

*Privileged and Confidential*  
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*ESOP Plan*  
*January 18, 2024*

**AADHAR HOUSING FINANCE LIMITED - EMPLOYEE STOCK OPTION  
PLAN 2018**

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**1. NAME, OBJECTIVE AND TERM OF THE PLAN**

- 1.1** This Plan shall be called the 'Aadhar Housing Finance Limited - Employee Stock Option Plan 2018' ("**Plan**").
- 1.2** The objective of the Plan is to reward the Employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Plan to retain talent working with the Company. The Company views equity based compensation plans as an integral part of employee compensation across sectors which enable alignment of personal goals of the Employees with organizational objectives by participating in the ownership of the Company through share based compensation Plan.
- 1.3** The Plan is established with effect from 26<sup>th</sup> March, 2018<sup>1</sup> and shall continue to be in force until
- (a) Its termination by the Board or Nomination and Remuneration Committee; or
- (b) The date, on which all of the Employee Stock Options available for issuance under the Plan have been issued and exercised;

whichever is earlier.

- 1.4** The Nomination and Remuneration Committee / Board may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the Plan.

**2. DEFINITIONS AND INTERPRETATION**

**2.1 Definitions**

- 2.1.1 "**Abandonment**" means the termination of employment by the Board without notice, due to long unauthorized absence of an Employee from work.
- 2.1.2 "**Applicable Law**" means every applicable rule, regulation or law relating to Employee Stock Options, including, without limitation, the Companies Act, the SEBI SBEB&SE Regulations, the SEBI ICDR Regulations (as and when applicable), including any enactment or re-enactment thereof, and all relevant tax, securities, exchange control or corporate laws of India.
- 2.1.3 "**Board**" means the Board of Directors of the Company.
- 2.1.4 "**Companies Act**" means the Companies Act, 2013 read with the rules made thereunder and includes any statutory modifications or re-enactments thereof.
- 2.1.5 "**Company**" means Aadhar Housing Finance Limited, a company incorporated under the provisions of the Companies Act, 1956 having its registered office at 2nd

<sup>1</sup> Amended pursuant to the shareholder's approval obtained at the extra-ordinary general meeting held on 24th January 2024

Floor, No. 3, JVT Towers, 8th A Main Road, Sampangi Rama Nagar, Hudson Circle, Bengaluru, Karnataka - 560027.

- 2.1.6 “**Company Policies / Terms of Employment**” means the Company’s policies for Employees and the terms of employment as contained in the employment letter / contract and the Company handbook, which includes provisions for securing confidentiality, non-compete and non-poaching of other Employees and customers.
- 2.1.7 “**Director**” means a member of the Board of the Company.
- 2.1.8 “**Eligibility Criteria**” means the criteria as may be determined from time to time by the Board for granting Options to the Employees.
- 2.1.9 “**Employee**” means

**Prior to Listing:**

- (a) a permanent employee of the Company who has been working in India or outside India; or
- (b) a Director of the Company, whether whole time Director or not; but excludes-
- (i) an employee who is a Promoter or belongs to the Promoter Group;
- (ii) a Director who either by himself/ herself or through his / her relatives or through any-body corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company; and
- (iii) an independent Director within the meaning of the Companies Act.

**Post Listing:**

- (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 group company including subsidiary company(ies) or its associate company(ies), in India or outside India, or of a holding company of the Company:

but shall not include:

- (i) an employee who is a Promoter or belongs to the Promoter Group;
- (ii) a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company.

- 2.1.10 “**Employee Stock Options**” or “**ESOPs**” or “**Options**” means an option granted to an ESOP Grantee entitling him / her to receive Shares of the Company upon Exercise of Options, in accordance with and subject to the terms and conditions of the Plan and the Applicable Laws. .
- 2.1.11 “**ESOP Grantee**” means an Employee who has been granted ESOPs in pursuance of this Plan.
- 2.1.12 “**Exercise**” of ESOP means expression of an intention by the ESOP Grantee to the Company for issuance of Shares against the Vested Options held by him / her in pursuance of the Plan.
- 2.1.13 “**Exercise Period**” means such time period after Vesting within which the ESOP Grantee should exercise the Options vested in him / her in pursuance of the Plan.
- 2.1.14 “**Exercise Price**” means the price per Share that shall be payable by the ESOP Grantee for exercising each of the Vested ESOPs as specified in the letter of Grant, provided that the Exercise Price shall not be less than the face value of the Share and should be in conformity with applicable accounting standards. Provided that after Listing, the Exercise Price shall be in compliance with the accounting standards specified under the SEBI SBEB&SE Regulations, including any ‘Guidance Note on Accounting for employee share-based Payments’ issued in that regard from time to time.
- 2.1.15 “**Grant**” means the process by which the Company issues Options to the Employees under the Plan.
- 2.1.16 “**Grant Date**” means the date of the meeting of the Board in which grant of Options to the Employees is approved.
- 2.1.17 “**Listing**” means listing of the Company’s Shares on any Recognized Stock Exchange(s).
- 2.1.18 “**Liquidity Event**” shall mean any one or more of the following events:
- (a) Listing, whereby the Shares of the Company get listed on any Recognized Stock Exchange(s) in terms of provisions of Sub-clause 9.2.1. of the Plan; and
  - (b) Any other event, which the Board may designate as a Liquidity Event for the purposes of the Plan.
- 2.1.19 “**Misconduct**” means disregard of the Company’s bye-law, rules, regulations and the Company Policies / Terms of Employment and includes mismanagement of position by action or inaction, alleged wrongdoing, misfeasance, or violation of any rule, regulation or law which was expected to be abided by the Employee.
- 2.1.20 “**Nomination and Remuneration Committee**” means the committee constituted by the Board from time to time, as per the requirements of Applicable Laws, to administer and supervise the Plan and other employee benefit schemes among other

things, comprising of such members of the Board as provided under Section 178 of the Companies Act. Post-Listing, the Nomination and Remuneration Committee shall be set-up in compliance with Regulation 19 of the SEBI LODR Regulations as amended from time to time and have such powers as specified under this Plan and the SEBI SBEB&SE Regulations.

- 2.1.21 “**Permanent Incapacity**” means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Board based on a certificate of a medical expert identified by the Board.
- 2.1.22 “**Plan**” means this Aadhar Housing Finance Limited - Employee Stock Options Plan 2018 under which the Company is authorized to grant Options to the Employees, and shall include any alterations, amendments, additions, deletions, modifications, addendums or variations thereof from time to time.
- 2.1.23 “**Promoter**” means the same meaning assigned to it under the SEBI ICDR Regulations.
- 2.1.24 “**Promoter Group**” means the same meaning assigned to it under the SEBI ICDR Regulations.
- Provided that where the Promoter or promoter group of the Company is a body corporate, the promoters of that body corporate shall also be deemed to be Promoters of the Company.
- 2.1.25 “**Recognized Stock Exchange**” means the National Stock Exchange of India Limited, BSE Limited, or any other recognized stock exchange(s) in India on which the Shares are listed.
- 2.1.26 “**Retirement**” means retirement as per the rules of the Company.
- 2.1.27 “**SEBI**” means the Securities and Exchange Board of India.
- 2.1.28 “**SEBI ICDR Regulations**” means the Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018, as amended from time to time.
- 2.1.29 “**SEBI LODR Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- 2.1.30 “**SEBI SBEB&SE Regulations**” shall mean the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time.
- 2.1.31 “**Share**” means an equity share of the Company of face value of Rs. 10 each fully paid-up and includes equity shares arising out of the Exercise of ESOPs granted under the Plan.

- 2.1.32 “**Unvested ESOP**” means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the ESOP Grantee has not become eligible to exercise the Option.
- 2.1.33 “**Vest**” or “**Vesting**” means earning by the Option Grantee, of the right to exercise the Options granted to him/her in pursuance of the Plan. The term “**Vested**” shall be construed accordingly.
- 2.1.34 “**Vesting Condition**” means the conditions subject to which the Options Granted would Vest in an ESOP Grantee.
- 2.1.35 “**Vested ESOP**” means an Option in respect of which the relevant Vesting Conditions have been satisfied and the ESOP Grantee has become eligible to exercise the rights.
- 2.1.36 “**Vesting Period**” means the period during which the Vesting of Options granted to the ESOP Grantees, in pursuance of the Plan takes place.

## **2.2 Interpretation**

In this Plan, unless the contrary intention appears:

- (a) the clause headings are for ease of reference only and shall not be relevant 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.

## **3. AUTHORITY AND CEILING**

- 3.1** Subject to Clause 3.4 of the Plan, the maximum number Shares can be issued under this Plan shall not exceed 18,65,545 (eighteen lakhs sixty five thousand five hundred and forty five)<sup>2</sup> fully paid up Shares of the Company. The Board/Nomination and Remuneration Committee reserves the right to increase or reduce this pool as it deems fit.
- 3.2** The number of Shares resulting from the Exercise of Options that may be offered to any specific Employee shall not exceed ESOPs equivalent to 1% of the total paid up shares per eligible Employee at the time of Grant of Options under the Plan.

<sup>2</sup> This is post bonus adjustment in 1:9 ratio.

- 3.3** If an Option expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the Options pool and shall become available for future grants, subject to compliance with the provisions of the Applicable Laws.
- 3.4** Where Shares are issued consequent upon Exercise of Options under the Plan, the maximum number of Shares that can be issued under the Plan as referred to in Sub-clause 3.1 above will stand reduced to the extent of such Shares issued.
- 3.5** In case of a Share split where the face value of the Shares is reduced below Rs. 10/- the maximum number of Shares available for being granted under the Plan shall stand modified accordingly, so as to ensure that the cumulative face value (No. of shares X Face value per Share) prior to such split remains unchanged after the share split. Thus, for instance, if the face value of each Share is reduced to Rs. 5/-, the total number of Shares available under the Plan would be ceiling specified in Sub-clause 3.1 x 2 number of Shares of Rs. 5/-each.
- 3.6** In case of a Share consolidation where the face value of the Shares is increased above Rs.10/-, the maximum number of Shares available for being granted under the Plan shall stand modified accordingly, so as to ensure that the cumulative face value (No. of shares X Face value per Share) prior to such consolidation remains unchanged after the share consolidation. Thus, for instance, if the face value of each Share is increased to Rs. 20/-, the total number of Shares available under the Plan would be ceiling specified in clause 3.1 + 2 number of Shares of Rs. 20/-each.

#### **4. ADMINISTRATION**

- 4.1** The Plan shall be administered by the Nomination and Remuneration Committee. All questions of interpretation of the Plan shall be determined by the Nomination and Remuneration Committee and such determination shall be final and binding upon all persons having an interest in the Plan.
- 4.2** The Nomination and Remuneration Committee shall in accordance with the Plan and Applicable Laws determine the following:
- 4.2.1 The quantum of ESOPs to be granted under the Plan per Employee, subject to the ceiling as specified in Clause 3.1 and 3.2.
- 4.2.2 The Eligibility Criteria.
- 4.2.3 The procedure for making a fair and reasonable adjustment in case of corporate actions such as merger, sale of division, stock split / consolidation, rights issues, bonus issues and others. In this regard, the following shall, *inter alia*, be taken into consideration by the Nomination and Remuneration Committee:
- (a) the number and price of Options shall be adjusted in a manner such that total value to the Employee of the Options remains the same after the corporate action; and
  - (b) the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Employee(s) who is granted such



Options.

- 4.2.4 Determine the terms and conditions under which the Options, as the case maybe, may Vest in Employees and may lapse, in case of termination of employment for Misconduct.
- 4.2.5 Determine the Exercise Price for the Options granted.
- 4.2.6 Determine the Exercise Period within which the Employee can Exercise the Options and the period within which the Options would lapse on the failure to Exercise of the same within the Exercise Period.
- 4.2.7 Determine the specified time period within which the Employee shall Exercise the Vested ESOPs in the event of termination or resignation of the Employee.
- 4.2.8 The procedure and terms for the Grant, Vesting and Exercise of Options in case of ESOP Grantees who are on long leave.
- 4.2.9 Approve forms, writings and/or agreements, if entered by the Company, for use in pursuance of the Plan.
- 4.2.10 The procedure for funding the Exercise of Options.
- 4.2.11 The procedure for buy-back of specified securities issued under the SEBI SBEB&SE Regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
  - (a) permissible sources of financing for buy-back;
  - (b) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
  - (c) limits upon quantum of specified securities that the Company may buy-back in a financial year.
- 4.2.12 Frame suitable policies and procedures to ensure that there is no violation of the securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 or any statutory modification or re-enactment of these regulations by the Company or any of its Employees, as applicable.
- 4.2.13 Company may implement the Plan directly in compliance with Applicable Law.

**5. ELIGIBILITY AND APPLICABILITY**

- 5.1** Only Employees within the meaning of Plan are eligible for being Granted Options under the Plan. The specific Employees to whom the Options would be Granted and

their Eligibility Criteria would be determined by the Nomination and Remuneration Committee.

- 5.2** The Plan shall be applicable to the Company and Options may be granted to the Employees of respective companies, as determined by the Nomination and Remuneration Committee at its own discretion.

**6. GRANT ACCEPTANCE**

- 6.1** Any Employee who wishes to accept the grant made under this Plan 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 60 days from the date of the Grant, as specified in the letter of Grant. On receipt by the Company of the signed acceptance, the Employee will become an ESOP Grantee.

- 6.2** Any 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 Nomination and Remuneration Committee determines otherwise.

- 6.3** Upon acceptance of the Grant in the manner described above, the Employee henceforth as an ESOP Grantee, shall be bound by the terms, conditions and restrictions of the Plan and the Grant document. The ESOP Grantee’s acceptance of the Grant of Options under the Plan, within the time period provided, shall constitute an agreement between the ESOP Grantee and the Company, to the terms of this Plan and the Grant document.

**7. VESTING SCHEDULE / CONDITIONS**

- 7.1** Options granted under the Plan would Vest after One (1) year but not later than Three (3) years from the Grant Date of such Options.

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

<b>Dates of Vesting</b>	<b>Percentage of Options to vest</b>
On 1 <sup>st</sup> anniversary from the date of Grant	30% of Options granted
On 2 <sup>nd</sup> anniversary from the date of Grant	30% of Options granted
On 3 <sup>rd</sup> anniversary from the date of Grant	40% of Options granted

- 7.3** Vesting of Options would be subject to continued employment with the Company or its Holding Company or its subsidiary of the Company (in case of transfer), as the case may be. The Nomination and Remuneration Committee may also specify certain performance parameters subject to which the ESOPs would Vest.

**7.4** The specific Vesting schedule and conditions subject to which Vesting would take place would be outlined in the document given to the ESOP Grantee at the time of Grant.

**7.5 Vesting of Options in case of Employees on long leave**

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

**7.6 Power to accelerate Vesting in certain cases**

7.6.1 The Nomination and Remuneration Committee shall have the power to accelerate Vesting of all Unvested Options in connection with happening of Liquidity Event subject to minimum Vesting Period of (One) 1 year as per Applicable Laws. However, post Listing, minimum Vesting Period of (One) 1 year shall not apply in case of death and Permanent Incapacity.

7.6.2 The Options remaining unvested as on date of meeting of the Nomination and Remuneration Committee considering the proposal for such acceleration, may at the discretion of the Nomination and Remuneration Committee be deemed to Vest with effect from that date or from such other date as the Nomination and Remuneration Committee may determine.

7.6.3 Provided that acceleration of Vesting in the manner aforesaid shall be approved keeping in view the life of such Unvested ESOPs from the date of Grant thereof in due compliance with statutory minimum Vesting Period of (One) 1 year as per Applicable Laws. However, post Listing, minimum Vesting Period of (One) 1 year shall not apply in case of death and Permanent Incapacity.

7.6.4 Prior to Listing, in case after approval of acceleration of Vesting of Unvested ESOPs by the Nomination and Remuneration Committee, there occurs no Liquidity Event, on consideration of which Nomination and Remuneration Committee would have approved such acceleration, such non-occurrence shall lead to automatic cancellation of such acceleration as if such proposal was never considered nor approved by the Nomination and Remuneration Committee as a result of which such Unvested ESOPs shall be subject to normal Vesting schedule.

**8. EXERCISE PRICE OF OPTIONS**

The Exercise Price per Option shall be the price payable by the ESOP Grantee as mentioned in the letter of Grant.

**9. EXERCISE OF OPTIONS**

**9.1** The Options can be exercised as per the provisions outlined in the tables 9.1.1. & 9.1.2. below, for prior to Listing and post Listing respectively, unless otherwise

determined by the Nomination and Remuneration Committee whose determination will be final and binding:

9.1.1 Exercise prior to Listing

Sl. No.	Particulars	Vested ESOPs	Unvested ESOPs
1	<b>While in employment</b>	The Vested ESOPs can be exercised by an ESOP Grantee only upon or in connection with happening of a Liquidity Event and within such period as shall be notified by the Nomination and Remuneration Committee in this regard.	All Unvested ESOPs would continue to vest as per the original Vesting schedule.
2	<b>Resignation / termination</b> (other than due to Misconduct or breach of Company Policies/ Terms of Employment)	All the Vested ESOPs as on date of submission of Resignation or termination shall be exercised by the ESOP Grantee only upon or in connection with a Liquidity Event and within such period as notified by the Nomination and Remuneration Committee.	All Unvested ESOPs on the date of submission of resignation shall stand cancelled with effect from that date i.e. from the date of resignation.
3	<b>Termination due to Misconduct or breach of Company Policies/ Terms of Employment or Abandonment</b>	All the Vested ESOPs at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested ESOPs on the date of such termination shall stand cancelled with effect from the termination date.
4	<b>Retirement</b>	All the Vested ESOPs as on date of Retirement shall be exercised by the ESOP Grantee only upon or in connection with a Liquidity Event and	All Unvested ESOPs on the date of Retirement shall stand cancelled with effect from that date i.e. from the date of Retirement or the Nomination and

Sl. No.	Particulars	Vested ESOPs	Unvested ESOPs
		within such period as notified by the Nomination and Remuneration Committee.	Remuneration Committee can at its sole discretion and by adopting a resolution at a meeting, Vest the Unvested Options granted to such an ESOP Grantee on an accelerated basis on the last date of employment of such ESOP Grantee, excluding the staff against whom any disciplinary proceeding was taken by the company.
5	<b>Death</b>	All Vested ESOPs may be Exercised by the ESOP Grantee's nominee or legal heir(s) only upon or in connection with a Liquidity Event and within such period as notified by the Nomination and Remuneration Committee.	All the Unvested ESOPs as on the date of death shall deem to Vest immediately and may be exercised by the ESOP Grantee's nominee or legal heir(s) only upon or in connection with a Liquidity Event and within such period as notified by the Nomination and Remuneration Committee.
6	<b>Termination due to Permanent Incapacity</b>	All Vested ESOPs up to the date of such termination may be Exercised by the ESOP Grantee only upon or in connection with a Liquidity Event and within such period as notified by the Nomination and Remuneration Committee.	All the Unvested ESOPs as on the date of such Permanent Incapacity shall deem to Vest immediately and can be Exercised by the ESOP Grantee only upon or in connection with a Liquidity Event and within such period as notified by the Nomination and

Sl. No.	Particulars	Vested ESOPs	Unvested ESOPs
			Remuneration Committee.
7	<b>Transfer/ deputation from/ to Company, subsidiary, or holding company.</b>	All the Vested ESOPs shall be exercisable as if the employment/service is continuing unless otherwise decided by the Nomination and Remuneration Committee and such decision shall be final.	All Unvested ESOPs on the date of transfer/deputation shall stand cancelled with effect from that date.
8	<b>Other Reasons Apart from those mentioned above</b>	The Vested ESOPs as on that date shall stand cancelled unless otherwise decided by the Nomination and Remuneration Committee and such decision shall be final.	All Unvested ESOPs on the date of separation shall stand cancelled with effect from that date or as may be decided by the Nomination and Remuneration Committee.

9.1.2 Exercise post Listing

Sl. No.	Particulars	Vested ESOPs	Unvested ESOPs
1	<b>While in employment</b>	<p><u>Vested ESOPs prior to Listing:</u> Where Options Vest prior to Listing, then Exercise Period in respect of a Vested ESOP shall be for a maximum period of 3 (three) years and shall commence from the date of Listing.</p> <p><u>Vesting of ESOPs post Listing:</u> Where Options Vest post Listing, then the Exercise Period</p>	All Unvested ESOPs would continue to Vest as per the original Vesting schedule.

Sl. No.	Particulars	Vested ESOPs	Unvested ESOPs
		shall start from the date of Vesting.	
2	<b>Resignation / termination</b> (other than due to Misconduct or breach of Company Policies/Terms of Employment)	All Vested ESOPs as on date of submission of resignation may be exercised by the ESOP Grantee <b>on or before his/her last working day</b> with the Company.	All Unvested ESOPs on the date of submission of resignation shall stand cancelled with effect from that date i.e. from the date of submission of resignation.
3	<b>Termination due to Misconduct or breach of Company Policies/Terms of Employment or Abandonment</b>	All Vested ESOPs at the time of such termination shall stand <b>cancelled with effect from the date of such termination.</b>	All Unvested ESOPs on the date of such termination shall stand cancelled with effect from the termination date.
4	<b>Retirement</b>	All Vested ESOPs as on date of Retirement may be Exercised by the ESOP Grantee <b>on or before his/her last working day</b> with the Company.	All Unvested ESOPs on the date of Retirement shall continue to Vest as per the vesting schedule / Vesting Conditions.
5	<b>Death</b>	All Vested ESOPs may be Exercised by the ESOP Grantee's nominee or legal heir immediately after, but <b>in no event later than 90 days from the date of death</b>	All the Unvested ESOPs as on the date of death shall be deemed to have been Vested & may be Exercised by the ESOP Grantee's nominee or legal heir immediately after, but <b>in no event later than 90 days from the date of death.</b> It is hereby clarified that the minimum period of (One) 1 year as regards Vesting will not apply in case of death of ESOP Grantee, and all the Options granted shall Vest forthwith on

Sl. No.	Particulars	Vested ESOPs	Unvested ESOPs
			occurrence of such event.
6	<b>Termination due to Permanent Incapacity</b>	All Vested ESOPs may be exercised by the ESOP Grantee, immediately after, but in <b>no event later than 90 days from the date of Permanent Incapacity.</b>	All Unvested ESOPs as on the date of such Permanent Incapacity shall be deemed to have been Vested & can be Exercised by the ESOP Grantee immediately after, but in <b>no event later than 90 days from the date of Permanent Incapacity.</b> It is hereby clarified that the minimum period of (One) 1 year as regards Vesting will not apply in case of Permanent Incapacity of ESOP Grantee, and all the Options granted shall Vest forthwith on occurrence of such event.
7	<b>Transfer/ deputation from/ to Company, subsidiary, or holding company.</b>	All the Vested ESOPs shall be exercisable as if the employment/service is continuing unless otherwise decided by the Nomination and Remuneration Committee and such decision shall be final.	All Unvested ESOPs on the date of transfer/deputation shall stand cancelled with effect from that date.
8	<b>Other Reasons Apart from those mentioned above</b>	The Vested ESOPs as on that date shall stand cancelled unless otherwise decided by the Nomination and Remuneration Committee and such decision shall be final.	All Unvested ESOPs on the date of separation shall stand cancelled with effect from that date or as may be decided by the Nomination and



Sl. No.	Particulars	Vested ESOPs	Unvested ESOPs
			Remuneration Committee.

## **9.2 Exercise in case of Liquidity Events**

### **9.2.1 Exercise for employees in case of Listing**

- (a) In case the Company proposes Listing, all the exercisable Vested ESOPs in case of separation for any reason mentioned in table under sub-clause 9.2.1. above, can be exercised within such period (“**Notified Period**”) comprising of not less than 30 (thirty) days prior to the date of filing of prospectus with the appropriate authorities, as may be notified by the Board prior to such Listing.
- (b) For this effect, the Company shall issue notice to the separated ESOP Grantee or where applicable, the legal heir or nominee of the ESOP Grantee as the case may be, prior to filing of prospectus with the appropriate authorities, at their respective registered addresses available in the records of the Company for the Exercise of the Vested Options.
- (c) On issuance of such notice, the Notified Period shall be deemed to be substituted for the corresponding Exercise Periods mentioned in the aforesaid Table.
- (d) In case, the ESOP Grantee, legal heir or nominee, as the case may be, fails to exercise the Vested Options within the Notified Period, such Vested Options shall lapse immediately after expiry of such Notified Period and the ESOP Grantee, legal heir or nominee, as the case may be, shall have no recourse over such cancelled Options.

## **9.3 Lapse of Options**

The Options not exercised within the Exercise Period prescribed above shall lapse and the ESOP Grantee shall have no right over such lapsed or cancelled Options.

## **10. SETTLEMENT OF EXERCISED OPTIONS**

**10.1** Any or all Vested ESOPs upon Exercise shall be settled by way of allotment of Shares.

**10.2** The ESOP Grantee shall pay the face value of a Share prevailing at the time of such allotment per Share along with the Exercise Price of INR 29.17 (Indian Rupees Twenty-Nine Point One Seven only) and any taxes as may be applicable.

**10.3** Any payment made by an ESOP Grantee shall be made by a crossed cheque or a demand draft drawn in favour of the Company or in such other manner as the Nomination and Remuneration Committee may determine.

**11. LOCK-IN**

**11.1** The Shares arising out of Exercise of Vested Options would not be subject to any lock-in period after such Exercise except such restrictions as prescribed under the Applicable Laws.

**12. OTHER TERMS AND CONDITIONS**

**12.1** Nothing herein is intended to or shall give the ESOP Grantee any right or status of any kind as a shareholder of the Company (for example, bonus Shares, rights Shares, dividend, voting, etc.) in respect of any Shares covered by the Grant unless the ESOP Grantee Exercises the Options and becomes a registered holder of the Shares of the Company.

**12.2** The Options shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

**12.3** If the Company issues bonus or rights Shares, the ESOP Grantee will not be eligible for the bonus or rights Shares in the capacity of an ESOP Grantee. However, an adjustment to the number of ESOPs or the Exercise Price or both would be made in accordance with sub-clause 4.2.3. of the Plan.

**12.4** Options shall not be transferable to any person except in the event of death of the ESOP Grantee or inability to exercise due to Permanent Incapacity, in which case provisions of sub-clause 9.1. & 9.2. – entries (5) & (6) would apply.

**12.5** No person other than the ESOP Grantee to whom the Options is granted shall be entitled to Exercise the Options except in the event of the death of the ESOP Grantee or inability to exercise due to Permanent Incapacity, in which case provisions of sub-clause 9.1.1. & 9.1.2. – entries (5) & (6) would apply.

**13. TAXATION**

**13.1** The liability of paying taxes if any, in connection with Exercise of Vested ESOPs pursuant to this Plan shall be entirely on ESOP Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 and the rules framed thereunder.

**13.2** The Company shall have the right to recover from ESOP Grantee or deduct from the ESOP Grantee's salary, any of the ESOP Grantee's tax obligations arising in connection with the Shares allotted upon the Exercise of Vested ESOPs. The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been fully satisfied by the ESOP Grantee.

**13.3** The Income Tax Laws and Rules in force will be applicable.

**14. AUTHORITY TO VARY TERMS**

- 14.1** The Board or the Nomination and Remuneration Committee, may, if it deems necessary, modify, change, vary, amend, suspend or terminate the Plan, subject to compliance with the Applicable Laws. Any variation in the Plan shall not be prejudicial to the interest of the ESOP Grantees. Provided further that, post the Listing, the Nomination and Remuneration Committee may revise any of the terms and conditions of this Plan to meet any regulatory requirement without seeking shareholders' approval.

**15. LISTING OF THE SHARES**

- 15.1** In case of Listing, the Board or the Nomination and Remuneration Committee is authorized to do such acts, deeds and things including but not limited to amendment of this Plan to make the Plan compliant of any Applicable Laws prevailing at that time.

**16. ACCOUNTING AND DISCLOSURES**

**16.1 Accounting**

- 16.1.1 The Company shall follow the laws/regulations applicable to accounting and disclosure related to Options, including but not limited to the Guidance Note on Accounting for Employee Share-based Payments (“**Guidance Note**”) and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein.

- 16.1.2 Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements for any of the plans covered under these regulations then the Company shall comply with the relevant Accounting Standard as may be prescribed by the ICAI or any other statutory authority from time to time. Post Listing, the Company will also make the necessary disclosures under the SEBI SBEB&SE Regulations at the time of Grant, including as provided in Part G of Schedule I of the SEBI SBEB&SE Regulations.

**16.2 Disclosure**

- 16.2.1 The Board and the Company shall make disclosures as required under Applicable Law.
- 16.2.2 Post-Listing, the Board shall at each annual general meeting place before the shareholders certificate from the secretarial auditors of the Company that this Plan has been implemented in accordance with the SEBI SBEB&SE Regulations and in accordance with the resolution of the Company in the general meeting. The Board shall also make the requisite disclosure of the Plan, in the manner specified under the SEBI SBEB&SE Regulations.
- 16.2.3 Post Listing, the Company shall also make such disclosures as required under the SEBI SBEB&SE Regulations, including but not limited to the disclosures in the grant letter.

**17. MISCELLANEOUS**

**17.1 Government Regulations**

17.1.1 This Plan shall be subject to all Applicable Laws including any statutory modification(s) or re-enactment(s) thereof, and approvals from government authorities, if any and to the extent required.

**17.2 Inability to obtain approval**

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

**17.3 General Risks**

17.3.1 Participation in the Plan 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 ESOP Grantee alone. The ESOP Grantee is encouraged to make considered judgment and seek adequate information /clarifications essential for appropriate decision.

**17.4** The Grant of an Option does not form part of the ESOP Grantee's entitlement to compensation or benefits pursuant to his/her 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 ESOP granted to him/her in respect of any number of Shares or any expectation that a ESOPs might be granted to him/her whether subject to any condition or at all.

**17.5** Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an ESOP shall give such individual any right, entitlement or expectation that he/she has or will in future have any such right, entitlement or expectation to participate in this Plan or any future plan(s) by being granted an ESOP on any other occasion.

**17.6** The rights granted to an ESOP Grantee upon the grant of ESOPs shall not accord the ESOP Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his/her office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

**17.7** The ESOP 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 ESOP in whole or in part.

**17.8** This Plan and documents issued pursuant thereto shall constitute the entire documents in relation to its subject matter and supersede all prior agreements and understandings whether oral or written with respect to such subject matter.

**17.9** The Company shall maintain a register with respect to Options issued and Exercised under the Plan in the form and manner as prescribed under the Companies Act. Such register shall be maintained in the registered office of the Company or at such other place as may be decided by the Nomination and Remuneration Committee.

**17.10 Severability**

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

**18. NOTICES**

**18.1** All notices of communication required to be given by the Company to an ESOP Grantee by virtue of the Plan shall be in writing. The communications shall be made by the Company in any one or more of the following ways:

18.1.1 Sending communication(s) to the address of the ESOP Grantee available in the records of the Company; or

18.1.2 Delivering the communication(s) to the ESOP Grantee in person with acknowledgement of receipt thereof; or

18.1.3 Emailing the communication(s) to the ESOP 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 ESOP Grantee after cessation of employment.

**18.2** Any communication to be given by an ESOP Grantee to the Company in respect of Plan shall be sent to the person at the address mentioned below:

Designation: –Chief Human Resource Officer

Address:

Aadhar Housing Finance Limited

2nd Floor, No. 3, JVT Towers

8th A Main Road, Sampangi Rama Nagar

Hudson Circle, Bengaluru, Karnataka - 560027.

**19. ARBITRATION**

**19.1** All disputes arising out of or in connection with the Plan or the Grant shall be referred to for arbitration to a single arbitrator to be appointed by the Nomination and Remuneration Committee. The arbitration proceedings shall be in accordance with the Arbitration Rules of the Singapore International Arbitration Centre. The

place of arbitration shall be Mumbai, India.

**20. GOVERNING LAW**

**20.1** The terms and conditions of the Plan shall be governed by and construed in accordance with the laws of India.

**20.2 Foreign Exchange Laws**

20.2.1 In case any ESOPs are granted to any Employee being resident outside India belonging to the Company or to any Subsidiary Company of the Company set-up outside India, if any, 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 in connection with grant, vest, exercise of Options and allotment of Shares thereof.

**21. CONFIDENTIALITY**

**21.1** ESOP Grantees must keep the details of the Plan and all other documents in connection thereto strictly confidential and must not disclose the details with any of his/her peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case ESOP Grantee is found in breach of this confidentiality Clause, the Company has undisputed right to terminate any agreement and all Vested ESOPs and Unvested ESOPs 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 ESOP Grantee. In case of non-adherence to the provisions of this Clause, the Nomination and Remuneration Committee will have the authority to deal with such cases as it may deem fit.

**21.2** The ESOP Grantee agrees that the Company may be required to disclose information of the ESOP Grantee during the process of implementation of the ESOPs or while availing services relating to ESOPs consulting, advisory services or ESOPs Management services and/ or any other such incidental services. The ESOP Grantee hereby accords his/her consent that such confidential information regarding his/her ESOPs entitlements may be disclosed by the Company to its officers, professional advisors, agents and consultants on a need to know basis.

**For Aadhar Housing Finance Ltd.**

*J. Rathak*

**Authorised Signatory**

*06/05/2024*