

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2026

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Table of Contents

1. Name, Objective and Term of the ABFRL ESOP Scheme 2026 1
2. Definitions and Interpretation 2
3. Authority and Ceiling 7
4. Administration 9
5. Eligibility, Applicability and Grant 13
6. Vesting Schedule and Conditions 13
7. Exercise 15
8. Other Terms and Conditions 19
9. Transferability of Equity Shares 21
10. Lock-in Period 21
11. Tax Liability 21
12. Tax Deduction at Source 21
13. Authority to vary terms 22
14. Miscellaneous 22
15. Confidentiality 23
16. Method used for Valuation of Options and PSUs 23
17. Conformance to the Accounting Policies 23
18. No Restriction on Corporate Action 24
19. New Schemes 24
20. Notices 24
21. Severability 24
22. Arbitration 25
23. Governing Law 25
24. Listing of the Equity Shares 25

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1. Name, Objective and Term of the ABFRL ESOP Scheme 2026

1.1. The Aditya Birla Fashion and Retail Limited Employee Stock Option and Performance Stock Unit Scheme shall be called the "**ABFRL ESOP Scheme 2026**" which expression shall include any alterations, amendments or modifications hereto from time to time.

1.2. This ABFRL ESOP Scheme 2026 was formulated and recommended by the Nomination and Remuneration Committee of the Board of Directors (*as defined hereinafter*) of the Company (*as defined hereinafter*) at its meeting held on August 8, 2026 and approved, by the Board of Directors (*as defined hereinafter*) of the Company at its meeting held on August 8, 2026 and by the shareholders of the Company through postal ballot on November 2, 2026 and in accordance with the provisions of the SEBI Regulations (*as defined hereinafter*). For extending the benefits of the ABFRL ESOP Scheme 2026 to the Employees of the Subsidiary Company(ies) (*as defined hereinafter*), a separate resolution was approved by the shareholders of the Company through postal ballot on November 2, 2026.

1.3. The Company aims to provide competitive remuneration opportunities to its employees, including through annual incentive plans and long-term incentive plans. The Company believes that the presence of a long-term incentive plan and the resulting employee ownership can facilitate a performance driven culture and contribute to the success of the Company. The Company views employee stock options in the form of Options (*as defined hereinafter*) and Performance Stock Units (*as defined hereinafter*) as long-term incentive instruments to enable the employees to share the value they create for the Company in the years to come. Accordingly, the main objectives of the ABFRL ESOP Scheme 2026 are:

(i). to achieve sustained growth of the Company and create shareholder value by aligning the interests of the employees with the long-term interests of the Company;

(ii). to attract and retain talent and as well as to motivate the employees to contribute to its growth and profitability;

(iii). to recognise and reward the efforts of employees and their continued association with the Company and its Subsidiary Company(ies);

(iv). to promote the culture of employee ownership, to enable the employees to have greater involvement in the existing plans of the Company and provide them an opportunity to share in the future growth and profitability of the Company, which should lead to improved employee engagement, motivation and retention.

1.4. The ABFRL ESOP Scheme 2026 is established with effect from November 2, 2026 and shall continue to be in force until: (i) its termination by the Board; or (ii) the date on which all of the Options and the PSUs available for issuance under the ABFRL ESOP Scheme 2026 have been issued and exercised, or have lapsed, or have been cancelled by the Nomination and Remuneration Committee and the Nomination and

Remuneration Committee does not intend to re-issue these lapsed or cancelled Options or PSUs.

1.5. The Board may, subject to compliance with Applicable Law (*as defined hereinafter*), at any time alter, amend, suspend or terminate the ABFRL ESOP Scheme 2026.

2. Definitions and Interpretation

2.1. Definitions

(i). "**ABFRL ESOP Scheme 2026**" means this Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2026 under which the Company is authorised to Grant Options and PSUs to the Employees, as amended from time to time.

(ii). "**Applicable Law**" includes every law, rule, regulation or bye-law relating to employee stock options, including, without limitation, the Companies Act, 2013, the SEBI Act, the SEBI Regulations, the SEBI Listing Regulations and all the relevant tax, securities, exchange control or corporate laws, rules, regulations or bye- laws of India or any relevant jurisdiction, or of any stock exchange on which the Equity Shares of the Company are listed or quoted and includes, any amendment, modification, alteration or re-enactment made to such laws, rules, regulations or bye-laws.

(iii). "**Associate Company**", in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation: for the purposes of this **Clause**, (i) "significant influence" means control of at least twenty per cent of total voting power, or control of or participation in business decisions under an agreement; and (ii) "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

(iv). "**Board**" means the board of Directors of the Company, which includes any committee authorized by the Board of Directors in this behalf, including the Nomination and Remuneration Committee.

(v). "**Companies Act**" means the Companies Act, 2013 and includes any statutory modifications or re-enactments thereof.

(vi). "**Company**" means Aditya Birla Fashion and Retail Limited, registered under Companies Act, having its registered office at Piramal Agastya Building 'A', 401, 403, 501, 502, LBS Road, Kurla, Mumbai, Maharashtra, India, 400070 and, where the context requires, its Subsidiary Company(ies).

(vii). "**Company Policies/Terms of Employment**" mean the Company's policies for employees and the terms of employment as contained in the 'employment

letter' and the 'Company handbook', which includes provisions for securing confidentiality, non-compete and non-poaching of other employees and any other relevant group human resources policies.

(viii). "**Director**" means a member of the Board of the Company.

(ix). "**Eligibility Criteria**" means the criteria as may be determined from time to time by the Nomination and Remuneration Committee for granting the Options or the PSUs to the Employees.

(x). "**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, but excluding an Independent Director; or (c) an Employee, as defined in **Sub-Clauses (a)** or **(b) above**, of a Subsidiary Company, in India or outside India, 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 self or through relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company.

(xi). "**Employee Performance Stock Unit/s**" (herein referred as "**PSU(s)**") means the stock option granted to an Employee, which gives such Employee the right, but not an obligation, to subscribe to, during the Exercise Period, the Equity Shares underlying the PSUs at the PSU Exercise Price in accordance with the terms of the ABFRL ESOP Scheme 2026.

(xii). "**Employee Stock Option/s**" (herein referred as "**Option(s)**") means the stock option granted to an Employee, which gives such Employee the right, but not an obligation, to subscribe to, during the Exercise Period, the Equity Shares underlying the Option at the Option Exercise Price in accordance with the terms of the ABFRL ESOP Scheme 2026.

(xiii). "**ESOS Code of Conduct**" means the Code of Conduct formulated by the Company for Employees covered under the ABFRL ESOP Scheme 2026.

(xiv). "**Exercise**" of Options or PSUs means making of an application by a Grantee to the Company to subscribe to the Shares underlying the Vested Options or the Vested PSUs, as the case may be, in pursuance of the ABFRL ESOP Scheme 2026, in accordance with the procedure laid down by the Company in this regard.

(xv). "**Exercise Application**" means the application form or the letter of Exercise as may be prescribed by the Nomination and Remuneration Committee, in which the Grantee has to apply to the Company along with a cheque/demand

draft payable at Mumbai in respect of the Option Exercise Price or the PSU Exercise Price (as the case may be) or such other documents as may be prescribed pursuant to the provisions of the ABFRL ESOP Scheme 2026, for exercising the Vested Options or Vested PSUs (as the case may be). The payment towards Option Exercise Price and PSU Exercise Price may also be made by way of RTGS or NEFT or such mode of transfer to the account of the Company as may be permitted by the Nomination and Remuneration Committee.

(xvi). "**Exercise Period**" means such time period after Vesting within which the Grantee should Exercise the Vested Options and Vested PSUs in terms of the ABFRL ESOP Scheme 2026.

(xvii). "**Exercise Price**" means the price payable by a Grantee in order to Exercise the Vested Options or the Vested PSUs, as applicable, as determined by the Nomination and Remuneration Committee. The terms Option Exercise Price and PSU Exercise Price shall be construed accordingly.

(xviii). "**Good Leaver**" means any of the following situations in relation to an Employee holding Options or PSUs, as applicable:

(a). the Employee resigning from his/ her employment after a period of atleast one year from the Grant Date, with the prior consent of the Company through its authorised officer; or

(b). the Employee asked to leave the Company, at the instance of the Company and without any cause to the Company.

(xix). "**Grant**" means issue of Options and PSUs, as the case may be, to the Employees under the ABFRL ESOP Scheme 2026.

(xx). "**Grant Date**" means the date on which the Options and the PSUs are issued to a Grantee by the Nomination and Remuneration Committee under the ABFRL ESOP Scheme 2026.

(xxi). "**Grantee**" means an Employee who has been granted an Option and/or a PSU in pursuance of the ABFRL ESOP Scheme 2026.

(xxii). "**Group Company**" shall have the meaning ascribed to 'Group' under the SEBI Regulations.

(xxiii). "**Independent Director**" shall have the meaning as assigned to the term under the SEBI Listing Regulations.

(xxiv). "**Letter of Grant**" means the letter issued by the Company, whether in physical or electronic mode, intimating the Employee, inter alia, of the Options and/or the PSUs granted to him for acquiring a specified number of Shares at the Option Exercise Price and/or the PSU Exercise Price, as the case may be.

(xxv). "**Lock-in Period**" means the period during which the Employee shall not sell, pledge or otherwise transfer, directly or indirectly, any of his Shares or dispose of any interest in or over the right attached to any of his Shares.

(xxvi). "**Market Price**" means the latest available closing price on the Recognised Stock Exchange (*as hereinafter defined*) on the date immediately prior to the relevant date. If the Shares of the Company are listed on more than one Recognised Stock Exchange, then the closing price on the Recognised Stock Exchange having the higher trading volume shall be considered as the market price.

For the purposes of the above definition, "**relevant date**" means:

a. in case of Grant, the date of the meeting of the Nomination and Remuneration Committee on which the Grant is made; or

b. in case of Exercise, the date on which the notice is given to the Company by the Grantee.

(xxvii). "**Nomination and Remuneration Committee**" means the nomination and remuneration committee constituted by the Board of Directors, in accordance with Applicable Law, to administer employee stock option schemes of the Company.

(xxviii). "**Permanent Incapacity**" means any incapacity of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Nomination and Remuneration Committee based on a certificate of a medical expert identified by the Board.

(xxix). "**Promoter**" shall have the meaning as assigned to the term under the SEBI ICDR Regulations.

(xxx). "**Promoter Group**" shall have the meaning as assigned to the term under the SEBI ICDR Regulations.

(xxxi). "**Recognised Stock Exchange**" means the BSE Limited, National Stock Exchange of India Limited or any other stock exchange in India on which the Company's Shares are listed or are proposed to be listed.

(xxxii). "**Retirement**" means retirement of an Employee as per the rules of the Company.

(xxxiii). "**SEBI**" means the Securities and Exchange Board of India.

(xxxiv). "**SEBI Act**" means the Securities and Exchange Board of India Act, 1992, and includes all regulations and clarifications issued there under.

(xxxv). "**SEBI ICDR Regulations**" means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

(xxxvi). "**SEBI Listing Regulations**" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xxxvii). "**SEBI Regulations**" means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and includes all amendments, circulars, notifications and clarifications issued there under.

(xxxviii). "**Secondment**" means the arrangement through which an Employee is temporarily assigned to any other Group Company, at the instance of the Company for, amongst others, talent development and growth opportunities.

(xxxix). "**Shares/ "Equity Shares**" means equity shares of the Company of face value of ₹ 10 (Rupees Ten) each.

(xl). "**Subsidiary Company**" means any present or future subsidiary company of the Company, as defined in the Companies Act.

(xli). "**Unvested Option**" means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Grantee has not become eligible to Exercise the Option.

(xlii). "**Unvested PSU**" means a PSU in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Grantee has not become eligible to Exercise the PSU.

(xliii). "**Vesting**" means the process through which a Grantee becomes entitled to Exercise the Options or PSUs granted to him in pursuance of the ABFRL ESOP Scheme 2026.

(xliv). "**Vesting Condition**" means any condition that may be stipulated by the Nomination and Remuneration Committee for Vesting of Options or PSUs.

(xlv). "**Vesting Period**" means the period during which the Vesting of the Options or PSUs, as the case may be, granted to the Employee takes place, in terms of the ABFRL ESOP Scheme 2026.

(xlvi). "**Vested Option**" means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Grantee has become eligible to Exercise the Option.

(xlvii). "**Vested PSU**" means a PSU in respect of which the relevant Vesting Conditions have been satisfied and the Grantee has become eligible to Exercise the PSU.

Any term not defined above, but defined in the SEBI Regulations shall have the meaning assigned to it under the SEBI Regulations.

2.2. **Interpretation**

In this ABFRL ESOP Scheme 2026, unless the contrary intention appears:

(i). the clause headings and bold typeface are for ease of reference only and shall not be relevant for the purposes of interpretation;

(ii). a reference to a clause number is a reference also to its sub- clauses;

(iii). words in singular number include the plural and vice versa;

(iv). words importing a gender include any other gender;

(v). a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference;

(vi). the word 'person' includes an individual, a firm, a body corporate or any other authority;

(vii). references to this Scheme shall be construed as a reference to this ABFRL ESOP Scheme 2026;

(viii). any reference to any legislation, statute, statutory provision shall be construed as a reference to such provisions as from time to time amended, consolidated, modified, extended, re-enacted or replaced;

(ix). any reference to a clause, paragraph or annexure is, unless indicated to the contrary, a reference to a clause, paragraph or annexure of this ABFRL ESOP Scheme 2026; and

(x). the schedules and annexures hereto shall constitute an integral part of this ABFRL ESOP Scheme 2026.

3. Authority and Ceiling

3.1. The Nomination and Remuneration Committee and the Board, at their respective meetings held on August 8, 2026, have resolved to issue to Employees under the ABFRL ESOP Scheme 2026, Options and PSUs exercisable into not more than 3,12,95,000 Equity Shares, being 2.50%, of the paid-up equity share capital of the Company on fully diluted basis (or such other number adjusted in terms of **Clause 3.3** herein below or such other number as may be approved by the Board and the shareholders of the Company from time to time), in one or more tranches, whereby each such Option and PSU, as the case may be, confers a right upon the Grantee to apply for one Equity Share, in accordance with the terms and conditions of the ABFRL ESOP Scheme 2026. However, the maximum number of Options and PSUs that can be granted to a single Employee under the ABFRL ESOP Scheme 2026 shall not exceed 62,59,000 Options and / or PSUs, being 0.50%, of the paid-up equity share capital of the Company (or such other number adjusted in terms of **Clause 3.3** herein below or such other number as may be approved by the Board and the shareholders of the

Company from time to time) which would entitle the Employee to not more than 61,02,600 Equity Shares of the face value of ₹ 10 (Rupees Ten) (which shall be adjusted in lieu of adjustments/re-organisation of capital structure of the Company from time to time).

The aggregate number of PSUs and Options that shall be granted under the ABFRL ESOP Scheme 2026, shall be exercisable into Equity Shares representing not more than 2.50% of the paid-up share capital of the Company, on fully diluted basis i.e., 3,12,95,000 Equity Shares (which number may be adjusted only in terms of **Clause 3.3** herein below) approved by the shareholders as mentioned above.

3.2. Where Equity Shares are issued pursuant to the Exercise of an Option or PSU under the ABFRL ESOP Scheme 2026, the maximum number of Shares that can be issued under the ABFRL ESOP Scheme 2026 as referred to in **Clause 3.1** above will stand reduced to the extent of such Equity Shares being issued.

3.3. **Change in Capital Structure and other Corporate Actions**

(i). In case of corporate actions such as issue of bonus shares, rights issue, merger, sale of division, stock splits, consolidation or other re-organisation of capital structure of the Company, whilst any Option or PSU remains exercisable (subject to **Clause 1.4**), the Company shall make a corresponding fair and reasonable adjustment in accordance with the Applicable Law, if any, to:

(a). the number or nominal amount of Options and PSUs to which the ABFRL ESOP Scheme 2026 applies (insofar as they are unexercised); and/or

(b). the Option Exercise Price and PSU Exercise Price, as the case may be; and/or

(c). the number of Shares underlying an Option or a PSU; and/or

(d). the method of Exercise of any Option or PSU; and/or

(e). the maximum number of Shares referred to in **Clause 3.1** above,

Provided that:

(a). any such adjustment shall give the Grantee the same proportion of the issued share capital of the Company which such Grantee would have been entitled to subscribe to, had he exercised all the Options and PSUs held by him immediately prior to such adjustment;

(b). any such adjustment shall be made on the basis that the aggregate Option Exercise Price or PSU Exercise Price, as the case may be, payable by a Grantee on the full Exercise of the Options or PSUs shall remain as nearly as possible the same (but shall not be greater than) as it was before the time when such corporate action takes effect;

(c). any such adjustment shall be made in accordance with Applicable Law;

(d). no such adjustment shall be made, the effect of which would be to enable Equity Shares to be issued at less than their face value; and

(e). the issue of shares or other securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment.

(ii). In the event of any corporate action as contemplated by the SEBI Regulations, 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 Equity Shares and rights where there is a change in control of the Company, which is not contemplated by **Sub-Clause 3.3(i)** above, the Nomination and Remuneration Committee may, subject to the provisions of the ABFRL ESOP Scheme 2026 and Applicable Law, adjust the number of Options and PSUs (Vested as well as Unvested) or the Option Exercise Price/ the PSU Exercise Price, as the case may be, or the Vesting Period or the Exercise Period or take one or more of the foregoing actions and/or other actions, as it deems appropriate in accordance with the SEBI Regulations while ensuring that the interests of the Grantees are protected.

3.4. Options and PSUs not Vested due to non-fulfillment of the Vesting Conditions, Vested Options and Vested PSUs which the Grantees have expressly refused to Exercise, Options and PSUs (Vested and not exercised and Unvested) which have been surrendered and any Options and PSUs granted but not Vested or exercised within the stipulated time due to any reasons, shall lapse and these Options and PSUs or the underlying Equity Shares will be available for Grant by the Nomination and Remuneration Committee to any Employee(s) as it may deem fit in its absolute discretion, whether under the ABFRL ESOP Scheme 2026 or any amendment thereto or under a new scheme, as a fresh grant, subject to compliance with the provisions of the Applicable Law.

3.5. The Company may re-price the following Options and PSUs (in whole or in tranches), as the case may be, in accordance with Applicable Law, in the event they are rendered unattractive due to the fall in the price of the Shares on the Recognised Stock Exchanges:

(i). Unvested Options or Unvested PSUs; and

(ii). Vested Options and Vested PSUs which are yet to be exercised.

4. Administration

4.1. The ABFRL ESOP Scheme 2026 shall be operated and administered by the Nomination and Remuneration Committee. All questions of interpretation, dispute, discrepancy or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with the ABFRL ESOP Scheme 2026 or any Option or PSU shall be referred to the Nomination and Remuneration Committee and shall be determined by the

Nomination and Remuneration Committee and such determination or interpretation shall be final and binding upon all persons (including, but not limited to, Employees and their nominee(s) or legal heir(s)) having an interest in or affected by the ABFRL ESOP Scheme 2026 or such Option or PSU.

4.2. The Nomination and Remuneration Committee shall, in accordance with this ABFRL ESOP Scheme 2026 and Applicable Law, in its absolute discretion, inter alia, determine the following:

(i). the Eligibility Criteria;

(ii). the number of tranches in which the Options and PSUs are to be granted and the number of Options and PSUs to be granted in each such tranche;

(iii). the quantum of Options and PSUs to be granted to each Employee under the ABFRL ESOP Scheme 2026, subject to the ceilings as specified in **Clause 3.1**;

(iv). the time when the Options and PSUs are to be granted;

(v). the number of Options and PSUs, if any, reserved for granting to new Employees who would join the services of the Company;

(vi). the amount of up-front fee, if any, payable by the Employee at the time of Grant of Options;

(vii). the terms and conditions (including performance parameters) subject to which the Options and PSUs granted would vest in the Employee;

(viii). the Exercise Period within which the Employee should Exercise the Options and PSUs and that the Options and PSUs would lapse on failure to Exercise within the relevant Exercise Period;

(ix). the right of an Employee to Exercise all the Vested Options and Vested PSUs at one time or at various points of time within the Exercise Period;

(x). the specified time period within which the Employee shall Exercise the Vested Options and the Vested PSUs in the event of termination or resignation of an Employee;

(xi). the conditions under which the Vested Options and Vested PSUs may vest in Employees and may lapse including, in case of termination of employment for fraud or misconduct;

(xii). the treatment of Unvested Options and Unvested PSUs upon events including but not limited to, termination of employment or upon a Director ceasing to hold office;

(xiii). the Vesting and Exercise of Options and PSUs in case of Grantee who has been transferred to an Associate Company at the instance of the Company or, who is on Secondment;

(xiv). the procedure and terms for the Grant, Vesting and Exercise of Option and PSU in the case of Employees who are on long leave;

(xv). The procedure for funding the Exercise of Options / PSUs;

(xvi). the procedure for surrender and cancellation of Options and PSUs, if required, in accordance with Applicable Law;

(xvii). framing appropriate procedures and rules for granting, Vesting and Exercise of Options and PSUs and amending, altering, modifying or rescinding such procedures and rules from time to time;

(xviii). the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of Options / PSUs and to the Exercise Price in the case of corporate actions such as merger, sale of division, stock split / consolidation, rights issues, bonus issues, change in capital structure and/or others, in accordance with the SEBI Regulations and Applicable Law. In this regard, the following shall, *inter alia*, be taken into consideration by the Nomination and Remuneration Committee: (a) the number and Exercise Price of Options / PSUs shall be adjusted in a manner such that the total value to the Employee of the Options / PSUs remains the same after corporate action; and (ii) the Vesting Period and the life of Options / PSUs shall be left unaltered as far as possible to protect the rights of the Employee(s) who is granted such Options / PSUs;

(xix). The procedure for buy-back of 'specified securities' issued under SEBI 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.

The term 'specified securities' shall have the meaning ascribed under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and

(xx). allot shares on exercise and arrange to get the shares issued under the ABFRL ESOP Scheme 2026, listed on the Recognised Stock Exchange(s);

(xxi). ensuring submission of information, reports, etc., in connection with the ABFRL ESOP Scheme 2026 to the Recognised Stock Exchange(s) at stipulated periodical intervals or otherwise, as the case may be;

(xxii). obtaining permissions from, and making periodic reports, to regulatory authorities, as may be required and ensuring compliance with Applicable Law;

(xxiii). laying down a method for satisfaction of any tax obligation arising in connection with the Options, PSUs and the Shares in compliance with Applicable Law;

(xxiv). subject to Applicable Law, (a) call back Options or PSUs granted to the Employees with their consent in writing and settle their entitlement in cash; or (b) re-price the Options, as the case may be, which are not yet exercised, whether or not the same are Vested, in the event the ABFRL ESOP Scheme 2026 or any tranche of Grant under the same has been rendered unattractive due to the fall in price of the Equity Shares on the Recognised Stock Exchanges;

(xxv). provide for any statutory, contractual, regulatory or such other matters as may be necessary for the administration and implementation of the ABFRL ESOP Scheme 2026 in accordance with Applicable Law; and

(xxvi). finalize, approve and authorise executives of the Company to execute various agreements, deeds, writings, confirmations, undertakings, indemnities or other documents, as may be necessary, under the Common Seal of the Company or otherwise, with any party including legal advisors, accountants, share transfer agents, depositories, custodians, trustees, bankers and/or others for the purposes of the ABFRL ESOP Scheme 2026 and accept modifications, changes and amendments to any such documents/ agreements.

4.3. The Nomination and Remuneration Committee shall frame suitable policies and put in place systems to ensure that there is no violation of Applicable Law, including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the SEBI Regulations and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

4.4. The number of members of the Nomination and Remuneration Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board of Directors of the Company, subject to Applicable Law.

4.5. No member of the Nomination and Remuneration Committee shall be personally liable for any decision or action taken in good faith with respect to the ABFRL ESOP Scheme 2026.

4.6. The Nomination and Remuneration Committee may formulate various sets of special terms and conditions under the ABFRL ESOP Scheme 2026 to apply to an Employee (or his nominee/legal heir, as the case may be). Each of such sets of special terms and conditions under this ABFRL ESOP Scheme 2026 shall be restricted in their application to such Employee (or his respective nominees/ legal heirs). The Nomination and Remuneration Committee may also formulate separate sets of special terms and conditions to apply to each class or category of Employees (or their respective nominees/legal heirs) and each of such sets of special terms and conditions shall be

restricted in its application to such class or category of Employees (or their respective nominees/legal heirs).

4.7. The Nomination and Remuneration Committee may appoint a third party to administer the ABFRL ESOP Scheme 2026 and support employee communication, on its behalf.

4.8. It is clarified that in terms of the ABFRL ESOP Scheme 2026, upon Exercise of the Options and PSUs, the Grantees will subscribe to the Equity Shares to be issued by the Company, upon payment of the Option Exercise Price and the PSU Exercise Price, as the case may be.

5. Eligibility, Applicability and Grant

5.1. Only Employees are eligible for being granted Options and PSUs under the ABFRL ESOP Scheme 2026. The specific Employees to whom the Options and PSUs would be granted and the Eligibility Criteria (including but not limited to performance, merit, grade, conduct and length of service of the Employee) would be determined by the Nomination and Remuneration Committee, in its absolute discretion, subject to Applicable Law.

5.2. The ABFRL ESOP Scheme 2026 shall be applicable to the Company, its Subsidiary Companies in India and abroad, and any successor company thereof and Options and PSUs may be granted to eligible 'Employee' (as defined in clause 2.1(x) of the ABFRL ESOP Scheme 2026), as determined by the Nomination and Remuneration Committee at its sole discretion.

5.3. The Nomination and Remuneration Committee may, on such dates as it shall determine, Grant to such Employees as it may in its absolute discretion select, Options and/or PSUs on the terms and conditions and for the consideration as it may decide, subject to compliance with Applicable Law. The Employee identified for Grant of Options and PSUs shall be furnished with: (i) the Letter of Grant; (ii) the disclosures prescribed under the SEBI Regulations including the salient features of the ABFRL ESOP Scheme 2026; (iii) the ESOS Code of Conduct; (iv) nomination form and such other documents as may be prescribed by the Nomination and Remuneration Committee and Applicable Law.

5.4. The acceptance of Grant shall be deemed to be automatic by the Employee, and no formal acceptance shall be required to be made by the Employee in this regard.

5.5. The appraisal process for determining the eligibility of the Employees will be specified by the Nomination and Remuneration Committee, and will be based on Eligibility Criteria such as role/level of the Employee, past performance record, future potential of the Employee and/or such other Eligibility Criteria that may be determined by the Nomination and Remuneration Committee.

6. Vesting Schedule and Conditions

6.1. The Options and PSUs granted under ABFRL ESOP Scheme 2026 would vest not earlier than one year from the Grant Date in accordance with the SEBI Regulations, unless otherwise specified therein and not later than such Vesting Period as set forth in **Clause 6.2** below or such other period or manner as may be determined by the Nomination and Remuneration Committee from time to time, which shall be within the time prescribed in **Clause 6.2** below.

Provided that in case where Options or PSUs are granted by the Company under this ABFRL ESOP Scheme 2026 in lieu of employee stock options held by a person under an employee stock option scheme in another company which has merged or amalgamated with the Company ("**Transferor Company**"), the period during which the employee stock options granted by the Transferor Company were held by the person shall be adjusted against the minimum Vesting Period set out above.

Vesting of Options / PSUs shall be subject to, amongst other things, the conditions that:

(i) the Grantee is in continuous employment with the Company or Subsidiary Company(ies) (as the case may be);

(ii) a minimum of one year has completed from the Grant Date, except in case of death or Permanent Incapacity of the Grantee, in which case the Options / PSUs, as the case may be shall vest immediately; and

(iii) the Grantee is not subject to any pending disciplinary proceeding.

In addition to this, the Board or the Nomination and Remuneration Committee may, at its discretion, lay down certain criteria, including but not limited to, the performance metrics which would include profitability, revenue, ESG metric or any other strategic metrics as may be decided on the achievement of which the granted Options / PSUs would vest and which may be specified in the respective Letters of Grant or the Vesting letters to be issued in this regard. The specific Vesting schedule and conditions, if any, subject to which Vesting would take place would be outlined either in the Letter of Grant given to the Grantee at the time of the Grant of Options and PSUs or, in the respective Vesting letters to be issued by the Company to the Grantees from time to time.

6.2. Vesting Period:

(i). Vesting Period for Options: The Options granted under the ABFRL ESOP Scheme 2026 shall vest, subject to compliance with the minimum Vesting Period of one year, within a maximum period of five years from the Grant Date, in the manner set out in the respective Vesting letters to be issued by the Company to the Grantees from time to time. Provided that in case of cessation of employment / engagement due to death or Permanent Incapacity, the minimum Vesting Period of 1 (one) year from the Grant Date shall not apply.

(ii). Vesting Period for PSUs: The PSUs granted under the ABFRL ESOP Scheme 2026 shall vest, subject to compliance with the minimum Vesting Period of one year,

within a maximum period of five years from the Grant Date, in the manner set out in the respective vesting letters to be issued by the Company to the Grantees from time to time. Provided that in case of cessation of employment / engagement due to death or Permanent Incapacity, the minimum Vesting Period of 1 (one) year from the Grant Date shall not apply.

Notwithstanding anything contained herein, the Nomination and Remuneration Committee may: (i) not vest any of the Options and PSUs already granted; or (ii) vest such lesser number of Options and PSUs than as already granted; or (iii) modify the vesting schedule in respect of the Options and PSUs already granted, as applicable, in the event it is found that: (a) the Grantee has not satisfied any Vesting Condition; or (b) the Grantee has not met the performance parameters; or (c) has not performed upto the expectations; or (d) has not been regularly attending the office for a substantial period of time without any valid reason or authority; or (e) has been put on a modified employment arrangement such as part-time working, reassignment to lower accountability, sabbatical, leave without pay; or (f) on account of such other circumstances as the Nomination and Remuneration Committee may in its absolute discretion decide, subject to Applicable Law.

Notwithstanding anything contained herein, Vesting of Options/ PSUs granted to Employee may expire or lapse or forfeit on account of such circumstances as the Nomination and Remuneration Committee may in its absolute discretion decide, subject to Applicable Law.

6.3. **Treatment of Options / PSUs in case of Employees on long leave:**

(i) The period of leave shall not be included in determining the Vesting Period in the event an Employee is on sabbatical. In all other conditions, including earned leave, maternity leave and sick leave, the period of leave shall be included to calculate the Vesting Period.

(ii) A Grantee on leave other than a sabbatical can Exercise his / her Options / PSUs as per the terms of the Letter of Grant.

(iii) The Company may provide for different Exercise Periods, to the extent permissible under Applicable Law, for different eligible Employees especially employees on long leave as may be decided by the Nomination and Remuneration Committee.

7. Exercise

7.1. **Exercise Price:**

(i). Option Exercise Price: The Option Exercise Price shall be the Market Price.

(ii). PSU Exercise Price: The PSU Exercise Price shall be the face value of the Shares as on the Grant Date of such PSUs.

The Exercise Price, as determined by the Nomination and Remuneration Committee will be appropriately specified in the relevant Letter of Grant given to the Grantee at the time of the Grant of Options and/or PSUs.

7.2. **Exercise Period**: The Options and PSUs granted to a Grantee shall be capable of being exercised within a period of five years from the date of Vesting of the respective Options and PSUs or such other period as may be determined (and communicated to the Grantee) by the Nomination and Remuneration Committee from time to time, which shall be within a period of five years from the date of Vesting of the respective Options and PSUs. Provided that in case of cessation of employment / engagement of the Grantee, the Exercise Period as set out in **Clauses 7.5** to **7.11** shall apply.

In accordance with the decision of the Nomination and Remuneration Committee, the amount payable by the Employee, if any, at the time of Grant of Options or PSUs –

(i). may be forfeited by the Company, if the Vested Options or PSUs, as the case may be, are not exercised by the Employee within the Exercise Period; or

(ii). may be refunded to the Employee if the Options or PSUs, as the case may be, are not Vested due to the non-fulfilment of any of the Vesting Conditions.

During the Exercise Period relating to each Vesting, the Vested Options and the Vested PSUs can be exercised in one or more tranches, such that each tranche will be a minimum of 500 Options or 100 PSUs, as the case may be, or as may be determined by the Nomination and Remuneration Committee except in cases where the number of Vested Options is less than 500 or where the number of outstanding Vested PSUs is less than 100.

7.3. **Exercise Application**: The Grantee may, at any time during the Exercise Period, and subject to fulfillment of conditions of the Grant and Vesting, as applicable, Exercise the Options and/or PSUs (as the case may be) by submitting the Exercise Application to the Company in writing, for issuance of Equity Shares pursuant to the Vested Options and/or Vested PSUs, accompanied with the:

(i). payment of an amount equivalent to the Exercise Price, as the case may be, in respect of such Equity Shares; and

(ii). such other documentation as the Nomination and Remuneration Committee may specify to confirm extinguishment of the rights comprising in the Options and/or the PSUs then exercised, subject to Applicable Law.

The Exercise Application shall be in such form as may be prescribed in this regard by the Nomination and Remuneration Committee and the Nomination and Remuneration Committee may determine the procedure for such Exercise from time to time.

7.4. Each Option and each PSU would entitle the Grantee, on Exercise, to subscribe to 1 (One) Share (or such other number as adjusted for any change in capital structure of the Company and other corporate action, as the case may be, in terms of **Clause 3.3** of this ABFRL ESOP Scheme 2026 or otherwise as adjusted from time to time, as may be

determined by the Nomination and Remuneration Committee pursuant to the provisions of the ABFRL ESOP Scheme 2026). Provided that, in the event of Exercise of Options and PSUs resulting in fractional Equity Shares, the Nomination and Remuneration Committee shall be entitled to round off the number of Equity Shares to be issued to the nearest whole number, and the Exercise Price shall be accordingly adjusted. All Equity Shares issued and allotted consequent to Exercise of Options and PSUs shall rank *pari passu* with the then existing Equity Shares.

7.5. **In case of death**: In the event of the death of a Grantee while in employment with the Company, all the Unvested Options and PSUs granted to him shall vest in his nominee(s)/legal heir(s)/successor(s) immediately on the date of death. All the Options and PSUs (including those which vest upon the death of the Grantee) shall be exercised by the nominee(s)/legal heir(s)/successor(s) of the Grantee within three years from the date of death of the Grantee (subject to the last date of Exercise not exceeding five years from the date of each Vesting of Options and PSUs, as the case may be), failing which, these shall lapse. The mode of nominating any person as a nominee would be prescribed by the Nomination and Remuneration Committee. In case of the death of any Grantee who has not nominated any person(s), the Options and PSUs granted shall be exercisable by the legal heir(s) / successor(s) of such Grantee, provided however that the legal heir(s) / successor(s) shall be required to produce/furnish to the Company all such documents / indemnities as may be required by the Company to prove the succession to the assets of the deceased Grantee. In case the proof of succession is not produced to the Company within six months from the date of death of the Grantee or such further time as the Nomination and Remuneration Committee may permit in its absolute discretion, the Options and the PSUs shall lapse and shall be available for Grant by the Nomination and Remuneration Committee to any other Employee(s) as it may deem fit in its absolute discretion.

7.6. **In case of Permanent Incapacity**: In the event of separation of a Grantee due to reasons of Permanent Incapacity while in employment, all the Unvested Options and PSUs granted to him shall vest in him immediately on the date of such Permanent Incapacity. All the Options and PSUs (including those which vest upon the Permanent Incapacity of the Grantee) shall be exercised by him within three years from the date of separation on account of such Permanent Incapacity (subject to the last date of Exercise not exceeding five years from the date of each Vesting of Options and PSUs, as the case may be), failing which these shall lapse. In the event of death of the Grantee after such separation or inability of the Grantee to Exercise Options and / or PSUs, the nominee(s)/legal heir(s)/successor(s) of such Grantee will be allowed to Exercise all Options and PSUs (including those which vest upon the Permanent Incapacity of the Grantee), within three years from the date of separation of the Grantee on account of such Permanent Incapacity (subject to the last date of Exercise not exceeding five years from the date of each Vesting of Options and PSUs, as the case may be), failing which these shall lapse.

7.7. **In case of Retirement**: Subject to **Clause 6.2** above and Applicable Law (including the minimum Vesting Period of one year), in the event of separation from employment for reasons of normal Retirement or a Retirement specifically approved by the Company, all Unvested Options and/or Unvested PSUs shall continue to Vest in accordance with

the respective Vesting Schedules even after Retirement or superannuation, subject to the discretion of the Nomination and Remuneration Committee, and in accordance with the Company Policies and Applicable Law.

After the date of Retirement, all Vested Options and Vested PSUs shall be exercisable by the Grantee (or by the nominee(s)/ legal heir(s)/ successor(s) of the Grantee as the case may be, upon the death of the Grantee) within three years from the date of Retirement, subject to the last date of Exercise not exceeding five years from the date of each Vesting of the Options and the PSUs, as the case may be.

7.8. **Treatment of Options and PSUs held by Good Leavers:**

(i). In the event of termination of employment, the Board or the Company, through its authorised officer, will determine if the Employee is a Good Leaver and such decision shall be final and binding on all concerned.

(ii). In the event of termination of employment as a Good Leaver, the Nomination and Remuneration Committee may, in its sole discretion, accelerate the Vesting of the Unvested Options and Unvested PSUs held by the Good Leaver, subject to compliance with the minimum Vesting Period of one year from the Grant Date and shall vest on the last date of the employment while there is a subsisting employment relationship with the Grantee (the "**Acceleration**"). Such accelerated Vested Options and Vested PSUs shall be exercisable within the period set out in the Vesting letter to be issued in this regard, subject to Applicable Law (the "**Accelerated Vesting Letter**"). The Equity Shares resulting from the Exercise of the accelerated Vested Options or Vested PSUs may be subject to a Lock-in Period of one year from the date of allotment of Equity Shares, if so specified in the Accelerated Vesting Letter. In the event the Nomination and Remuneration Committee does not grant Acceleration, all Unvested Options and Unvested PSUs (including the ones in respect of which the minimum Vesting Period has not been met), shall expire and stand cancelled with effect from the date of submission of the termination/ resignation notice. However, subject to the Exercise Period, all Vested Options and Vested PSUs as on the date of submission of the termination/ resignation notice shall be exercisable by the Good Leaver within the period specified in the relevant Vesting letter.

7.9. **In case of breach of Company Policies or Terms of Employment and other matters**: In the event of termination of the employment of a Grantee due to breach of Company Policies/Terms of Employment, all Options and PSUs granted to such Grantee, including the Vested Options and Vested PSUs which were not exercised prior to such breach, shall stand terminated with immediate effect. The date of such breach shall be determined by the Nomination and Remuneration Committee, and its decision on this issue shall be final and binding on all concerned. Further, the Options and PSUs granted but not Vested and the Vested Options and Vested PSUs which are not exercised in case of a Grantee who has been suspended from the services of the Company or to whom a show cause notice has been issued or against whom an enquiry is being or has been initiated for any reason whatsoever including but not limited to

fraud, misconduct, violation of the Company Policies/Terms of Employment or Codes of the Company or for having committed or abetted any illegal or unlawful activity may, on the recommendation of the management, be suspended or kept in abeyance or cancelled at the sole discretion of the Nomination and Remuneration Committee. In the case of Options and PSUs that have been suspended or kept in abeyance, the same may be permitted to vest in the concerned Grantee on such additional terms and conditions, as may be imposed by the Nomination and Remuneration Committee in its absolute discretion. Cancelled Options and PSUs, if any, shall be treated as lapsed Options and PSUs respectively and shall be available for Grant, as provided under **Clause 3.4**.

7.10. **In case of cessation of employment**: In the event of cessation of employment, including on account of resignation by the Grantee, that is not covered within the scope of **Clauses 7.5, 7.6, 7.7, 7.8,** and **7.9**, all Unvested Options and Unvested PSUs (including the ones in respect of which the minimum Vesting Period has not been met), shall expire and stand cancelled with effect from date of submission of the termination/ resignation notice. However, all Vested Options and Vested PSUs as on such date shall, at the discretion of the Nomination and Remuneration Committee, be exercisable by the Grantee within the period specified in the relevant Vesting letter.

7.11. **In case of transfer to an Associate Company or Secondment**: In the event a Grantee is (i) transferred by the Company to an Associate Company (and provided that, during the relevant Vesting Period, the Grantee continues to be in employment with any Associate Company subsequent to the transfer from the Company), or (ii) is on Secondment, prior to the Vesting or Exercise of the Options or PSUs, as the case may be, the Options and PSUs granted to such Employees shall vest or be exercised as per the terms of Grant under the ABFRL ESOP Scheme 2026 and as specified in the Letter of Grant or the vesting letters, as applicable, even after such transfer or Secondment.

All the provisions of **Clauses 7.5, 7.6, 7.7, 7.8, 7.9** and **7.10** of this ABFRL ESOP Scheme 2026 shall apply mutatis mutandis to this **Clause 7.11**.

8. Other Terms and Conditions

8.1. 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, dividend, voting, etc) in respect of any Equity Shares covered by the Grant unless the Grantee Exercises the Options and/or the PSUs (as the case may be) and becomes a registered holder of the Equity Shares.

8.2. Subject to **Clause 8.5** below, the Options and the PSUs shall not be transferred, pledged, hypothecated, mortgaged or otherwise alienated or encumbered in any manner whatsoever. The Company shall not recognise any transfer, pledge, hypothecation, mortgage or other alienation or encumbrance undertaken in violation of this condition.

8.3. If the Company issues bonus or rights shares or any other securities to the then existing shareholders of the Company, the Grantee will not be eligible for the same in the

capacity of a Grantee. However, an adjustment to the number of Options and PSUs or the relevant Exercise Price or both would be made in accordance with **Clause 3.3** of the ABFRL ESOP Scheme 2026 and Applicable Law.

8.4. In the event of any change in the constitution of the Company namely change of control of the Company, re-structuring of the Company, including but not limited to, merger, de-merger, spin-off, reverse merger, subsidiarisation etc. or amalgamation of any other entity with the Company, outside the Aditya Birla Group of Companies, the Nomination and Remuneration Committee would have the authority to alter all or any of the terms relating to the Grant or the ABFRL ESOP Scheme 2026 in general and would also have the authority to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion in the best interests of the Employees and as permitted under Applicable Law, so as to ensure that "fair" and equitable benefits under the Grant are passed on to the Employees. The Nomination and Remuneration Committee shall take appropriate actions, in accordance with Applicable Law, to endeavour that the total value of the Options and PSUs remains the same after the aforesaid corporate actions and in this regard shall if necessary, arrange issuance of fresh Options/PSUs/ shares of the Subsidiary Company(ies) of the Company and/or resultant entities emerging due to such corporate actions.

8.5. Options and PSUs shall not be transferable or assignable to any person except in the event of death of the Grantee in accordance with **Clause 7.5** of this ABFRL ESOP Scheme 2026.

8.6. No person other than the Grantee to whom the Option and PSU are granted shall be entitled to Exercise the Option and the PSUs (as the case may be) except in the event of the death or Permanent Incapacity of the Grantee.

8.7. Notwithstanding anything contained elsewhere in the ABFRL ESOP Scheme 2026, the Company or the Board of Directors or the Nomination and Remuneration Committee will not be obliged to issue any Equity Shares upon Exercise of the Options and PSUs or otherwise unless the issuance and delivery of such Equity Shares complies, in the judgment of the Company, with all the relevant provisions of Applicable Law including but not limited to, any applicable securities laws and the requirements of any Recognised Stock Exchange(s). In such event, the Company shall not be liable to pay any compensation or similar payment to any Employee for any loss suffered due to such refusal/ deferral to permit Exercise.

8.8. The Shares issued pursuant to any Exercise of Options or PSUs, along with other Equity Shares issued by the Company, subject to Applicable Law and procedure, shall be subject to an approved scheme of buy-back by the Company and Applicable Law.

8.9. An Employee may surrender his Options and/or PSUs (Vested and un-exercised and Unvested) at any time during his employment with the Company till the ABFRL ESOP Scheme 2026 remains in effect. Any Employee willing to surrender his Options and/or PSUs shall communicate the same, in writing, to the Nomination and Remuneration Committee. Thereafter the surrendered Options and PSUs shall lapse or expire with

effect from the date of surrender and the underlying Shares shall become available for future Grant in the form of Options and/or PSUs as provided under **Clause 3.4**.

9. Transferability of Equity Shares

Options or PSUs granted under ABFRL ESOP Scheme 2026 to an Employee shall not be transferable to any person. However, there will be no restriction on transferability of the Equity Shares, which may be issued to the Employee upon Exercise of the Options and PSUs granted pursuant to this ABFRL ESOP Scheme 2026, unless otherwise specified. However, Employees are required to always adhere to Applicable Law, Company Policies/Term of Employment and the ESOS Code of Conduct while dealing in the Equity Shares or exercising any rights there under. In particular, each Employee shall ensure that there is no violation of the provisions of (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, (b) the Company's share dealing policies and codes or (c) other applicable restrictions for prevention of fraudulent and/or unfair trade practices relating to the securities market.

10. Lock-in Period

Other than as set out in **Clause 7.8(ii)** above, there will be no Lock-In Period in respect of the Equity Shares, which may be issued upon Exercise of the Options and PSUs granted pursuant to this ABFRL ESOP Scheme 2026.

11. Tax Liability

The liability of paying tax, if any, on the Options and PSUs granted pursuant to the ABFRL ESOP Scheme 2026 and the Equity Shares issued pursuant to Exercise of Options and PSUs shall be entirely on the Grantee (his nominee(s)/ legal heir(s)/ successor(s) as the case may be) and shall be in accordance with the provisions of Income Tax Act, 2025 (or any re-enactment thereof) and/or the rules framed there under and if such Grantee (his nominee(s)/ legal heir(s)/ successor(s) as the case may be) is resident in a territory outside India, it shall also be in accordance with tax laws applicable to such territory. In the event of any amendments or modifications to the provisions of the Income Tax Act, 2025 (or any re-enactment thereof) and/or the rules framed there under, as existing on the date of this ABFRL ESOP Scheme 2026, the Nomination and Remuneration Committee shall have the power to amend or modify this ABFRL ESOP Scheme 2026, without the consent of the Employees or the shareholders, as the case may be, in order to ensure that the Company is in the same position as it would have been had the amendments or modifications in the Income Tax Act, 1961 (or any re-enactment thereof) and/or the rules framed there under not been made.

12. Tax Deduction at Source

The Company shall have the right to deduct from the salary of the Grantee or receive from the Grantee (his nominee(s)/ legal heir(s)/ successor(s) as the case may be) any of the tax obligations, as stated in **Clause 11** above, arising in connection with the Option or PSU or the Equity Shares issued upon the Exercise thereof. The Company shall have no obligation to deliver the Equity Shares upon Exercise of the Options or

PSUs, as the case may be, until the Company's tax deduction obligations, if any, have been satisfied by the Grantee.

13. Authority to vary terms

13.1. Subject to Applicable Law, the Nomination and Remuneration Committee will at its absolute discretion have the right to modify/amend the ABFRL ESOP Scheme 2026 in such manner and at such time or times as it may deem fit, subject however that any such modification/amendment shall not be detrimental to the interest of the Grantees/Employees and approval wherever required for such modification/amendment is obtained from the shareholders of the Company in terms of the SEBI Regulations. The Nomination and Remuneration Committee shall be entitled to vary the terms of this ABFRL ESOP Scheme 2026 to meet any regulatory requirement without seeking shareholders' approval.

13.2. The Nomination and Remuneration Committee may re-price the Options, which are not exercised, if such Options are rendered unattractive due to fall in the share price of the Company in the stock market. Provided that the Nomination and Remuneration Committee shall ensure that such re-pricing shall not be detrimental to the interest of the Grantees/Employees and such re-pricing is in terms of and in compliance with the SEBI Regulations and Applicable Law.

14. Miscellaneous

14.1. Regulations

This ABFRL ESOP Scheme 2026 shall be subject to the Applicable Law and any approvals from the governmental authorities, as applicable.

14.2. Inability to obtain approval

The inability of the Company to obtain approval from any regulatory body having jurisdiction over the Company, or under Applicable Law, for the lawful issuance and sale (to the extent permitted by Applicable Law) of any Equity Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell (to the extent permitted by Applicable Law) such Equity Shares.

14.3. The Grant of an Option or PSU does not form part of the Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person and the Company give such person any right or entitlement to have an Option or PSU granted to him in respect of any number of Equity Shares or any expectation that an Option or PSU might be granted to him whether subject to any condition or at all.

14.4. Neither the existence of this ABFRL ESOP Scheme 2026 nor the fact that an individual has on any occasion been granted an Option or PSU 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 ABFRL ESOP Scheme 2026 by being granted an Option or PSU on any other occasion.

14.5. The rights granted to a Grantee upon the Grant of an Option or PSU shall not afford 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).

14.6. 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 an Option or PSU in whole or in part.

14.7. Nothing contained in the ABFRL ESOP Scheme 2026 or in any Grant made hereunder shall:

(i). confer upon any Employee any right with respect to continuation of employment or engagement with the Company; or

(ii). interfere in any way with the right of the Company to terminate employment or services of any Employee at any time.

14.8. Neither the adoption of the ABFRL ESOP Scheme 2026 nor any action of the Nomination and Remuneration Committee shall be deemed to give an Employee any right to be granted any Option or PSU to acquire Shares or to any other rights except as may be evidenced by a Letter of Grant.

14.9. Participation in this ABFRL ESOP Scheme 2026 shall not be construed as any guarantee of return on any investment. Any loss due to fluctuations in the Market Price of the Shares and the risks associated with the investments is that of the Employee alone. The Company shall not in any way be responsible for the loss, if any, that may arise as a result of any fluctuation in the Market Price of the Equity Shares of the Company.

15. Confidentiality

Employees shall keep the details of the Options and PSUs granted to them strictly confidential and shall not share with, or disclose the said details to any other person. In case of non-adherence of the provisions of this **Clause 15**, the Nomination and Remuneration Committee will have the authority to deal with such cases as it may deem fit in its absolute discretion. Any decision as may be taken by the Nomination and Remuneration Committee in this regard will be final and binding on all concerned.

16. Method used for Valuation of Options and PSUs

The Company shall use the fair value method for valuation of the Options and the PSUs granted, or such other valuation method as may be prescribed from time to time in accordance with Applicable Law and the Company will make the necessary disclosures as may be required in this regard under Applicable Law.

17. Conformance to the Accounting Policies

The Company shall conform to the accounting policies prescribed by SEBI and as specified by the SEBI Regulations from time to time.

18. No Restriction on Corporate Action

The existence of the ABFRL ESOP Scheme 2026 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 authorise 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 ABFRL ESOP Scheme 2026 or any Grant made under the ABFRL ESOP Scheme 2026. No Employee or other person shall have any claim against the Company as a result of such action.

19. New Schemes

Nothing contained in the ABFRL ESOP Scheme 2026 shall be construed to prevent the Company from implementing any other new scheme for granting employee stock options (by way of Options or PSUs) 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 ABFRL ESOP Scheme 2026 or any Grant made under the ABFRL ESOP Scheme 2026. No Employee or other person shall have any claim against the Company as a result of such action.

20. Notices

All notices or communication required to be given by the Company to a Grantee by virtue of this ABFRL ESOP Scheme 2026 shall be in writing and shall be sent to the address of the Grantee available in the records of the Company and any communication to be given by a Grantee to the Company in respect of ABFRL ESOP Scheme 2026 shall be sent, in writing, at the address mentioned below:

The Company Secretary
Aditya Birla Fashion and Retail Limited
Piramal Agastya Building 'A',
401, 403, 501, 502, LBS Road, Kurla,
Mumbai, Maharashtra, India, 400070

21. Severability

In the event that any term, condition or provision of this ABFRL ESOP Scheme 2026 is held to be a violation of or contrary to Applicable Law, the same shall be severable from the rest of this ABFRL ESOP Scheme 2026 and shall have no force and effect and this ABFRL ESOP Scheme 2026 shall remain in full force and effect as if such term, condition or provision had not originally been contained in this ABFRL ESOP Scheme 2026. In the event of any inconsistency between any of the provisions of this ABFRL ESOP Scheme 2026 and the Applicable Law, the provisions as under the Applicable Law shall prevail.

22. Arbitration

All disputes arising out of or in connection with the ABFRL ESOP Scheme 2026 or the Grant, Vesting or Exercise shall be referred for arbitration to a single arbitrator (not being an employee) to be appointed by the Nomination and Remuneration Committee with the consent of the Grantee. The arbitration proceedings shall be in accordance with the provisions of the Arbitration and Conciliation Act, 1996. The place of Arbitration shall be Mumbai, India and the proceedings shall be conducted in English.

23. Governing Law

The terms and conditions of the ABFRL ESOP Scheme 2026 shall be governed by and construed in accordance with the laws of India.

24. Listing of the Equity Shares

Subject to the approval of the Recognised Stock Exchange(s), the Equity Shares issued upon Exercise of the Vested Options and PSUs, as the case may be, shall be listed on such Recognised Stock Exchange(s).

Rajeev Agrawal

Digitally signed by Rajeev Agrawal
Date: 2026.11.06 16:46:39 +05'30'