

Canara HSBC Life Insurance Company Limited

Employee Stock Option Plan – 2025

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Canara HSBC Life Insurance Company Limited

Employee Stock Option Plan 2025

1. Name, Objective and Term of the Plan

- 1.1. This Plan shall be called the “**Canara HSBC Life Insurance - Employee Stock Option Plan 2025 (“CHL ESOP 2025” or “ESOP 2025” or “Plan”)**”.
- 1.2. The objective of CHL ESOP 2025 is to reward the Eligible Employees of Canara HSBC Life Insurance Company Limited (the “**Company**”), a company incorporated under the Companies Act, 1956 and having its registered office at 8th Floor, Unit No. 808-814, Ambadeep Building, Kasturba Gandhi Marg, Connaught Place, New Delhi- 110001, for their performance and to motivate them to contribute to the growth and profitability of the Company. The Plan aims to attract, retain and reward talent in the organization.
- 1.3. Employee stock options are an effective way of incentivizing the employees and are recognized internationally, as an instrument to align interest of employees with those of the Company paving way for a unified approach to the common objective of enhancing overall shareholder value creation and provide an opportunity to the employees to participate in the growth of the Company and create long-term wealth.
- 1.4. This Plan has been formulated by the Nomination and Remuneration Committee and Board of the Company and has received approval of its Shareholders by way of a Special Resolution passed on Extraordinary General Meeting (EGM), for grant of Options to its Employees.
- 1.5. The Plan shall become effective from April 18, 2025 (“Effective Date”) and shall continue to be in effect unless terminated at any time at the sole discretion of the Board and / or Nomination and Remuneration Committee in accordance with Applicable Law but without the consent of and without notice to the Eligible Employees. Any such termination or expiry of this CHL ESOP 2025 shall not affect the Grant, Vesting or Exercise of the Options already issued under this CHL ESOP 2025.

2. Definitions

- i. “**Abandonment**” shall mean discontinuation of employment by a Grantee without giving notice or without serving a period of notice as specified by the Company from time to time and in accordance
- ii. “**Act**” means the Securities and Exchange Board of India Act, 1992 together with the statutory modifications, amendments or re-enactments thereof from time to time.
- iii. “**Applicable Law**” means any prevailing laws, rules or regulations relating to employee stock options, including and without limitation to the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the SEBI Regulations, the Companies (Share Capital and Debenture) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (each as amended from time to time) IRDAI Master Circular on Corporate Governance for Insurers, 2024 and all relevant tax, securities, exchange control or corporate laws of India, or amendments thereof or of any relevant jurisdiction or of any Recognised Stock Exchange on which the Shares are Listed or quoted. The Applicable Law includes any provision of the applicable law, rules regulations, notifications, circular(s) or any other similar form of directives issued by the competent authority under the relevant Applicable Laws.
- iv. “**Associate Company**” means an associate company of the Company (present or future) as defined under section 2(6) of the Companies Act, 2013 and includes joint venture company.

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- v. **“Beneficiary” or “Nominee”** shall mean the person or persons, trust or trusts designated by the Eligible Employee, or in the absence of any designation by the Eligible Employee, a person or persons who is / are entitled by the will or probate of the Eligible Employee to receive the benefits specified in this Plan, the legal heirs of the Eligible Employee, if the Eligible Employee dies intestate and includes the Eligible Employee’s executors or administrator, if no other Beneficiary is designated and able to act under the circumstances and such other persons as may be added from time to time to the class of beneficiaries by notice in writing and by the Nomination Form in the exercise of any powers conferred under this Plan or any other agreements forming part thereof;
- vi. **“Board”** shall mean the Board of Directors of the Company, constituted in accordance with the incorporation documents of the Company and as may be constituted / re-constituted in accordance with the Applicable Laws from time to time and shall include a committee of the Board of Directors as may be authorized to take certain decisions and / or perform certain actions as delegated to it by the board of directors;
- vii. **“Cashless Exercise”** means making of an application in such manner and on such format as may be prescribed by the Committee, from time to time, by the Grantee to the Company and the Trust, directing Trust to sell the requisite number of Shares from the total Share applied for in lieu of Aggregate Exercise Price and crediting the balance Shares in the demat account of the Employees / Beneficiary / Nominee in accordance with the terms and conditions of the Plan.
- viii. **“Cause”** means any of the following acts or omissions by an Eligible Employee in addition to any provisions prescribed in the offer or terms of employment amounting to misconduct or breach of terms of employment as determined by the Board or Committee after giving the Eligible Employee an opportunity of being heard. This may include the following scenarios, or any other scenarios as may be determined by the Board or Committee of the Board.
 - 1. constant failure of the Eligible Employee in the opinion of the Board/Committee to achieve assigned performance targets and objectives;
 - 2. gross negligence, willful misconduct or insubordination of the Eligible Employee in connection with the performance of his duties and obligations towards the Company, which is detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise;
 - 3. breach by the Eligible Employee of any terms of his employment agreement or the Company’s policies or other documents or directions of Company including the reasons of non-performance;
 - 4. fraud, moral, turpitude, misfeasance, breach of trust or wrongful disclosure of any secret and confidential information about of the Company or any of its affiliates to any third party;
 - 5. participating or abetting a strike in contravention of any law for the time being in force;
 - 6. misconduct as provided under the labour laws after following the principles of natural justice;
 - 7. the Eligible Employee’s pleading guilty to or conviction of an offense involving imprisonment; and
 - 8. while in employment with the Company, Eligible Employee is in employment of the any other organization not being a Group company.
- ix. **“Committee” or “Nomination and Remuneration Committee”** means Nomination and Remuneration Committee of the Board (“NRC”) as constituted in accordance with Regulation 19 of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and section 178 of the Companies Act, 2013, as amended from time to time and will also be considered and act as the compensation committee for the purposes of the SEBI Regulations.
- x. **“Companies Act”** means the Companies Act, 2013 and rules made thereunder and include any statutory modifications or re-enactments thereof.

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- xi. **“Company”** means Canara HSBC Life Insurance Company Limited, a company incorporated and registered under the Companies Act, 1956 having its registered office at 8th Floor, Unit No. 808-814, Ambadeep Building, Kasturba Gandhi Marg, Connaught Place, New Delhi- 110001 and having its Corporate Identity Number: U66010DL2007PLC248825.
- xii. **“Control”** shall have the same meaning as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
- xiii. **“Director”** shall have the same meaning as defined under section 2(34) of the Companies Act, as amended from time to time.
- xiv. **“Eligibility Criteria”** means the criteria as may be determined by the Nomination and Remuneration Committee for grant of Options to Eligible Employees, from time to time.
- xv. **“Employee”** for the purpose of this Plan till the time Company is unlisted shall mean-
 - a) permanent employee of the Company including whole-time director of the Company who has been working in India or outside India; orbut shall not include -
 - (i) an employee who is a promoter or a person belonging to the promoter group; or
 - (ii) a director who either themselves or through their relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.Post Listing, Employee shall mean -
 - a) an employee as designated by the Company including whole-time director of the Company, who is exclusively working in India or outside India; orbut does not include—
 - (i) an employee who is a promoter or a person belonging to the promoter group; or
 - (ii) a director who, either themselves or through their relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company
- xvi. **“Employee Stock Option” or “Option”** means the option given to an Employee, which gives such Employee the right to purchase or subscribe at a future date the Shares underlying the option, directly or indirectly, at a pre-determined price.
- xvii. **“ESOP 2025” or “CHL ESOP 2025” or “Plan”** means the Canara HSBC Life Insurance - Employee Stock Option Plan 2025 under which the Company is authorized to grant Options to the Employees.
- xviii. **“Exercise”** of Options means making an application by the Option Grantee to the Company or to the trust for allotment or transfer of Shares against the Options vested in the Grantee pursuant to the Plan.
- xix. **“Exercise Period”** means such time period after Vesting within which the Eligible Employee can exercise the right to apply for the shares against the Options vested under the Plan.
- xx. **“Exercise Price”** means the price, if any, payable by the Option Grantee / Beneficiary / Nominee at the time of Exercise of the Vested Options pursuant to the Plan, which shall be determined by the Committee.

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- xxi. **“Fair Market Value”** means, value of Shares as determined by the independent registered valuer appointed by the Company. Provided that after Listing, the term ‘Fair Market Value’ shall refer to ‘Market Price’.
- xxii. **“General Meeting”** means an annual general meeting or an extraordinary general meeting of the members of the Company held by the Company in accordance with the Articles of Association and Applicable Laws and procedures laid down under Companies Act;
- xxiii. **“Grant”** means the process by which the Company grants Options to the Eligible Employees under the Plan.
- xxiv. **“Grant date” or “Date of Grant”** means the date on which the Nomination and Remuneration Committee approves the grant of Options.
Explanation,- For accounting purposes, the grant date will be determined in accordance with applicable accounting standards.
- xxv. **“Grantee” or “Option Grantee”** means the Eligible Employee who has been granted Options under the Plan.
- xxvi. **“Group Company”** or **“Group”** means two or more companies which, directly or indirectly, are in a position to -
i. exercise twenty-six per cent or more of the voting rights in the other company; or
ii. appoint more than fifty per cent of the members of the Board of Directors in the other company; or
iii. Control the management or affairs of the other company;
- xxvii. **“Holding Company”** means a holding company (present or future) as defined in sub- section (46) of section 2 of the Companies Act;
- xxviii. **“Independent Director”** shall have the same meaning assigned to it under the provisions of Companies Act read together with the rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- xxix. **“Key Managerial Personnel”** shall have the same meaning as defined under section 2(51) of the Companies Act and under IRDAI Master Circular on Corporate Governance, 2024, as applicable.
- xxx. **“Letter of Grant” or “Grant Letter”** shall mean the letter issued by the Company, substantially in the form provided for in this Plan intimating an Eligible Employee of the Options granted to such Eligible Employee for acquiring a specified number of Shares at the Exercise Price and as per the Vesting Conditions and Exercise Period and terms of this Plan.
- xxxi. **“List”** means listing of the Company’s Share on any Recognized Stock Exchange.
- xxxii. **“Long Leave”** means a sanctioned leave in excess of 60 days without break. Long Leave shall also include Sabbatical Leave without pay in full and exclude Maternity Leave.
- xxxiii. **“Market Price”** Market Price after Listing 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 Relevant Date;
Explanation,- If such Shares are listed on more than one Recognised Stock Exchange, then the closing price on the Recognised Stock Exchange having higher trading volume shall be considered as the market price;
- xxxiv. **“Permanent Disability / Incapacity”** means any disability / incapacity of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Eligible Employee from performing any specific job, work or task which the said Eligible Employee was capable of performing immediately before such disablement, as determined by the Committee.

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xxxv. **“Promoter”** means a person:

- (i) who has been named as such in a prospectus or is identified by the Company in the annual return;
- (ii) who has Control over the affairs of the Company, directly or indirectly whether as a Shareholder, Director or otherwise; or
- (iii) in accordance with whose advice, directions or instructions the Board of Directors of the company is accustomed to act,

provided that nothing in Sub-clause (iii) shall apply to a person who is acting merely in a professional capacity.

Provided further that upon Listing, the term “Promoter” defined hereinabove shall have meaning as defined in the SEBI Regulations

xxxvi. **“Promoter Group”** means (a) an immediate relative of the Promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); (b) persons whose Shareholding is aggregated for the purpose of disclosing ‘shareholding of the promoter group’ in the offer document, (c) in case promoter is a body corporate: i) a subsidiary or holding company of such body corporate; ii) any body corporate in which the promoter holds twenty per cent. or more of the equity share capital; and/or any body corporate which holds twenty percent. or more of the equity share capital of the promoter;

Provided that upon Listing, it shall have the same meaning assigned to the term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

xxxvii. **“Relevant date”** means:

- a. in the case of Grant, the date on which the Grant is made; or
- b. in the case of Exercise, the date on which Option Grantee/Beneficiary/Nominee exercises the Option;

xxxviii. **“Relative”** shall have the same meaning as defined under section 2(77) of the Companies Act

xxxix. **“Retirement”** means retirement as per the policies/rules of the Company.

xl. **“SEBI Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended and re-enacted from time to time and includes any clarifications or circulars issued thereunder.

xli. **“Securities”** means securities as defined in section 2(h) of the Securities Contracts (Regulation) Act, 1956.

xlii. **“Secondary Acquisition”** means acquisition of existing Shares of the Company by the Trust, on delivery basis, on the platform of a Recognized Stock Exchange for cash consideration.

xliii. **“Shareholder”** shall mean the registered holder of a Share of the Company, from time to time.

xliv. **“Stock Exchange or Recognized Stock Exchange”** means National Stock Exchange of India Limited (NSE), BSE Limited (BSE) or any other recognized stock exchange in India on which the Company’s Shares are listed or to be listed in future and shall have the same meaning attributed to it under Section 4 of the Securities Contracts (Regulation) Act, 1956, as amended.

xlv. **“Subsidiary Company”** means a subsidiary of the Company (present or future) as per the definition under Section 2 (87) of the Companies Act.

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- xlvi. **“Secretarial Auditor”** means a company secretary in practice appointed by the Company under rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit pursuant to regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- xlvii. **“Share” or “Shares”** means the equity shares of the Company including the equity shares arising out of the Exercise of Options granted under this Plan.
- xlvi. **“Tax” or “Taxes”** shall mean any income tax, perquisite tax, fringe benefits tax or any other taxes, or any levy or any contribution or any sums due (by whatever name it is called) imposed on the Company or on an Eligible Employee, with respect to the Grant, Vesting and/ or Exercise of the Options in pursuance of this Plan.
- xlix. **“Trust”** means Canara HSBC Life Insurance Company ESOP Trust, an irrevocable employee welfare trust established under the provisions of Indian Trusts Act, 1882 including any statutory modification or re-enactment thereof, set-up by the Company for the administration of the Share-based employee benefits plans/ schemes of the Company including this Plan being authorized from time to time, to subscribe, hold and transact in cash and Shares of the Company for the purposes of relevant employee stock option plan/ schemes of the Company for the benefit of the Employees including in accordance with the terms and conditions of this Plan and SEBI Regulations.
- l. **“Trustee”** means a person/ entity appointed as a trustee under the trust deed of the Trust to manage the affairs of the Trust. However, following should not be appointed as Trustee–
- i. a director, Key Managerial Personnel or promoter of the company or its group company including its holding, subsidiary or associate company or any relative of such director, Key Managerial Personnel or promoter; or
 - ii. a person beneficially holds ten percent or more of the paid-up share capital or the voting rights of the Company
- li. **“Unvested Options”** 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.
- lii. **“Vest” or “Vesting”** means process by which the Eligible Employee/Beneficiary becomes entitled to receive the benefit of a grant made to him/her under this Plan.
- liii. **“Vesting Condition”** means the conditions subject to which the Options granted under the Plan would Vest in the Option Grantee.
- liv. **“Vesting Date”** shall mean the respective dates on and from which the Options Vests with the Eligible Employee/ Beneficiary/Nominee and thereby becomes exercisable in pursuance of this Plan.
- lv. **“Vesting Period”** means the period, during which the Vesting of the Options granted to the Option Grantee takes place under the Plan.
- lvi. **“Vested Options”** means an Options in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee/Beneficiary/Nominee has become eligible to exercise the Option.

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Companies Act, the Securities and Exchange Board of India Act, 1992, the SEBI Regulations, as amended from time to time, the Securities Contracts (Regulation) Act, 1956, or the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any statutory modification or re-enactment thereof, as the case may be.

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3. Interpretation

3.1. 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 all other genders;

3.2. All references to laws or to any specific provision of any law shall mean all delegated legislation issued thereunder any legislation which replaces such law/provision and any amendments to such law, provision or amendment or re-enactment.

3.3. In the event of any inconsistency between the provisions of this Plan and the Articles of Association, then the provisions of the Articles of Association shall prevail and be deemed to have been incorporated herein by reference.

3.4. In the event of any inconsistency between the provisions of this Plan and the SEBI Regulations, then the provisions of SEBI Regulations shall prevail and be deemed to have been incorporated herein by reference.

4. Administration of the Plan

4.1. The Plan shall be implemented and administered by the Trust route wherein the Trust shall acquire the Shares from the Recognized Stock Exchanges. The Shares so acquired by the Trust will either be:

- transferred to the Option holder as and when the Options are exercised; and/or
- sold by the Trust to the extent of enabling the Option holder to fund the exercise price, the amount necessary to meet his/her Tax obligations and other related expenses pursuant to Cashless Exercise of Options and will transfer the requisite Shares to the Option holder.

4.2. All questions of interpretation of the Plan or any Option shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Plan or in any Option issued thereunder.

4.3. The Committee is authorised to supervise the Plan and to inter-alia decide the following conditions under the Plan:

- a) Adopt rules and regulations for implementing the Plan from time to time;
- b) The Eligibility Criteria for Grant of Options to the Employees including to amend the same from time to time;
- c) To identify Eligible Employees to whom the Options may be granted hereunder, based on the Eligibility Criteria;
- d) The Grant of Options to the Eligible Employees and the Grant Date;
- e) The quantum of Options to be Granted under this Plan per employee and in aggregate;
- f) Terms and conditions in respect of Grant, Vesting, Vesting Schedule, Exercise Period and Exercise of Options by the Eligible Employees / Options Grantees which may be different for different class or classes of Eligible Employees/ Option Grantees falling in the same tranche;
- g) Determine the conditions under which Options, Shares or other benefits as the case may be, may vest with Eligible Employees and may lapse in case of termination of employment for misconduct or on failure to Exercise the Option within the Exercise Period;
- h) Alter/modify the vesting conditions, schedule and/or Exercise Price for Options Granted;
- i) Determine the procedure for funding the Exercise of Options, if required;
- j) Determine extension of Exercise Period, in exceptional cases;
- k) Determine the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, inter alia, be taken into consideration by the Committee:

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- i. the number and Exercise Price shall be adjusted in a manner such that total value to the Eligible Employee of the Options remains the same after the relevant corporate action;
 - ii. the vesting period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Eligible Employee(s) who is granted such Options;
 - l) The procedure and terms for the Grant, Vesting and Exercise of Options in case of Option Grantee, who are on Long Leave;
 - m) The procedure for vesting in case of separation / termination of employment, if required;
 - n) Approve forms, writings and/or agreements for use in pursuance of the Plan;
 - o) To discontinue or recontinue the Plan;
 - p) To create a trust to manage the Plan for all or any identified part of the Options granted under the Plan in compliance with the SEBI Regulations;
 - q) To construe and interpret the terms of the Plan and the Options granted pursuant to the Plan;
 - r) Take any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the Plan or the administration or interpretation thereof;
 - s) Decide all other matters that must be determined in connection with an Option under the Plan;
 - t) To delegate its duties and powers in whole or in part as it may decide from time to time to any person or Committee or Trust;
 - u) The procedure for Cashless Exercise of Options.
 - v) To frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including the (a) SEBI (Prohibition of Insider Trading Regulations), 2015 and (b) SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the securities market) Regulations, 2003
 - w) To administer and reconcile any inconsistency in the Plan;
 - x) To perform such other functions and duties as shall be required under the Applicable Law
 - y) Any other matter as deemed necessary or incidental for the purpose of administration of this Plan.
- 4.4. The Trust shall be governed subject to following terms and conditions:
- (a) It shall not deal in derivatives and shall undertake only such transactions as permitted under the deed of Trust read with the provisions of the Applicable Laws, including only delivery-based transactions for the purposes of Secondary Acquisition as permitted under the SEBI Regulations;
 - (b) The Trustees appointed or re-appointed from time to time shall be such persons as being not disqualified as prescribed under the Applicable Laws; and
 - (c) The Trustees shall not vote in respect of the Shares held by the Trust.
- 4.5. The Trustees while administering the Plan shall abide by the provisions contained therein, terms of the Grant, Vesting and Exercise as decided by the Committee and shall ensure compliance of the provisions of relevant Applicable Laws as prevailing from time to time, in connection with dealing with the Shares of the Company including but not limited to maintenance of proper books of account, records and documents as prescribed.
- 4.6. The Committee may correct any defect, omission or reconcile any inconsistency in this Plan in the manner and to the extent the Committee deems necessary or desirable and to resolve any difficulty in relation to implementation of this Plan and take any action which the Board is entitled to take in relation thereto. No member of the Committee may act upon matters under this Plan specifically relating to such member of the Committee.
- 4.7. The Company will lend monies to the Trust on appropriate terms and conditions for the purpose of implementation of the Plan in accordance with the Companies Act and the rules thereunder

5. Designated Officer

- 5.1. Under the overall authority of the Committee, the Designated Officer(s), as notified by the Committee, shall be authorised and responsible to administer, implement and supervise the Plan and to perform following functions or such other functions as may be assigned by the Committee from time to time:
- a) Issue, amend, modify the letters of Grant and vesting of Options under the Plan as per approval of the Committee;
 - b) Acceptance of the requests/ applications for exercise of Options;

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- c) Execute, sign and deliver all letters, correspondence, certificates, undertaking and other deeds and documents on behalf of the Company for any purpose incidental or ancillary to the Plan;
- d) Represent the Company before any Government / semi-Government or other authority for the purpose of the Plan;
- e) Determine whether an Eligible Employee has been terminated for Cause;
- f) Appoint any consultant, lawyer, professional etc. for any legal opinion, advice, views or to represent the Company before any statutory or non- statutory authority. Also, appoint valuer/ registered valuer / chartered accountant to make independent calculation of Exercise Price and number of Options.
- g) Cancel or suspend all or any of the Options granted whether vested or not under the Plan:
 - i. If required under any law for the time being in force or the order of any jurisdictional court;
 - ii. In the event the Eligible Employee's services are terminated for Cause;
- h) Do all such acts, deeds and things as may be required to be done to implement and administer the Plan or any other matter connected thereto under the authority of the Board/ Committee.
- i) Delegate all or any of the powers vested to any officer or employee or the appointed representative(s) of the Company by way of a letter of authority;

6. Authority

- 6.1 Subject to Clause 13 of the Plan, the shareholders of the Company by way of special resolution approved the Plan authorizing the Board of Directors of the Company including the Committee to Grant Options not exceeding 57,00,000 **Options** ("ESOP Pool") to the Eligible Employees in one or more tranches, from time to time, which in aggregate would be exercisable into not more than 57,00,000 (Fifty Seven lacs only) Equity Shares of face value of Rs. 10 (ten) each fully paid up to the eligible Employees in one or more tranches, from time to time, with each such Option conferring a right upon the Employees to apply for one Share in the Company in accordance with the terms and conditions as may be decided under the Plan.
- 6.2 The Company shall set up a Trust which shall administer the Plan in accordance with the terms of a deed of Trust executed by the Company and the directions given by the Committee from time to time under the Plan. The Company shall Grant Options based on the recommendations of the Committee.
- 6.3 Once the Shares of the Company are Listed, the Trust shall acquire Shares by way of Secondary Acquisition in one or more tranches and shall utilize such Shares for the purpose of transferring them to the Grantee upon Exercise of the Options under the Plan (in the manner specified by the Committee and this Plan). The Trust shall hold the Shares, for and on behalf of the Grantees, in accordance with the terms and conditions of this Plan and the deed of Trust. The Trustees will act as custodians of the Shares and shall be responsible for all matters and issues relating to and arising out of finances and Shares available with the Trust, subject to the guidance, advice and direction of the Committee.
- 6.4 The total number of Shares acquired by Trust pursuant to Secondary Acquisition shall at no point of time exceed the prescribed threshold applicable in a financial year. The Trust shall also hold the Shares so acquired for the minimum holding period prescribed under the SEBI Regulations, except for the purposes of transferring the Shares in the circumstances specified under the SEBI Regulations or other Applicable Law, whether off market or on the platform of Recognized Stock Exchanges. The Trust shall not sell any Shares of the Company in the secondary market except in the circumstances specified under the SEBI Regulations.
- 6.5 On the exercise of the Options by the Eligible Employees, the Trust shall distribute the Equity Shares in respect of such Options to the Eligible Employees. The Trustees shall be advised by the Committee in relation to the operation of the Plan, which advice shall be binding upon the Trust. No member of the Committee or the Trust shall be liable for any action or determination made by him/her in good faith.
- 6.6 Subject to approval of shareholders through special resolution, the Company will grant loan, provide guarantee or security in connection with an interest free loan/financial assistance, in one or more tranches, to the Trust for an

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amount not exceeding limits prescribed under the Companies Act, with a view to enable the Trust to subscribe and/or purchase Shares for the purpose and in connection with the implementation of Plan. The aforesaid fund would be availed, upon exhaustion of free and utilizable funds (net of any outstanding liabilities and administrative expenses of the Trust), as permitted under Applicable Law and available with the Trust.

- 6.7 During any one year, no identified Eligible Employee(s) shall be granted Options equal to or exceeding 1% of the issued share capital excluding outstanding warrants and conversions (as understood under SEBI Regulations) of the Company at the time of Grant of Options unless an approval from the members of the Company is taken by way of special resolution in a General Meeting.
- 6.8 The maximum number of Options that shall be granted to any specific Eligible Employee of the Company under this Plan, in any financial year shall not exceed 6,00,000.
- 6.9 If an Option expires, lapses, gets cancelled, surrendered or becomes un- exercisable due to any reason/s, it shall be brought back to the ESOP Pool and shall become available for future Grants, subject to compliance with the provisions of Applicable Law.
- 6.10 Where Shares are transferred by the Trust consequent upon Exercise of an Options under the Plan, the maximum number of Options and Shares that can be allotted under Plan as referred to in Clause 6.1 above shall stand reduced to the extent of such Options exercised and Shares transferred.

7. Eligibility under the Plan

- 7.1. Only Eligible Employees within the meaning of this Plan are eligible for being granted Options under this Plan. The specific Eligible Employees to whom the Options would be granted and their Eligibility Criteria would be determined by the Committee, in accordance with Applicable Law.
- 7.2. The Eligible Employees, who satisfy the Eligibility Criteria and are selected by the Committee for Grant of Options shall receive Options on the date of Grant. The Committee may apply different Eligibility Criteria for Eligible Employees / set of Eligible Employees.
- 7.3. The appraisal process for determining the eligibility of the Eligible Employee will be determined by the Committee from time to time and will be based on criteria such as the grade of Eligible Employee, length of service, performance record, merit of the Eligible Employee, future potential contribution by the Eligible Employee and/or by any such criteria that may be determined by the Committee from time to time.
- 7.4. The Plan shall be applicable to the Company and Options may be granted to the Eligible Employees of the Company, as determined by the Committee at its sole discretion.

8. Grant and Acceptance of Grant

8.1. Grant of Options

- 8.1.1. The Committee shall Grant such number of Options to all or select Eligible Employees, who satisfy the Eligibility Criteria, on such terms and conditions in accordance with the provisions of the Plan and Applicable Law. The Eligible Employees can be given such numbers of Options as may be determined by the Committee from time to time.
- 8.1.2. The Grant of the Option by the Company to the Option Grantee shall be made in writing or through any other electronic medium identified by the Company and communicated to the Option Grantee by a Letter of Grant

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followed by copy of Disclosure Document as prescribed under the SEBI Regulations and other Applicable Laws. The Letter of Grant shall specify the details of the Grant Date, number of Options, the Vesting Period, schedule of Vesting, conditions for Vesting, the Exercise Price, Exercise Period and any other terms and conditions that the Committee may deem necessary.

8.1.3. Except for provisions mentioned in clause 11.13, a Grant made under this Clause is personal to the Grantee, should be treated confidentially by the Grantee and cannot be transferred in any manner whatsoever.

8.2. Acceptance of Grant

8.2.1. Any Eligible Employee who wishes to accept the Grant made under this Plan must deliver to the Company an acceptance of the letter of Grant as soon as possible but not more than 30 days from the date of the Grant, in a manner as specified in the Letter of Grant. In case no acceptance is received within 30 days from the Grant Date then the Grant shall be considered as deemed accepted by Eligible Employee. On receipt by the Company of the acceptance or deemed acceptance, the Eligible Employee will become an Option Grantee. In case if Employee intends to not accept the Grant then an explicit rejection of the Grant should be provided by the Employee.

9. Vesting of Options

9.1. Subject to continued employment and achievement of performance conditions, 1/3rd of the total Options granted shall become Eligible to Vest on each anniversary of the Grant Date.

9.2. Options granted under the Plan would vest not earlier than one year and not later than 3 years from the Grant Date of such Options. The exact Vesting Period and schedule of Vesting shall be communicated to the Option Grantee through the Letter of Grant. The Committee may at its discretion change the Vesting schedule based on their length of service, grade, performance, merit, key position, future potential contribution, terms of the employment contract and conduct of the employee, etc. and shall be specified in the Grant Letter, provided that such change is not detrimental in the interest of the Eligible Employee.

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

Provided that the minimum vesting period of 1 (one) year shall not be applicable in case of death/permanent incapacitation of the Option Grantee while in employment with the Company.

9.3. For the purpose of determining number of Options to vest in any given tranche, fractional Options may be rounded off to nearest whole number. Such rounding off may be offset in the last vesting such that total number of options to vest doesn't exceed number of Options granted.

9.4. The Committee, at its discretion, may also specify certain performance and other conditions for Vesting of Options. The same shall be communicated to Grantee at the time of Grant through Letter of Grant.

9.5. The Company may vary, substitute or waive any such condition if the Committee considers it appropriate, provided that the Committee considers that the new Vesting condition is reasonable and, in the reasonable opinion of the Committee, not materially less difficult to satisfy (except in the case of a waiver) and not prejudicial to the interests of the other Eligible Employees.

9.6. The performance parameters, weightage of each of the parameters, performance to vesting relation and performance-vesting curve shall be decided by the Committee and shall be communicated to the Grantee through the Letter of Grant.

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- 9.7. Options which do not Vest on Vesting date on account of non-fulfilment of performance condition or Vesting Conditions shall automatically lapse, without any obligations whatsoever on the Company (including the Board or Committee) and no rights in that regard will accrue to the Eligible Employee after such date. Such Unvested Options shall be brought back/revert to the ESOP Pool and shall become available for future Grants, subject to compliance with the provisions of Applicable Law.
- 9.8. As a prerequisite for a valid Vesting, an Option Grantee is required to be in employment or service of the Company on the date of Vesting and must neither be serving notice for termination of employment/ service, nor be subject to any disciplinary proceedings pending on such date of Vesting.
- 9.9. Subject to Applicable Laws, and unless the Committee decides otherwise, no Options shall vest in an Eligible Employee, if such Eligible Employee carries on or engages in, directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, any business which competes directly or indirectly with the whole or any part of the business carried on by the Company or any activity related to the business carried on by the Company. Decision of the Committee in this regard shall be final and conclusive and cannot be called in question by the Eligible Employee. For the sake of clarity, the restriction contained in this Clause shall not apply to any investment held as a portfolio by the Eligible Employee or any activity/ business carried out by the Eligible Employee pursuant to his duties as an Eligible Employee and shall not apply to the Nominee/Beneficiary of the Eligible Employee.
- 9.10. The Vesting conditions shall be communicated to the Option Grantee in the Letter of Grant.

10. Exercise Price

- 10.1. The Exercise Price of Options Granted will be as below:
- For Grants made before Listing – Exercise Price shall be as determined by the Nomination & Remuneration Committee, which shall in no case be lesser than the face value of Shares of the Company and not higher than the Fair Market Value of Shares of the Company as on date of Grant.
 - For Grants made after Listing – Exercise Price shall be decided by the Committee and shall be lower of:
 - the average of the daily mid- opening and mid-closing price of the Shares of the Company, as quoted on the Recognised Stock Exchange, where the trading volume of Shares is higher, of each of the 90 trading days immediately prior to the Grant Date; or
 - the closing price of the Equity Shares of the Company, as quoted on the Recognised Stock Exchange where the trading volume of Shares is higher, on the date immediately prior to the Grant Date.
- 10.2. Exercise Price shall be subject to conforming to the accounting policies specified in Regulation 15 of the SEBI Regulations.
- 10.3. The Exercise Price shall be communicated to the Option Grantee in the Letter of Grant.

11. Exercise of Options

- 11.1. The Exercise Period for Options Vested under the Plan shall be decided by the Committee and would be between 12 months to 36 months from the Vesting Date.
- 11.2. The Committee may apply different Exercise Period for Eligible Employee / sets of Eligible Employees within the exercise period stated at clause 11.1. The exact Exercise Period would be stated in the Grant Letter provided to the Option Grantee at the time of Grant.

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- 11.3. Subject to terms of this Plan and subject to Applicable Laws, an Option Grantee/ Beneficiary/Nominee can Exercise Vested Options only within the Exercise Period and only by applying to the Trust or Company during the Exercise Period, by way of an exercise application and upon payment of the Exercise Price and applicable Taxes, if any.
- 11.4. The Designated Officer can decide the procedure for the exercise of Options and transfer of Shares.
- 11.5. No Vested Option shall be exercisable in its fractional form and each Option entitles the Employee/Beneficiary thereof to apply for and be Transferred 1 (one) Share each on the payment of the Exercise Price and applicable Taxes during the Exercise Period, subject to the terms and conditions specified in the Letter of Grant.
- 11.6. No amount shall be payable by the Option Grantee at the time of Grant and hence no amount is required to be forfeited even if an Employee does not Exercise the Options within Exercise Period and accordingly no adjustment is required to be made for the same.
- 11.7. A Vested Option shall be deemed to be validly exercised only when the Trust receives written and physical or electronically signed notice of exercise application form along with the proof of payment of Taxes by the Employee/ Beneficiary and the full payment of the Exercise Price, Taxes (wherever arising) and any other sums due referred to in Clause 16 to the Trust, as applicable, as per this Plan in respect of Exercise of the Option (“**Aggregate Exercise Price**”).
- 11.8. Subject to Clause 11.9, the Aggregate Exercise Price shall be paid in full upon the Exercise of the Vested Options. Payment must be made by one of the following methods:
- i. Cash Route: - In this route, the Trust will transfer to the Option holder the Shares equivalent to the number of the Options exercised in accordance with the terms and conditions of the Plan after the Option holder has made the payment of the Exercise Price and applicable Taxes, in full, to the Trust.
 - ii. Cashless Route: In this case, the Trust will fund or permit the empaneled stock brokers to make suitable arrangements (including sale of requisite number of Shares in the market) to fund the payment of Exercise Price, the amount necessary to meet his/her Tax obligations and other related expenses pursuant to Exercise of Options Granted and such amount shall be adjusted against the sale proceeds of the Shares of the Option holder. The balance Shares shall be transferred to the Option holder.
Upon such transfer the Option holder shall become a member of the Company.
 - iii. Any combination of such methods of payment or any other method acceptable to the Designated Officer at its sole discretion.
- 11.9. Where shares are transferred consequent to Exercise of Options by the Option Grantee, the ESOP Pool shall stand reduced to the extent of such Shares transferred.
- 11.10. At the time of transfer of the Shares pursuant to a valid Exercise, the Eligible Employee/ Beneficiary/Nominee may be required to sign or execute such documents as may be considered necessary by the Committee or Designated Officer to lawfully execute/ enforce various provisions of this Plan.
- 11.11. The unexercised Options shall lapse on expiry of the Exercise Period.
- 11.12. Subject to compliance with the provisions of the Applicable Laws, all expired, lapsed, forfeited and cancelled Options shall be brought back to the ESOP Pool and shall become available for future grants, subject to compliance with the provisions of Applicable Law.

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- 11.13. The right of an Option Grantee to have Options Vested in him or her under this Plan, is contingent upon the Option Grantee continuing in the service of the Company. On the happening of certain events the Options will vest and can be exercised as per the provisions outlined in the table below:

S. No.	Event	Vested Options*	Unvested Options
1	Resignation or termination (other than due to Cause)	All Vested Options as on date of submission of resignation/date of termination may be exercised by the Option Grantee within 6 months from the last working day with the Company	All Unvested Options on the date of submission of resignation / date of termination shall stand cancelled with effect from that date-
2	Termination on account of Cause	All Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	Retirement or Superannuation/ Expiry of employment contract period	All Vested Options as on date of retirement/expiry of employment contract period may be Exercised by the Option Grantee immediately but in no event later than the Exercise Period defined in the Letter of Grant.	All Unvested Options shall continue to vest as per the Vesting Schedule and Conditions specified under Clause [9] above and can be exercised by Option Grantee immediately but in no event later than the Exercise Period defined in the Letter of Grant
4	Death (while in employment) including after Retirement/expiry of employment contract period	All Vested Options may be Exercised by the Beneficiary/Nominee or legal heirs immediately after, but in no event, later than Exercise Period specified in the Letter of Grant	All the Unvested Options as on the date of death shall vest with effect from the date of his/her death in the legal heirs or nominees of the deceased employee, as the case may be and may be Exercised by the Beneficiary/Nominee or legal heirs immediately after, but in no event, later than Exercise Period specified in the Letter of Grant
5	Permanent disability/incapacity	All Vested Options may be Exercised by the Option Grantee or, if the Option grantee is, unable to exercise due to such incapacity, the Beneficiary/Nominee or legal heirs, immediately after, but in no event, later than Exercise Period specified in the Letter of Grant	All the Unvested Options as on the date of such permanent incapacity shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such incapacity, the Beneficiary/Nominee or legal heirs, immediately after, but in no event, later than Exercise Period specified in the Letter of Grant
6	Abandonment*	All Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
7	Any Other Reason	Treatment of Vested Options shall be decided as per the discretion of the Committee	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.

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**The Committee, at its sole discretion shall decide the date on which Options shall lapse and such decision shall be binding on all concerned.*

- 11.14. **Long leave:** For the purposes of this Plan, Long Leave will not be treated as continuous employment / service by an Option Grantee. In such an event, the vesting period shall be extended by a period which is equal to the leave period unless Committee decides otherwise.
- 11.15. The rights granted to an Option Grantee upon the grant of an Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with any present or past member of the group or associated company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 11.16. In the event of transfer or deputation of an Eligible Employee from the Company to its Subsidiary company(ies) (if any) or Associate Company (present or future), or to any other Group Company, prior to Vesting or Exercise, the Vesting and Exercise as per the terms of the Plan shall continue as if the employment/service is continuing as per the original vesting schedule even after the transfer or deputation, unless otherwise decided by the Committee and such decision shall be final.
- 11.17. In the event that an Eligible Employee who has been granted benefits under this Plan, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing Company, prior to the Vesting or Exercise, the treatment of Options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Eligible Employee.
- 11.18. **Suspended Employees and Employees under enquiry :** In case an Eligible Employee has been suspended or in case of an Eligible Employee against whom an enquiry is being conducted for any reason, the Committee shall decide the terms relating to his/ her/their vesting and exercise.
- 11.19. If the Company gets de-listed from all the recognized Stock Exchanges, then the Committee shall have the powers to set out terms and conditions for the treatment of Vested Options and Unvested Options in due compliance of the Applicable Laws.

12. Ranking and rights of shareholders

- 12.1. The Shares issued on the Exercise of Vested Options shall rank pari-passu with all the existing Shares subject to such exceptions and restrictions as may be specified in Articles of Association and this Plan.
- 12.2. The shares arising out of exercise of Vested Options shall not be subject to any lock-in period from the date of transfer of such shares under the Plan.
Provided that the Shares transferred on such Exercise cannot be sold for such further period or intermittently as required under the terms of Code of Conduct for Prevention of Insider Trading of the Company framed under Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended from time to time.
- 12.3. The Employee shall not have a right to receive any dividend or to vote or in any manner or enjoy the benefits of a shareholder in respect of Options granted, till Shares underlying such Options are issued by the Company on Exercise of such Option.
- 12.4. Options granted to an Employee shall not be transferable to any person.

Except in the case of death of the Employee, no person other than the Employee to whom the Option(s) is/are granted shall be entitled to benefit arising out of such Options or exercise the Option(s).

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12.5. Under the cashless system of exercise, the Trust may itself fund or permit the empanelled service provider(s) to fund the payment of Exercise Price, subject to the provisions of the Companies Act, as amended from time to time and other Applicable Laws.

12.6. The Options granted to the Employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

13. Corporate Action

13.1. In case of Corporate Action, including but not limited to Share split, merger, demerger, sale of division, consolidation, rights issues, bonus issues and other corporate actions, the Committee in accordance with applicable Laws shall ensure while taking into consideration the global best practices in this area that adjustment to Exercise Price, number of Options Granted, adjustment of Vesting Conditions, etc. shall be appropriately made without prejudice to the interest of the Eligible Employee. The decision of the Board / Committee on whether such action is necessary and the extent of such action by the Board shall be final and binding.

13.2. In case of a Share split or consolidation, if the revised face value of the Share is less or more than the current face value as prevailing on the date of coming into force of this Plan, the maximum number of Options available for being granted and maximum number of Shares for being transferred under the Plan as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (no. of Options X face value per underlying Share) prior to such Share split or consolidation remains unchanged after adjusting for such Share split or consolidation.

13.3. The Committee may determine the procedure for making fair and reasonable adjustments to the number of Options and the terms and Conditions of this Plan in case of corporate actions such as further capitalization, mergers, sale of division and others (so as to ensure the economic value of the benefits granted are not materially altered by either the corporate action, or the adjustment required as a result of the corporate action).

14. Beneficiary/Nominee Designation

14.1. Each Eligible Employee under this Plan may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit accrued to such Eligible Employee under this Plan is to be delivered in case of his or her death before he or she receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Eligible Employee, shall be in a form prescribed by the Company and will be effective only when filed by the Eligible Employee in writing with the Company during the Eligible Employee's lifetime.

15. Arbitration

15.1. In the event of a dispute arising out of or in relation to the provisions of this Plan or any communication in relation thereto (including a dispute relating to the Construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such disputes through an amicable settlement. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after a reasonable attempt, which attempt shall continue for not more than 90 days, gives 90 days' notice thereof to the other party in writing. In case of such failure, either party may refer the dispute to a single arbitrator appointed by both the parties and failing such agreement, to three arbitrators, one to be appointed by each party and the third arbitrator to be jointly appointed by the two arbitrators appointed by the parties. The arbitration proceedings shall be held in New Delhi under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator shall give a reasoned award in writing. The arbitrator shall also decide on the costs of the arbitration proceedings. The parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law at New Delhi. Nothing in this Clause will however limit the right of the Company to bring proceedings against any Eligible Employee in connection with this Plan:

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

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16. Withholding Tax or Any Other Sums

- 16.1. All Shares issued to the Eligible Employee/Beneficiary/Nominee on exercise of Options granted under this Plan, dividend or any other amounts payable by the Company to the Eligible Employee/Beneficiary/Nominee pursuant to this Plan shall be subject to all applicable taxes, withholding tax and/ or any levy and/ or any contribution and/ or any sums due (by whatever name it is called) arising due to participation in this Plan (in or outside India), if any, and the Company accordingly, may withhold/ recover such taxes and/ or levy and/ or contribution and/ or payment in full unless Company decides to withhold in part.
- 16.2. Notwithstanding anything contained in any other Clauses of this Plan, if the Grant of the Option and/ or the Vesting of Option and/ or the Exercise of the Options and/ or transfer of the Shares under the Plan and or at any time while this Plan is in operation shall be subject to any levy and/ or taxes or contribution or payment (by whatever name called), if any, that is levied on or payable by the Company (in or outside India), then such taxes and/ or levy and/ or contribution and/ or payment shall be recovered in full, unless the Company at its sole discretion decides to recover in part from the Eligible Employee.
- 16.3. Notwithstanding anything else contained in this Plan, no Shares/ sale proceeds therefrom, as the case may be, shall be issued/ transferred/ disbursed to the Eligible Employee/ Nominee, on Exercise of the Options under this Plan, unless appropriate levies/ taxes/ contributions/ payments as given in this Clause are recovered in full, unless the Company at its sole discretion decides to recover only a part of the same from the Eligible Employee or Beneficiary.

17. Authority to vary terms

The Committee may at any time and from time to time and as per Applicable Laws:

- a. Revoke, add to, add addendum to the Plan, alter, amend or vary all or any of the terms and conditions of this Plan or all or any of the rights and obligations of the Grantee/Beneficiary; and should be in the interest of the of the Grantee/Beneficiary.
- b. Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Grantee/ Beneficiary. Each of such sets of special terms and conditions shall be restricted in its application to those Grantee/ Beneficiary;
- c. Formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Grantee/ Beneficiary separately and each of such sets of special terms and conditions shall be restricted in its applications to such Grantee/ Beneficiary;
- d. The Company may by special resolution in a General Meeting vary the terms of the Plan offered pursuant to an earlier resolution of the shareholders but not yet exercised by the Eligible Employee provided such variation is not prejudicial to the interests of the Eligible Employees. Except otherwise provided under the Applicable Laws, if such variation to the terms of the Plan is prejudicial to the interest of the employee, the same shall be only with the consent of the employees. The notice for passing such special resolution for variation of terms shall disclose the relevant information as required under Applicable Laws.

18. Accounting and Disclosures

- 18.1. The Company shall follow the laws/regulations applicable to accounting and disclosure related to Stock Options, including section 133 of the Companies Act but not limited to SEBI Regulations as well as the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the regulatory authorities from time to time, including the disclosure requirements prescribed therein, as and when applicable to the Company.

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- 18.2. The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features/Plan document in a format as prescribed under SEBI Regulations or any other Applicable Law as in force.
- 18.3. The Company shall disclose details of Grant, Vest, Exercise and lapse of the Options on the website of the Company and in the Directors' Report or in an annexure thereof as prescribed under Companies Act, SEBI Regulations or any other Applicable Laws as in force.
- 18.4. The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the Secretarial Auditors of the Company that the Plan has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the Company in the general meeting.

19. Governing Laws

- 19.1. This Plan and all agreements thereunder shall be governed by and construed in accordance with the Applicable Laws of India. The Grant of Options and issue and transfer of Shares under this Plan shall entitle the Company to require the Eligible Employee to comply with such requirements of Applicable Laws as may be necessary in the opinion of the Committee. In case of any conflict between the provisions of this Plan and any provisions, rules, regulations or guidelines issued under Applicable Laws, the provisions of the Applicable Laws shall override the provisions of this Plan to the extent of such conflict.
- 19.2. In the event that any Applicable Laws render this Plan as illegal or void, this Plan shall automatically be treated as withdrawn and cancelled and the Company shall have no obligation or liability whatsoever towards any Eligible Employee including in relation to any Vested Options or Unvested Options. 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 and transfer 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 / transfer the Shares.
- 19.3. In order to comply with regulation of any other country or to avail any tax or other benefits, Committee may at its sole discretion and in compliance with Applicable Laws, formulate an addendum to this Plan for Eligible Employees employed in that country and made applicable to such Eligible Employees from the date determined by the Committee.
- 19.4. In case any Options are granted to any Eligible Employee being resident outside India belonging to the Company working outside India, the provisions of the Foreign Exchange Management Act, 1999 and rules or regulations made thereunder and any other Applicable Laws in or outside India as amended and enacted from time to time shall be applicable, and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vest, Exercise of Options and transfer of Equity Shares thereof.

20. Notices

- 20.1. All notices of communication required to be given by the Company to an Option Grantee by virtue of this Plan shall be in writing or electronic mode. The communications shall be made by the Company in any one or more of the following ways:
- i. Sending communication(s) to the address of the Option Grantee available in the records of the Company; or
 - ii. Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or
 - iii. Emailing the communication(s) to the Option Grantee at the official email address provided, if any, by the Company to the prospective /existing Option Grantee during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.
- 20.2. Any communication to be given by an Option Grantee to the Company in respect of Plan shall be sent to the person at the e-mail/address mentioned in the grant letter.

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21. Severability

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

22. Confidentiality

- 22.1. An Option Grantee 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 peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this Clause on confidentiality, all unexercised Options shall stand cancelled immediately. The decision and judgement of the Committee regarding breach of this Clause on confidentiality shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Committee shall have the authority to deal with such cases as it may deem fit.
- 22.2. On acceptance of the Grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Plan or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need-to-know basis.
- 22.3. “Confidential Information” includes any and all information related confidential and privileged information, trade secrets, employment related information, strategies, administration, research in connection with the Company or Promoters of the Company, commercial, legal, scientific, technical data, business and financial information about costs, profits, markets, sales, customers and bids, business plans, marketing, future developments, product developments and new products concepts, schematics, techniques, suggestions, development tools and processes, computer programs, designs, drawings, manuals, electronic codes, device drivers, formulas and improvements, software demonstration programs, routines, algorithms, computer systems, techniques, documentation, designs, procedures, ideas, know-how, formulas, inventions (whether patentable or not), improvements, concepts, records, files, memoranda, reports, drawings, plans, price list, customer lists, vendor/partner lists, forecasts, apparatus, modules, samples, prototypes or parts thereof or any project names, product names, project information through visual images, distributor(s) and representative(s) list, employee(s), salary, benefits, payroll information, documents, books, papers, drawing, model, sketches, and the like provided to or made available to the employee by the Company or developed by the employee to facilitate his/ her work or that the employee is able to know or has obtained access by virtue of his/ her employment or position with the Company, as the case may be.
- 22.4. In furtherance of this Plan, the Grantee confirms that:
- i. the Grantee shall not engage himself/ herself in activities that have or will have an adverse impact on the reputation of the Company or Promoters of the Company.
 - ii. while during employment with the Company, the Grantee shall engage exclusively in the work assigned by the Company and shall not take up any independent or individual assignments, whether the same is part time or full time, (in an advisory capacity or otherwise) and whether directly or indirectly.
 - iii. the Grantee shall not, directly or indirectly, engage in any activity or have any interest in, or perform any services for any person who is involved in activities which are or shall be (in the sole opinion of the Board) in conflict with the interests of the Company or Promoters of the Company.
 - iv. in consideration of the Options granted to the Grantee, as also, opportunities, training and access to new techniques and know-how that has been made available to the Grantee, the Grantee shall also strictly abide by any and all of the terms of the employment agreed by the Grantee.
 - v. the Grantee shall maintain as secret and confidential all Confidential Information and shall not use or divulge or disclose any such Confidential Information except as may be required under any obligation of law (subject to obtaining the consent of the Company) or as may be required by the Company.

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- vi. the Grantee understands that the Grant of the Option is limited only to the Shares of the Company, and the Grantee shall have no recourse to the shares of any other company in any manner whatsoever.
- vii. the Grantee understands that “Confidential Information” means any or all information about the Company or Promoters of the Company that satisfies one or more of the following conditions:
- viii. such information which has not been made generally available to the public, save and except for information disclosed to the public with the consent of the Company; or
- ix. such information which is critical, in the Company’s opinion, to the Company’s current or anticipated business activities or those of a customer or supplier or associate or channel partner of the Company or Promoters of the Company and the disclosure of the same would affect their competitiveness; or
- x. such information which either has been identified as confidential by the Company or Promoters of the Company (either orally or in writing) or has been maintained as confidential from outside parties and is recognized as intended for internal disclosures only; or
- xi. such information which either is of a nature that it gives a distinct edge to the Company or Promoters of the Company over competition when not shared with the competition, or is likely to give any advantage to the competition or any other organization/ person/ group of persons when shared with the organization/ person/ group of persons; or
- xii. such information which is required to be kept confidential by any requirement of law.

23. Other terms and conditions

- 23.1. The Grant Letter duly signed by the Designated Officer of the Company shall be conclusive evidence of the entitlement of the Eligible Employee to the Options mentioned in the Grant Letters.
- 23.2. Options shall not be transferable to any person except in the event of death of the Option Grantee or inability to exercise due to Permanent Incapacity, in which case Clause [11.14] would apply.
- 23.3. Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any shares covered by the Grant unless the Option Grantee Exercises the Options and becomes a registered holder of the shares of the Company.
- 23.4. If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with sub-Clause 13 of the Plan.
- 23.5. No amount is payable at the time of grant of Option.
- 23.6. The Shares transferred to the Option grantee upon exercise of the Options shall be subject to the provisions of the Articles of Association of the Company.
- 23.7. The Shares will not be issued to an Option Grantee pursuant to the exercise of Option unless the exercise of such Option and the delivery of such Shares comply with Applicable Laws.
- 23.8. The Company shall not Grant Options under the Plan unless it obtains in-principle approval from the Stock Exchanges where it is listed.
- 23.9. The Company shall appoint a Merchant Banker for the implementation of the Plan up to in-principle approval from the Stock Exchanges where it is listed.
- 23.10. Subject to the approval of the Stock Exchange(s), the Shares issued and allotted on Exercise of the Options shall be listed on the recognized Stock Exchange(s) on which the Shares of the Company are listed.

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24. General Risks

- 24.1. 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 Option Grantee alone. The Option Grantee is encouraged to make considered judgment and seek adequate information /clarifications essential for appropriate decision.
- 24.2. Vesting of Options would be subject to continued employment with the Company. Thus, the Options would Vest on completion of Vesting Period.