

## Godrej Consumer Products Limited

### Godrej Consumer Products Limited Employees Stock Option Scheme 2024

This Godrej Consumer Products Limited Employees Stock Option Scheme 2024 (hereinafter referred to as “GCPL ESOS 2024” or “the Scheme”) has been formulated and approved by the Nomination and Remuneration Committee (“NRC” or “the Committee”) of Godrej Consumer Products Limited (“the Company”) on May 3, 2024, and approved by the Board of Directors of the Company on May 6, 2024. The Scheme was approved by the Shareholders of the Company in the Annual General Meeting of the Company held on August 7, 2024.

The Scheme has been formulated in accordance with the Applicable Laws and shall be subject to any modifications or amendments or re-enactments thereof.

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

1.1. This Scheme shall be called the “GCPL ESOS 2024”, which expression shall include any alterations, amendments or modifications hereto from time to time.

The Scheme shall be subject to such regulatory approvals as may be required from time to time and shall be in accordance with the regulations prescribed by Securities and Exchange Board of India (“SEBI”) and / or any other regulatory authority as applicable to the Company and shall not contravene any other law, for the time being in force that is material for giving effect to such Scheme.

1.2. The objectives of the Scheme are:

- a) To recognize and reward the efforts of employees and their continued association with the Company;
- b) To introduce an objective component of employee compensation which would provide a direct linkage to the efforts of the employees with a measurable and widely accepted criterion i.e. the share price of the Company. The Board envisages this to act as a motivational tool for the employees of the Company;
- c) To keep long association with the Company;
- d) To have employee participation in shareholding of the Company;
- e) To provide the employees an incentive to continue and strengthen their association with the Company so as to result in long term benefits to the Company as well as the employee - shareholder;
- f) Bring long-term value to the shareholders;

- g) Motivate employees to better the Company's performance continuously;
- h) To motivate the employees with incentives and reward opportunities;
- i) To create a sense of ownership and participation amongst the employees or otherwise increase their proprietary interest.

1.3. The Scheme is established with effect from August 7, 2024, and shall continue to be in force until earliest of any of the following event (i) its termination by the Board (as defined hereinafter) as per the terms of the Scheme and applicable law, or (ii) the date on which all the Options (as defined hereinafter) available for issuance under the Scheme have been issued and Exercised (as defined hereinafter) or have been cancelled or lapsed or surrendered under the Scheme and the NRC does not intend to re-issue these cancelled or lapsed or surrendered Options.

## 2. Definitions and Interpretation

2.1 The terms defined in this clause shall, for all purposes of this Scheme, have the meanings herein specified. Under the Scheme, where the context so admits, the masculine shall include the feminine and the singular shall include the plural.

- (a) **"Applicable Law"** shall mean and include every law, rule, regulations, guidelines or bye-law relating to the employee stock options, including, without limitation, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 or such other laws to the extent applicable, including any amendment thereto and all other 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, guidelines or bye-laws.
- (b) **"Associate Company"** means existing or any future holding company of the Company and shall have the same meaning as defined under section 2(6) of the Companies Act, 2013;
- (c) **"Board of Directors"** or **"Board"** means the Board of Directors for time being of the Company which includes any Committee(s) authorized by the Board of Directors in this behalf.

- (d) **“Cause”** shall mean (i) engaging by an Employee in wilful, reckless, negligence, gross misconduct or misbehaviour which is determined by the NRC of the Company to be detrimental to the interest of the Company or any of its group companies including its holding / subsidiary / associate company, monetarily or otherwise, or (ii) an Employee pleading guilty to or conviction of a felony, or (iii) fraud, misfeasance, breach of trust or wrongful disclosure of any secret or confidential information about the Company and / or its group companies including its holding / subsidiary / associate company by the Employee to any third party, or (iv) employment of an Employee in any other organisation or provision of services by an Employee to any other organisation during employment with the Company, or (v) the Employee has breached the terms of his/her employment with the Company; (vi) charged for any criminal offence involving moral turpitude; (vii) abandonment of services by the Employee (viii) any other reason which is determined by the NRC to be detrimental to the interest of the Company.
- (e) **“Company”** means Godrej Consumer Products Limited and its successors or assigns.
- (f) **“Employee”** means
- (i) an employee designated by the Company, who is exclusively working in India or outside India;  
or
  - (ii) a director of the Company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
  - (iii) an employee as defined in sub-clauses (i) or (ii), of a group company including subsidiary or its associate company, in India or outside India, or of a holding company of the Company, but shall not include:
    - a) an employee who is a promoter or a person belonging to the promoter group; or
    - b) a director who, either himself or through his relative or through any body-corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.
- (g) **“Exercise”** shall mean the making of a written application by an Employee to the Company or subscribe to the Shares underlying the Vested Options, in pursuance of GCPL ESOS 2024, in accordance with the procedure laid down by the Company for exercise of Options.

- (h) **“Exercise Letter”** means the letter prescribed by the NRC for the purpose of exercising the vested Options of the Company.
- (i) **“Exercise Period”** means the time period after vesting within which a Grantee can Exercise his/her right to apply for Shares against the Vested Option in pursuance of the Scheme.
- (j) **“Exercise Price”** means the price payable by the Employee / Grantee for exercising the Stock Options granted to him / her in pursuance of the Scheme which shall not be more than the Market Price of Shares as on the Grant Date as may be determined by the NRC, subject to minimum of face value of Equity Shares.
- (k) **“Grant”** means the process by which the Company grants stock options under the Scheme;
- (l) **“Grant Date”** means the date on which the NRC approves the Grant;

Explanation – For accounting purposes, the grant date will be determined in accordance with applicable accounting standards;

- (m) **“Grant Letter”** means the letter issued by the Company intimating the Grantee of Grant of specified number of Options;
- (n) **“Grantee”** means an eligible employee who have been selected by the NRC for grant of Option having a right but not an obligation to Exercise an Option in pursuance of the Scheme;
- (o) **“Holding Company”** means existing or any future holding company of the Company, as defined in the Companies Act, 2013;
- (p) **“Market Price”** means the latest available closing price on a recognized stock exchange on which the shares of the company are listed on the date immediately prior to the Grant Date and if such shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price;
- (q) **“Nomination and Remuneration Committee” or “Committee” or “NRC”** means the Nomination and Remuneration constituted by the Board from time to time under SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, which shall also perform the role of the Compensation Committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

- (r) **“Option” or “Stock Option”** means the option given to an eligible Employee that gives him a right, but not an obligation, to purchase or subscribe at a future date, the Shares offered by the Company, directly or indirectly, at a pre-determined Exercise Price subject to the requirements of Vesting in accordance with the Scheme and Grant Letter and subject to such limitations and restrictions as stipulated in this Scheme and/or by the Company and/ or by the NRC. Each Option granted represents the right to apply for 1 (one) Share of the Company;
- (s) **“Permanent Incapacity”** means permanent incapacity or any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps a Grantee from performing any specific job, work or task which the Grantee was performing immediately before such disablement, as determined by the NRC of the Company based on a certificate of a medical expert identified by the NRC;
- (t) **“Promoter” or “Promoter Group”** shall have the same meaning assigned to it under the SEBI (SBEBSE) Regulations;
- (u) **“SEBI (SBEBSE) Regulations”** means Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time;
- (v) **“Shares”** means equity shares of Godrej Consumer Products Limited;
- (w) **“Specified Securities”** means securities as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (x) **“Subsidiary”** means any present or future subsidiary as defined under the Companies Act, 2013, whether incorporated in India or outside India;
- (y) **“GCPL ESOS 2024” or “the Scheme”** means Godrej Consumer Products Limited Employees Stock Option Scheme 2024;

- (z) **“Termination”** means cessation of employment of the Grantee from the Company;
- (aa) **“Unvested Option”** means an Option in respect of which the relevant Vesting Period and / or such other conditions as may be mentioned in the Grant Letter and the Scheme is not completed or adhered to;
- (bb) **“Vesting”** means the process by which a Grantee becomes entitled to receive the benefit of a Grant pursuant to the Scheme;
- (cc) **“Vesting Period”** means the period during which the Vesting of the Options under the Scheme takes place.

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Securities and Exchange Board of India Act, 1992, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Securities Contract (Regulation) Act, 1956, the Companies Act, 2013, and all other applicable regulations and provision of law for the time being in force and shall be subject to any modifications or amendments or re-enactments thereof effected from time to time by way of an ordinance or legal enactment.

## 2.2 Interpretations

In this Scheme, unless otherwise stated or intention appears:

- a. words denoting the singular shall include the plural and vice versa;
- b. The words importing a gender include every gender.
- c. heading and bold type face are only for convenience and shall not affect the interpretation hereof;
- d. a reference to a Clause or a Sub-Clause, unless otherwise specified, is a reference to a Clause or Sub-Clause as the case may be of this Scheme; and
- e. references to any statute or statutory provision or rule or regulation shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted.

### **3. Eligibility**

- (a) The Scheme shall apply to all the Employees who are at CEO minus three levels and can extend up to CEO minus five levels and such other grades and levels as may be decided at the discretion of the NRC from time to time.
- (b) The appraisal process for determining the Employees to whom the Options would be granted and their Eligibility Criteria (including but not limited to performance, merit, grade, conduct, length of service of the Employee) would be determined by the Committee, in its absolute discretion from time to time.

### **4. Quantum of Shares subject to the Scheme**

- (a) The maximum aggregate number of Options that may be granted under the Scheme, shall not exceed 50,00,000 exercisable into 50,00,000 Shares (or such other number adjusted in terms of Clause 4(b) herein below), in one or more tranches, whereby each such Option, confers a right but not obligation upon the Grantee to apply for one Share of the Company, in accordance with the terms and conditions of such Grant. However, the aggregate number of Options that may be granted to an identified Employee per grant under GCPL ESOS 2024 shall be less than 0.1% of the issued capital of the Company in any one year. A separate specific approval from shareholders of the Company through special resolution shall be obtained for granting Options that are 0.1% or more of the issued capital of the Company in any one year. The Company shall obtain the approval of shareholders by way of a separate special resolution for Grant of Options to Employees of Holding / Subsidiary / Associate / Group Company of the Company.
- (b) In case of stock consolidation or other reorganization of capital structure of the Company from time to time, the maximum number of Shares available for being Granted under GCPL ESOS 2024 shall stand modified accordingly, to ensure that the cumulative face value (No. of shares X Face value per share) prior to such share consolidation or reorganization, as the case may be, remains unchanged after such, consolidation or share split or reorganization of capital structure.
- (c) Options not Vested due to non-fulfilment of the stipulated conditions, Vested Options which the Employees have expressly refused to Exercise including surrender of Options and any Options that are Granted but not Vested or Exercised within the stipulated time due to any reasons, shall lapse and these Options will be available for Grant by the Board / NRC to any Employee(s) as it may deem fit in its absolute discretion, subject to the compliances of provisions of the Applicable Law. The terms relating to the Exercise Price, Exercise Period, Vesting, etc., in respect of such lapsed Options to be granted, as aforesaid, will be determined by the Board / NRC at the time of the Grant as it may deem

fit in its absolute discretion, subject to the compliances of provisions of the Scheme and Applicable Law.

## 5. Scheme Administration

(a) The GCPL ESOS 2024 shall be administered by NRC in accordance with Companies Act, 2013 and SEBI (SBEBSE) Regulations. The NRC may further delegate its power to administer the Scheme to Head – Human Resource or Company Secretary of the Company or such other persons as may be determined by the NRC from time to time, as permissible under the Applicable Laws. The issuance of shares shall be under the guidance, advice and direction of Board.

(b) The NRC shall in accordance with this Scheme determine the following as applicable:

- (i) determining the Grantees amongst the categories of Employees to receive Stock Options under the Scheme;
- (ii) the time when the Options are to be granted for individual Grantees;
- (iii) the number of tranches in which the Options are to be granted and the number of Options to be granted in each such tranche;
- (iv) determining whether Options are to be vested for individual Employees in a particular year or tranches;
- (v) the criteria *inter alia*, taking into consideration the grade, performance, merit, criticality of the function etc. for identifying the Employees;
- (vi) the number of Options to be granted to each Employee;
- (vii) determination of Exercise Price;
- (viii) the terms and conditions subject to which the Options granted would vest in the Employee who are on long leave, training or otherwise indisposed;
- (ix) the period of vesting of the Options granted;
- (x) the terms and conditions subject to which the Options vested would be exercised by the Employee;
- (xi) the time frame within which the Options have to be exercised by the Employee;
- (xii) the number of Options to be apportioned / allocated for various grades of Employees;
- (xiii) the number of Options reserved, if any, for granting to new eligible Employees who would join the services of the Company;
- (xiv) deciding the treatment of Unvested Options upon termination of employment or upon a Director ceasing to hold office;



- (xv) framing suitable policies and systems to ensure that there is no violation by any Employee of any Applicable Laws, including but not limited to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and any modifications thereto;
- (xvi) framing appropriate procedures for granting, vesting and exercising of Options;
- (xvii) the procedure for funding the Exercise of Options including cashless exercise of Options;
- (xviii) framing the procedure for making a fair and reasonable adjustment in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others; and
- (xix) to amend the terms and conditions of the Grant Letter as the NRC may deem fit in accordance with the Scheme and as per mutual agreement with the Grantee and subject to Applicable Laws.

(c) In the event of any clarifications being required on the interpretation or application of the Scheme, the same shall be referred to the Nomination & Remuneration Committee. The decision of the Nomination & Remuneration Committee shall be final and binding on the Employees in this regard.

(d) With regard to the matters specifically not provided for in this Scheme or any other documents that may be issued in connection with the Stock Options, the NRC shall have an absolute discretion to decide such matters in the manner deemed fit by them in the best interests of the Employees / Grantees as may be permissible under the Applicable Law, rules and regulations for the time being in force. The decision of the NRC shall be final and binding on the Employees / Grantees.

## **6. Grant of Options**

- (a) The Employees to whom the Options would be granted and their Eligibility Criteria (including but not limited to performance, merit, grade, conduct, length of service of the Employee) would be determined by the NRC, in its absolute discretion from time to time.
- (b) No amount shall be payable by the Employees at the time of Grant of Options.
- (c) The Employees identified for Grant of Options shall be furnished with:
  - (i) the Grant Letter;
  - (ii) the disclosures prescribed under the SEBI (SBEBSE) Regulations including the salient features of the Scheme;
  - (iii) the format of Exercise Letter; and
  - (iv) nomination form and such other documents as may be prescribed by the NRC from time to time.

- (d) An Employee who wishes to accept the Grant made, must signify his / her acceptance in the manner specified by the NRC within 30 (Thirty) days from the Grant Date or such period as may be mentioned in the Grant letter. Any Employee, who fails to communicate his / her acceptance within the stipulated time, is deemed to have rejected the Grant unless otherwise determined by the NRC.
- (e) In the event, a Grantee is a nominee of an institution nominated by such institution as its representative on the Board, then such Grantee shall comply with the disclosure requirements as provided under Explanation to Regulation 4 of SEBI (SBEBSE) Regulation.
- (f) Each Stock Option will entitle the Employee to 1 (one) Share.
- (g) Stock Options granted shall be advised to the Employee in the Grant Letter specifying the date, number of Stock Options granted, Exercise Price, Performance criteria, if any, the Vesting of the Stock Option, the earliest date on which some or all of the Stock Options Vested shall be eligible for Exercise, and other conditions, if any, subject to which Exercise shall take place, and the other terms and conditions thereof.
- (h) Grant of Options shall be subject to the following terms and conditions and to such other terms and conditions as shall from time to time be approved by the NRC which shall not be inconsistent with the Scheme and Applicable Laws:
  - i. No Employee shall have any right to demand from the Company for Grant of Options, nor shall the Company have any such obligation to any Employee.
  - ii. It is clearly understood that the Grant or Vesting of any Options to a Grantee, *per se*, does not assure accrual of a benefit or profit.
  - iii. Upon completion of the Vesting Period, the Grantee shall have the right to purchase the Shares equivalent to the number of Options held, by submitting the Exercise Letter or opt for cashless exercise of Options. Even after the completion of the Vesting Period, the Employee will not be entitled to any dividends, rights issue or bonus Shares issued until such time as the Options are Exercised, Exercise Price is paid by the Grantee and Shares issued thereunder are allotted to the Employee.

## **7. Vesting Period**

- (a) The Options granted to any Grantee shall vest within the Vesting Period in the manner as set forth in the Grant letter subject to maximum period of 5 years from the date of Grant.  
Notwithstanding anything to the contrary contained herein, there shall be a minimum period of one year between the Grant of Options and Vesting of Options.
- (b) Vesting of stock options shall be linked to performance conditions at individual, business unit and company level. Company level performance conditions can include multi-year performance metrics like absolute and/or relative share price growth, revenue, PAT, return on capital employed and such other

metrics as may be determined by the Committee and as mentioned in the Grant Letter. Business unit performance conditions shall focus primarily on financial and operating multi-year performance metrics like Underlying Volume Growth, revenue, EBITDA, cash flow, working capital and other such operating metrics as determined by the Committee. Individual performance conditions shall be linked to robust individual performance evaluation framework as designed by the Company. This framework consists of financial and operational goals as well as people and planet related goals. Further, minimum individual performance conditions will act as a gate for new grants, except in case of new joinees.

(c) Further, company will reserve the right to stop the vesting (malus) or recover gains through previous vesting (claw back) in case of gross non-compliance, serious violation of company's code of conduct or failure to abide by company values.

(d) Notwithstanding anything mentioned in Clause 7(a) and 7(b), in the event of the death of a Grantee while in employment, all the Options granted to Grantee under the Scheme till such date and lying Unvested shall, whether or not such Options were exercisable on the date of the Grantee's death, forthwith vest in the legal heirs or nominees of the deceased employee on that date and can be exercisable by them within the time period stated in Clause 12. Similarly in the event of Permanent Incapacity while in employment, all the Options granted to the Grantee as on the date of such Permanent Incapacity and lying Unvested shall Vest, whether or not such Options were exercisable on the date of the Employee's Permanent Incapacity, forthwith in Grantee, as prescribed under SEBI (SBEBSE) Regulations and can be exercisable by him or by his legal heirs or designated nominees, as the case maybe, within the time period specified in Clause 12.

## **8. Exercise of Options**

(a) Each Option entitles the holder thereof to apply for and be allotted one Share of the Company on the payment of the Exercise Price during / within the Exercise Period of 1 month from the date of vesting or such extended period up to a maximum of 3 years from date of respective vesting as may be decided by the Committee at its sole discretion from time to time and mentioned in the Grant Letter of the Grantee. The Vested Options shall be exercised all at one time within the Exercise Period.

(b) The Grantee may, at any time during the Exercise Period, and subject to fulfillment of the conditions of the Grant and Vesting, Exercise the Options, by submitting an Exercise Letter as prescribed by the

NRC. The Grantee shall pay the Exercise Price in respect of the number of Options Exercised in any of the following ways:

- i. Cheque / demand draft / pay order drawn on the Company, or
- ii. Transfer of funds to the Company's bank account electronically.

(c) In the event of Exercise of Options resulting in fractional Shares, the NRC shall round up the number of Shares to be issued to the nearest whole number, and the Exercise Price shall be correspondingly adjusted-

(d) Unless earlier exercised, expired, forfeited or otherwise terminated, each vested Option, if not exercised during the Exercise Period, shall lapse and stand terminated and expired forthwith. In the event of any Options that lapse pursuant to the provisions of this Clause, the said lapsed Options shall be available to the NRC for Grant to such other Employees as it may decide and deem fit under the Scheme.

**9. Non-Resident Employees**

Grant of Options under the Scheme to Employees who are non-residents shall be determined by NRC at its sole discretion in compliance with the provisions of the prevailing laws of the jurisdiction of such Grantee, subject to the same being in accordance with the provisions of the Foreign Exchange Management Act, 1999, SEBI (SBEBSE) Regulations and any other statutory provisions under applicable laws.

**10. Lock-in period / sale of shares exercised under the Scheme**

The Shares allotted upon exercise of Options granted under the Scheme are not subject to any lock in period and are freely tradable in the stock market subject to compliance of applicable laws.

**11. Variation of the terms of GCPL ESOS 2024 and Re-pricing**

(a) The Company may by special resolution vary the terms of GCPL ESOS 2024 offered pursuant to a resolution of a general body but not yet exercised by the Employee/ Grantee, provided such variation is not prejudicial to the interests of the Option holders. Notwithstanding anything to the contrary contained herein, a Company can vary the terms of the Scheme to meet any regulatory requirement without seeking shareholders' approval by special resolution.

- (b) The Company shall not vary the terms of the GCPL ESOS 2024 in any manner, which may be detrimental to the interests of the Employees subject to any variation required to meet any regulatory requirements.
- (c) The provisions of regulation 6 of the SEBI (SBEBSE) Regulations shall apply to such variation of terms as they do to the original Grant of Options.
- (d) The notice for passing special resolution for variation of terms of GCPL ESOS 2024 shall disclose full details of the variation, the rationale thereof, and the details of the Grantee who are beneficiary of such variation.
- (e) The Company may re-price Options which are not Exercised, whether or not they have been Vested, if the Scheme becomes unattractive due to a fall in the price of Shares in the market provided that the Company ensures that such re-pricing shall not be detrimental to the interest of the Employees and the approval of shareholders by a special resolution has been obtained for such re-pricing.

**12. Treatment of Options on Termination of Employment**

- (a) **Termination with Cause:** If the Grantee's employment with the Company terminates for Cause, then the Options, to the extent not previously exercised (vested or otherwise), will lapse on the date of such termination of employment.
- (b) **Resignation/ Termination without Cause:** If the Grantee's employment with the Company terminates due to voluntary resignation on the part of the Employee, then the vested (not exercised) and unvested Options as on the date of termination shall lapse forthwith. If an Employee's employment with the Company terminates due to completion of his contract or retirement or superannuation as per the policy of the Company, then Vested Options shall be exercised within Exercise Period as per Clause 8(a) and unvested Options shall vest as per the terms mentioned in Grant Letter in accordance with the Company's policies and the Applicable Law and can be exercised by an Employee within Exercise Period as per Clause 8(a). For the purposes of this Clause, employment shall be deemed to have terminated on the last working day of the Employee with the Company. In case of transfer to any other company which is a Holding / Subsidiary / Associate / Group Company of the Company, all vested Options shall be exercised by the employee within Exercise Period as per Clause 8(a) and all the unvested Options as on the date of transfer shall continue to vest as per the terms of the grant letter

which can be exercised as per Clause 8(a). NRC may decide to accelerate the vesting of unvested Options subject to minimum vesting period of 1 year from the date of grant in all the above cases.

- (c) **On Death:** Notwithstanding anything mentioned in Clause 7(a), 7(b) and 7(c), if a Grantee dies while in the employment of the Company, the Options Granted and lying Unvested shall forthwith vest on the date of death in his legal heirs or nominees and shall be exercisable by legal heirs or nominees within 1 year from the date of death; and
- (d) **Permanent Incapacity:** if a Grantee suffers permanent incapacity while in the employment of the Company, the Granted Options and lying Unvested shall forthwith Vest in him / her on the date of permanent incapacity which shall be exercisable by him / her within 1 year from the date of permanent incapacitation;
- (e) **Other Reasons:** In the event of a termination of employment for reasons other than those referred in Clause 12(a), 12(b), 12(c) or 12(d), all Unvested Options will lapse forthwith or may fully or partially vest as per the discretion of Board / NRC or as per the terms mentioned in the Grant Letter / employment terms of the Employee / policies of the Company as per the Applicable Laws. The vested Options can be exercised by the Employee at the discretion of NRC within the Exercise Period or such period as determined by the Board / NRC.

**13. Vesting and Exercise of Options in case of Employees on long leave**

- (a) Employees who are on long leaves can exercise the vested Options (as on the start of long leaves) within the Exercise Period as per Clause 8(a).
- (b) The unvested Options shall either lapse immediately or partially vest basis time spent during the vesting period or the vesting period of such options may be extended upto the period of long leaves at the discretion of NRC.

Explanation: For the purpose of this Clause, “long leaves” means that if the Option Grantee takes any sick leave or any other bona fide leave of absence, appropriately approved, in excess of 90 (Ninety) days. However, the above conditions will not be applicable for maternity leave.

**14. Non-Transferability of Options**

- (a) Each Option granted under the Scheme shall by its terms be non-transferable by the Employee (except on death as per Clause 12), and each Option shall be exercisable during the Employee's lifetime only by the Employee.
- (b) The Option granted to the Employee shall not be pledged, hypothecated or otherwise alienated in any other manner.

**15. Changes in Capital due to Restructuring**

- (a) The existence of the Scheme and any Grant Letter hereunder shall not affect, in any way, the right or power of the Board or the shareholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or any merger or consolidation of the Company or its Subsidiary, any issue of debt, preferred or prior preference Shares ahead of or affecting Shares, the authorization or issuance of additional Shares, the dissolution or liquidation of the Company or its Subsidiaries, any sale or transfer of all or part of its assets or business or any other corporate act or proceeding.
- (b) (i) Upon changes in the outstanding Shares by reason of a merger, demerger, amalgamation, consolidation (whether or not the Company is a surviving corporation), combination or exchange of Shares, recapitalization, separation, or reorganization, or in the event of an extraordinary dividend, "spin-off", liquidation, other substantial distribution of assets of the Company or acquisition of property or stock or other change in the capital of the Company, or the issuance by the Company of Shares without receipt of full consideration thereof, or rights or securities exercisable, convertible or exchangeable for Shares of such capital stock, or any similar change affecting the Company's capital structure, the aggregate number, class and kind of Shares available under the Scheme as to which Options may be granted and the number, class and kind of Shares under each outstanding Option and the Exercise Price per Share applicable to any such Option shall be appropriately adjusted by the NRC along with such approvals as may be necessary to preserve the benefits or potential benefits intended to be made available under the Scheme or with respect to any outstanding Options or otherwise necessary to reflect any such change, in a manner that the NRC deems fit.
- (ii) Fractional Shares resulting from any adjustment in Options pursuant to section 15(b)(i) shall be aggregated until and eliminated at the time of Exercise of the affected Options. Notice of any adjustment shall be given by the NRC to each participant whose Options have been adjusted and such

adjustment (whether or not such notice is given) shall be effective and binding for all the purposes of the Scheme.

**16. Corporate Action**

Notwithstanding anything contained under this Scheme, the NRC shall, *inter alia*, formulate the detailed terms and conditions of the GCPL ESOS 2024 including the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, share split, consolidation of share and any other corporate action.

In this regard following shall be taken into consideration by the NRC:

- a. the number and the price of the Options shall be adjusted in a manner such that total value of the Options remains the same after the corporate action;
- b. the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the recipients.

**17. Rights as a Shareholder**

No Grantee shall have a right to receive any dividend or vote at any general meeting of the Company or in any manner enjoy the benefits of a shareholder in respect of Options Granted or Vested, till the Shares are allotted to the Grantee on Exercise of Options.

**18. No Right of Employment**

The Grant of Options under this Scheme does not create a right to continued employment with the Company or its holding / subsidiary / associate / group company. Nothing in this Scheme or Grant Letter shall interfere with or limit in any way the right of the Company or holding / subsidiary / associate / group company to terminate the employment of the Employee at any time.

**19. Accounting**

The Company shall follow the requirements including the disclosure requirements of the Accounting Standards as prescribed under Section 133 of the Companies Act 2013 including 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time or as prescribed under SEBI (SBEBSE) Regulations.



## **20. Tax Liability**

- (a) In the event of any tax liability, including any tax liability arising on account of change in the tax laws relating to the GCPL ESOS 2024, arising on account of the Grant of Options and /or allotment of the Shares to an Employee, the liability shall be that of the Employee alone and the Company shall be indemnified to the extent of applicable taxes, if any, levied at any point of time upon the Company in this regards, unless otherwise agreed by the Company.
- (b) No Shares shall be issued to the Employee or beneficiary, on Exercise of the Options under this Scheme unless appropriate taxes as required under the applicable tax laws, are discharged. Such taxes may either be deducted from the Employee's salary and / or can be separately discharged by the Employee by giving a cheque / demand draft / electronic transfer to the Company for the said amount, unless otherwise agreed by the Company.
- (c) The Company shall have the right to deduct from the salary, for any obligation towards tax deduction arising in connection with the Option or the Shares acquired upon the Exercise thereof.
- (d) The Company shall have no obligation to deliver Shares or to release Shares in pursuance of the Option until the tax deducting obligations, if any, have been satisfied.
- (e) All tax liabilities arising on disposal of the Shares after Exercise would be handled by the Employee.

## **21. Insider trading**

In respect of the Shares allotted under the Scheme, the Employee shall ensure compliance of the Company's policy on prohibition of insider trading, SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and such other regulations as may be applicable and notified from time to time by SEBI and/or the Stock Exchange on which the Shares are listed.

## **22. Interpretation**

The NRC may make such rules and regulations and establish such procedures for the administration of the Scheme, as it deems appropriate. In the event of a disagreement as to the interpretation of this Scheme or of any rule, regulation or procedure or as to any question, right or obligation arising from or related to the Scheme, the decision of the NRC shall be final.

## **23. Notices**

All notices under the Scheme shall be in writing, and to the Company, shall be delivered or mailed at the below mentioned address to the attention of the Company Secretary and if to the Employee shall be delivered personally or through post / courier / email to the Employee / Nominee / Legal Heir at the

address / email address appearing in the records of the Company. Such address / email address may be changed at any time by a written notice to the other party.

To

Company Secretary,

Godrej Consumer Products Limited

Godrej One, 4th Floor, Pirojshanagar Eastern Express Highway, Vikhroli (E), Mumbai - 400079.

Email: investor.relations@godrejcp.com

All notices shall be deemed to have been validly given on (i) the business date of receipt, if personally delivered, or (ii) the expiry of seven (7) days after posting if sent by post, or (iii) the business date of receipt, if sent by courier or (iv) the business date, if transmitted by email transmission and delivery not failed.

#### **24. Termination of the Scheme**

The Scheme shall terminate upon the earliest to occur of the following:

- (a) The effective date of a resolution adopted by the NRC / Board terminating the Scheme; or
- (b) The date, all Shares under the Scheme as mentioned in Clause 4(a) are given / issued pursuant to Exercise of Options.

No Options may be granted under the Scheme after the earliest to occur of the events or dates described in the foregoing paragraphs (a) through (b) of this Section.

#### **25. Other Terms**

Options granted pursuant to the Scheme shall contain such other terms, provisions and conditions (which need not be identical) not inconsistent herewith as shall be determined by the NRC.

Notwithstanding anything to the contrary contained herein or in any Grant Letter, the Company shall not be required to issue Shares if the issuance violates any provision of any law or regulation of any government authority or SEBI or a stock exchange.

Participation in this Scheme shall not be construed as a guarantee of return on the Shares purchased from the Options. The risks associated with investment in Shares are that of the Employee alone.

All Shares allotted on Exercise of Options will rank pari-passu with all other equity Shares of the Company for the time being in issue (save as regards any right attached to such Shares by reference to a record date prior to the date of allotment).

**26. Severability**

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

**27. Confidentiality**

The employee who holds any Options under the GCPL ESOS 2024 shall not divulge the details of the Scheme and his holding to any person except with the prior permission of the Company obtained in writing.

The employee shall enter into such agreement, as the Company may desire from time to time, to more fully and effectively implement this Scheme.

**28. Contract of employment**

Nothing in this Scheme shall be construed as affording such an individual any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason. This Scheme is purely at the discretion of the Company.

**29. Disputes**

All disputes arising out of or in connection with the Scheme shall be referred to the NRC for mutual resolution by the parties.

**30. Arbitration**

All disputes arising out of or in connection with the Scheme which cannot be resolved as per Clause 30 within 30 (thirty) days from the date of its reference to the NRC, may be referred for arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996, as amended from time to time. The arbitration shall be conducted by a single arbitrator to be appointed by the Company and the

decision rendered by the arbitrator shall be final and binding on the parties. The place and seat of arbitration shall be Mumbai.

**31. Governing law and jurisdiction**

- (a) The terms and conditions of the Scheme shall be governed by and construed in accordance with the laws of India.
- (b) Subject to Clause 29, the Courts of Mumbai shall have exclusive jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this Scheme.
- (c) Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with the Scheme:
  - (i) in any other Court of competent jurisdiction; or
  - (ii) concurrently in more than one jurisdiction.
- (d) The Grantee or its Nominee / legal heir(s) / successor(s), as the case may be, who are granted Options/Shares under the Scheme shall comply with such requirements of laws as may be necessary.

**32. New Share Incentive Schemes**

Nothing contained in the Scheme shall be construed to prevent the Company and the NRC from implementing another Share Based Scheme, which is deemed by the Company to be appropriate or in its best interest, provided such other action would not have any adverse impact on the Scheme or any grant made under the Scheme. No Grantee shall have any claim against the Company as a result of such action.

**33. General**

This Scheme shall not confirm on any person any legal or equitable rights (other than that to which he / she would be entitled as an ordinary member of the Company) against the Company either directly or indirectly or give rise to any cause of action in law or in equity against the Company.

\*\*\*\*\*

**For Godrej Consumer Products Limited**

**Tejal Jariwala  
Company Secretary & Compliance Officer**