.2(b) would apply.

11.3 No person other than the Employee to whom the Unit is granted shall be entitled to Exercise the Unit except in the event of the death of the Grantee holder, in which case provisions at sub- clause 8.2(b) would apply.

### 12. **Rights as a shareholder**

12.1 The Employee shall not have a right to receive any dividend or to vote or in any manner or enjoy the benefits of a shareholder in respect of Units granted, till Shares underlying such Units are issued by the Company up on Exercise of such Unit.



12.2 Nothing herein is intended to or shall give the Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares etc.) in respect of any Shares covered by the Grant unless the Grantee exercises the Unit and becomes a registered holder of the Shares of the Company.

12.3 If the Company issues bonus shares or rights shares, the Grantee shall not be eligible for the bonus or rights shares in the capacity of a Grantee. However, an adjustment to the number of Units or the Exercise Price or both would be made in accordance with sub-clause 4.2 (f) of the Scheme.

### **13. Deduction/Recovery of Tax**

13.1 The liability of paying taxes, if any, in respect of Units granted pursuant to this Scheme and the Shares issued pursuant to Exercise thereof shall be entirely on Grantee (or his/her nominee(s)/ legal heir(s) in case of death of Grantee while in employment) 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 of Company working abroad, if any.

13.2 The Company shall have the right to deduct from the Employee'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 Grantee in full.

### **14. Authority to vary terms**

14.1 Subject to shareholders' approval by way of special resolution wherever applicable, the Committee may at any time amend, alter, or vary the terms of the Scheme and/ or terms of the Units already granted under the Scheme subject to the condition that such amendment, alteration, or variation, as the case may be is not detrimental to the interest of Employees.

14.2 Notwithstanding above, the Company shall be entitled to vary the terms of the Scheme to meet any regulatory requirement without seeking shareholders' approval by way of a special resolution.

### **15. Miscellaneous**

#### **15.1 Regulations**

This Scheme shall be subject to all Applicable Laws, and approvals from government authorities, required if any. The Grant and the allotment of Shares under this Scheme



shall also be subject to the Company requiring Employees to comply with all Applicable Laws.

## 15.2 **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 from any and all liability in respect of the failure to issue or sell such Shares.

15.3 Neither the existence of this Scheme nor the fact that an individual has on any occasion been granted a Unit shall give such individual any right, entitlement, or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Scheme by being granted Unit on any other occasion.

15.4 The rights granted to Grantee upon the Grant of a Unit shall not accord the 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).

15.5 The 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 Units in whole or in part.

## 15.6 **General Risks**

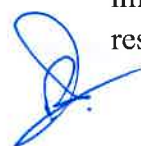
Participation in the Scheme shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the equity and the risks associated with the investments is that of the Grantee alone.

## 16. **Accounting and Disclosures**

16.1 The Company shall follow the IND AS 102 on Share based Payments and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other statutory authority from time to time, including the disclosure requirements prescribed therein, in compliance with relevant provisions of SBEB Regulations.

## 17. **Certificate from Secretarial Auditors**

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



## **18. Governing Laws**

18.1 The terms and conditions of the Scheme shall be governed by and construed in accordance with the Applicable Laws including the Foreign Exchange Laws.

### **18.2 Foreign Exchange Laws**

In case any Units are granted to any Employee being resident outside India belonging to the Company, 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, Exercise of Units and issue of Shares thereof. Any loss that may occur on account of fluctuations in the foreign exchange rate will be solely borne by the Grantee.

## **19. No Restriction on Corporate Action**

19.1 The existence of the Scheme and any Grant made hereunder shall not in any way affect the right or the power of the Board or the shareholders of the Company to make or authorize any change in capital structure, including any issue of Shares, debt or other securities having any priority or preference with respect to the Shares of the Company or the rights thereof or from making any corporate action which is deemed to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Scheme or any Grant made under the Scheme. No Employee or other person shall have any claim against the Company as a result of such action. However, the Committee shall make fair and reasonable adjustments due to such events as specified in Clause 4.2 (f) of the Scheme.

## **20. New Schemes**

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

## **21. Notices**

21.1 All notices of communication required to be given by the Company to Grantee by virtue of this Scheme shall be in writing. The communications shall be made by the Company in any one or more of the following ways:

- i. sending communication(s) to the address of the Grantee available in the records of the Company; and/ or
- ii. delivering the communication(s) to the Grantee in person with acknowledgement of receipt thereof; and/ or

- iii. emailing the communication(s) to the Grantee at the official email address provided, if any, by the Company during the continuance of employment or at the email address provided by the Grantee after cessation of employment.

21.2 All notices of communication to be given by Grantee to the Company in respect of Scheme shall be sent to the address mentioned below:

**Attention** : Chief Human Resources Officer  
**Company** : Nippon Life India Asset Management Limited  
**Address** : 4th Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (West), Mumbai – 400013.  
**Email** : rajesh.derhgawen@nipponindiaim.com

## 22. Nomination

22.1 The Employee may nominate a person as his/her nominee with submission of Nomination Form complete in all respects. The nominee in case of death or Permanent Incapacity of Employee shall be the legal representative recognized by the Company as the inheritor of the Employee in respect of all rights and liabilities for the purposes of this Scheme.

## 23. Jurisdiction

23.1 Unless any dispute arising out of this Scheme concerning any Grantee is resolved as per Clause 4.1 of this Scheme, it shall be referred to an appropriate alternate dispute resolution mechanism under laws of arbitration.

23.2 The dispute resolution forums or Courts, as the case may be, in Mumbai, India shall have exclusive jurisdiction in respect of any or all matters, disputes or differences arising in relation to or out of this Scheme.

23.3 Nothing in this Sub-clause will however limit the right of the Company to bring proceedings against any Employee in connection with this Scheme:

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

## 24. Listing of the Shares

24.1 The Company shall not Grant Units under the Scheme unless it obtains in-principle approval from the Stock Exchanges.

24.2 The Company shall appoint a Merchant Banker for the implementation of the Scheme till obtaining of in-principle approval from the Stock Exchanges.



24.3 Subject to the approval of the Stock Exchange(s), the Shares issued and allotted on Exercise of the Units shall be listed on the recognized Stock Exchange(s) on which the Shares of the Company are listed.

**25. Severability**

25.1 In the event any one or more of the provisions contained in this Scheme 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 Scheme, but Scheme shall be construed as if such invalid, illegal, or unenforceable provision had never been set forth herein, and the Scheme shall be carried out as nearly as possible according to its original intent and terms.

**26. Confidentiality**

26.1 A Grantee must keep the details of the Scheme 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 Grantee is found in breach of this confidentiality Clause, the Company has undisputed right to terminate any agreement and all unexercised Units 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 Grantee. In case of non-adherence to the provisions of this clause, the Committee shall have the authority to deal with such cases as it may deem fit.

26.2 On acceptance of the grant of Units offered by the Company, it shall be deemed that as if the Grantee has authorized the Company to disclose information relating to the Grantee during the process of implementation of the Scheme 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.



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