



HINDUSTAN FOODS LIMITED

HINDUSTAN FOODS LIMITED

(CIN: L15139MH1984PLC316003)

Registered Office: Office No 3, Level 2, Centrium, Phoenix Market City, 15, LBS
Marg, Kurla (West) Mumbai - 400 070, Maharashtra

Employee Stock Option Scheme 2025

CERTIFIED TRUE COPY



Contents

1. Name, Objective and Term of the Scheme	2
2. Definitions and Interpretation	2
3. Authority and Ceiling	9
4. Administration	9
5. Eligibility and Applicability	11
6. Vesting Schedule and Conditions	11
7. Exercise	12
8. Lock-in	14
9. Exit route	15
10. Restriction on transfer of Options	15
11. Rights as a shareholder	15
12. Taxation	15
13. Authority to vary terms	16
14. Miscellaneous	16
15. Variation of terms of the Scheme	17
16. Surrender of Options	18
17. Method of Valuation	18
18. Insider Trading	18
19. Accounting and Disclosures	18
20. Certificate from Secretarial Auditors	19
21. Governing Laws	20
22. Notices	20
23. Governing Jurisdiction	21
24. Compliances and conditions for listing	21
25. New Schemes	21
26. Severability	21
27. Confidentiality	22



1. Name, Objective and Term of the Scheme

1.1. This Scheme shall be called the "Hindustan Foods Limited Employee Stock Option Scheme 2025" ("HFL ESOS 2025" or "Scheme").

1.2. The objective of the HFL ESOS 2025 is to reward the eligible and potential Employees of Hindustan Foods Limited ("the Company") or its Subsidiary Company(ies) (whether now or hereafter existing, whether incorporated in India or overseas, whether working in India or outside India) for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to retain the talent.

The Company views employee stock options as instruments that would enable the employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the coming years.

1.3. The HFL ESOS 2025 is established with effect from April 10, 2025, on which the shareholders have approved the HFL ESOS 2025 by way of a special resolution and shall continue to be in force until (i) its termination by the Board or Nomination and Remuneration Committee as per provisions of Applicable Laws, or (ii) the date on which all of the Options available for issuance under the HFL ESOS 2025 have been issued and exercised, whichever is earlier.

1.4. The Board of Directors or the Nomination and Remuneration Committee of Board as authorized may subject to compliance with Applicable Laws, at any time alter, amend, suspend, or terminate the HFL ESOS 2025.

2. Definitions and Interpretation

2.1 Definitions

i. "Applicable Law" means every law relating to equity-based compensation plan, including, without limitation to, the Companies Act, 2013 and rules thereof and includes any statutory modifications or re-enactments thereof, Securities Exchange Board of India Act, 1992, as amended, the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and all relevant tax, securities, exchange control or corporate laws of India or any relevant jurisdiction or of any Recognised Stock Exchange on which the shares are listed or quoted.



ii. "Associate Company" means a company as defined under section 2(6) of the Companies Act, 2013.

iii. "Board" means the Board of Directors of the Company.

iv. "Companies Act" means The Companies Act, 2013 and rules made thereunder, as amended and includes any statutory modifications or re-enactments thereof.

v. "Company" means Hindustan Foods Limited, a company incorporated under the provisions of the Companies Act, 1956 having CIN No. L15139MH1984PLC316003 and having its Registered Office at Office No. 3, Level 2, Centrium, Phoenix Market City, 15, LBS Marg, Kurla (West), Mumbai 400 070, Maharashtra, India.

vi. "Company Policies/Terms of Employment" means the Company's policies for employees and the terms of employment as stated in the Employment Letter or any other policy documents issued by the Company from time to time.

vii. "Corporate Action" means a change in capital structure of the Company as a result of reclassification of shares, sub-division of shares, consolidation, issue of bonus shares, conversion of shares into other shares or securities of the Company, merger or reverse merger, amalgamation, sell off and any other change in the rights or obligations in respect of shares, re-organisation of share capital, issue of shares on right basis and any other form of equity share issuance or any other event, by whatever name it may be called, which alters the present capital structure, from time to time.

viii. "Director" means a person as defined under section 2(34) of the Companies Act, 2013.

ix. "Eligibility Criteria" means the criteria as may be determined and approved from time to time by the Nomination and Remuneration Committee for granting Options to the Eligible Employees.

x. "Eligible Employee" means an Employee who satisfies the eligibility criteria.

xi. "Employee" means

(i) an employee as 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 excludes-

- a. an employee who is a promoter or a person belonging to the promoter group;
- b. director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company.
- c. An Independent Director within the meaning of the Companies Act, 2013 and/or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

xii. **“Employee Stock Option” or “Option(s)”** means the option granted to an Eligible Employee, which gives such Eligible Employee the benefit or right, but not an obligation, to purchase or subscribe at a future date the Shares underlying the Option at a pre-determined price.

xiii. **“Exercise”** of an Option means making of an application by an Eligible Employee to the Company to purchase the Shares against the vested options, in pursuance of the HFL ESOS 2025 and in accordance with the procedure determined by the Company for exercise of Options.

xiv. **“Exercise Date”** shall mean any of the dates, during the Exercise Period, during which exercise application may be made by the Eligible Employee for exercising Options granted to him or such other dates as the Board or the Nomination and Remuneration Committee may determine from time to time.

xv. **“Exercise Period”** means the time period after vesting within which an Eligible Employee can exercise his right to apply for shares against the vested option in pursuance of the HFL ESOS 2025.

xvi. **“Exercise Price”** means the price, if any, payable by an Eligible Employee for exercising the option granted to such an Eligible Employee in pursuance of the HFL ESOS 2025.

xvii. **“Fair Value of the Option”** means the value computed in respect of the Options granted based on the date of grant by use of methods prescribed by SEBI SBEB Regulations.

xviii. **“Grant”** means the process by which the Company issues Options to the Eligible Employees in pursuance of the HFL ESOS 2025.



xi. "Grant Date" means the date on which the Board or the Nomination and Remuneration Committee approves the grant.

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

xxi. "Grant Letter" shall mean the letter issued by the Company Secretary OR by Managing Director or Whole-Time Director under the instructions of the Board or the Nomination and Remuneration Committee intimating an Eligible Employee of the Options granted to him for acquiring a specified number of Equity Shares at the Exercise Price and as per the Vesting schedule described therein in terms of the Scheme.

xxii. "Group" means two or more companies which, directly or indirectly, are in a position to –
(i) exercise twenty-six percent or more of the voting rights in the other company; or
(ii) appoint more than fifty percent of the members of the Board of Directors in the other company; or
(iii) control the management or affairs of the other company.

xxiii. "HFL ESOS 2025" means this Hindustan Foods Limited Employee Stock Option Scheme 2025 under which the Company grants Employee Stock Options to the Eligible Employees.

xxiv. "Holding Company" means a holding company (present or future) as defined in sub-section (46) of section 2 of the Companies Act.

xxv. "Subsidiary Company" means a company (present or future) as defined in sub-section (87) of section 2 of the Companies Act.

xxvi. "Independent Director" shall have the same meaning assigned to it under Section 149(6) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

xxvii. "Initial Public Offer or IPO" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

xxviii. "Market Price" means

- If equity shares of the Company are listed on recognised stock exchanges: the latest available closing price on a Recognised Stock Exchanges 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.
- If equity shares of the Company are not listed: Fair market value as on Relevant Date or any other appropriate date as determined by the Independent Registered Valuer/Merchant



xxix. **“Listing Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

xxx. **“Merchant Banker”** means a merchant banker as defined under regulation 2(1)(cb) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, which is registered under section 12 of the SEBI Act.

xxxi. **“Misconduct”** means disregard of the Company's bye-laws, rules, regulations, code of conduct & ethics and the Company Policies / Terms of Employment and includes mismanagement of position by action or inaction, alleged wrong doing, misfeasance, or violation of any rule, regulation or law which was expected to be abided by the Eligible Employee or a breach of confidentiality conditions under Clause 25 of the HFL ESOS 2025.

xxxii. **“Nomination and Remuneration Committee”** means the nomination and remuneration committee constituted by the Board from time to time, as per the requirements of Applicable Laws, and designated by the Company as the compensation committee' for administration and supervision of the HFL ESOS 2025 and other employee benefit schemes.

xxxiii. **“Option Grantee”** means an Eligible Employee having a right but not an obligation to exercise an option in pursuance of the HFL ESOS 2025.

xxxiv. **“Permanent Incapacity”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Option Grantee from performing any specific job, work or task which the said Option Grantee was capable of performing immediately before occurrence of such disability, as determined by the Nomination and Remuneration Committee based on a certificate of a medical expert identified by the Company.

xxxv. **“Promoter”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

xxxvi. **“Promoter Group”**, shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.



xxxvii. "**Recognised stock exchange**" means a stock exchange which has been granted recognition under section 4 of the Securities Contracts (Regulation) Act, 1956, as amended.

xxxviii. "**Registered valuer**" means a person registered with an authority specified by the Central Government under section 458 of the Companies Act in accordance with The Companies (Registered Valuers and Valuation) Rules, 2017.

xxxix. "**Relative**" shall have the same meaning as defined under section 2(77) of the Companies Act.

xl. "**Relevant Date**" means, -
a. in the case of grant, the date of the meeting of the Nomination and Remuneration Committee on which the grant is made; or
b. in the case of exercise, the date on which the notice of exercise is given to the Company by the Eligible Employee;

xli. "**Retirement**" means retirement as per the Company Policies and Terms of Employment.

xlii. "**SEBI Act**" means the Securities & Exchange Board of India Act, 1992 as amended, and includes all regulations and clarifications issued thereunder.

xliii. "**SEBI SBEB Regulations**" means the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and includes all regulations and clarifications issued thereunder.

xliv. "**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 Listing Regulations.

xlv. "**Securities**" means securities as defined in section 2(h) of the Securities Contracts (Regulation) Act, 1956, as amended.

xlvi. "**Share**" means equity shares and securities convertible into equity shares and includes American Depository Receipts, Global Depository Receipts or other depository receipts representing underlying equity shares or securities convertible into equity shares.

xlvii. "**Unvested Option**" means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become entitled to receive the benefit of Grant made under HFL ESOS 2025.



xlviii. “**Vest**” or “**Vesting**” means the process by which the Option Grantee becomes entitled to receive the benefit of the Grant of Employee Stock Options made to him in pursuance of the HFL ESOS 2025.

xlix. “**Vesting Conditions**” means the conditions subject to which the Options Granted pursuant to the HFL ESOS 2025 would Vest in an Option Grantee, as set out in the Grant Letter.

l. “**Vesting Period**” means the period, during which all the specified Vesting Conditions of the Employee Stock Options granted to the Option Grantee, are to be satisfied pursuant to the HFL ESOS 2025.

li. “**Vested Option**” means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to Exercise the Option.

2.2. Interpretation

In this Scheme, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words describing a gender include any other gender;
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

Words and expressions used and not defined herein but defined in the SEBI SBEB Regulations, 2021, the SEBI Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended or the Companies Act and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those regulations/ legislations.



3. Authority and Ceiling

3.1. The shareholders by way of special resolution dated April 10, 2025 have authorised the Nomination and Remuneration Committee to grant Options not exceeding 10,00,000 to the Eligible Employees under the HFL ESOS 2025, in one or more tranches, exercisable into not more than 10,00,000 Shares of face value of Rs. 2/- (Rupees Two) each fully paid-up, with each such Option conferring a right upon the Eligible Employee to apply for one Share of the Company, in accordance with the terms and conditions as may be decided under the HFL ESOS 2025. Further, the maximum number of Options to be granted per Employee per grant and in aggregate shall not exceed such number as may be decided by the Nomination and Remuneration Committee.

3.2. If the number of Options that may be offered to Eligible Employees, during any one year, is equal to or more than 1% (one percent) of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant of Options, then the Company shall take prior approval from members of the Company by way of a special resolution.

3.3. If an Option expires, lapses, is forfeited or becomes un-exercisable due to any reason, it shall be brought back to the Options pool and shall become available for future Grants, subject to compliance with the provisions of the Applicable Laws.

3.4. Where Shares are issued consequent to an exercise of Options under the HFL ESOS 2025, the maximum number of Shares that can be issued under HFL ESOS 2025 as referred to in Clause 3.1 above will stand reduced to the extent of such Shares issued.

3.5. In case of a share split, bonus issue 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 the HFL ESOS 2025, the maximum number of Shares being granted under HFL ESOS 2025 as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares X face value per Share) prior to such share split, bonus issue or consolidation remains unchanged after such share split or consolidation.

4. Administration

4.1. The HFL ESOS 2025 shall be administered by the Nomination and Remuneration Committee. All questions of interpretation of the HFL ESOS 2025 shall be determined by the Nomination and Remuneration Committee and such determination shall be final and binding upon all persons having an interest in the HFL ESOS 2025, in compliance with the Applicable Laws.



4.2. The Nomination and Remuneration Committee shall, in accordance with this HFL ESOS 2025 and Applicable Laws, inter-alia determine the following:

- (a) The quantum of options to be granted under the HFL ESOS 2025 per Eligible Employee and in aggregate, subject to the ceiling as specified in Para 3.1, Para 3.2 and Para 3.3;
- (b) the eligibility criteria for Grant of Options to the Eligible Employees;
- (c) the kind of benefits to be granted under the HFL ESOS 2025;
- (d) the conditions under which options, shares or other benefits as the case may be, may vest in employees and may lapse in case of termination of employment for misconduct;
- (e) the Exercise Period within which the Eligible Employee should Exercise the Options and that Option would lapse on failure to Exercise the Options within the Exercise Period;
- (f) the price at which the Options are to be granted from time to time (which will be the Exercise Price for the Options at a future date);
- (g) the specified time period within which the Eligible Employee shall Exercise the vested Options in the event of termination or resignation of an Eligible Employee;
- (h) the right of an Eligible Employee to Exercise all the Options vested in him at one time or at various points of time within the Exercise Period;
- (i) the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Corporate Actions. In this regard, the following shall be taken into consideration by the Nomination and Remuneration Committee:
 - (i) the number and the price of Options shall be adjusted in a manner such that total value of the Options remains the same after the 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 Option holders.
- (j) the procedure and terms for the Grant, Vesting and Exercise of Employee Stock Options in case of Eligible Employees who are on long leave;
- (k) the procedure for funding the exercise of options;
- (l) the procedure for buy-back of specified securities issued under this scheme subject to all the applicable laws and these regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
 - a. permissible sources of financing for buy-back;
 - b. any minimum financial thresholds to be maintained by the Company as per its last financial statements; and



c. limits upon quantum of specified securities that the Company may buy-back in a financial year.

Explanation, — Specified securities means as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

- (m) approve forms, writings and/or agreements for use in pursuance of the HFL ESOS 2025;
- (n) eligibility to avail benefits under this Scheme in case of Employees who are on long leave; and
- (o) frame suitable policies and systems to ensure that there is no violation of:
 - (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended; and
 - (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 as amended, by Company and its employees as applicable.

5. Eligibility and Applicability

Nomination and Remuneration Committee shall determine the Eligibility Criteria for an Employee to whom the options would be granted in pursuant to the HFL ESOS 2025.

6. Vesting Schedule and Conditions

6.1. Options granted under HFL ESOS 2025 would vest after 1 (one) year but not later than 9(nine) years from the date of grant of such options as may be decided by the Nomination & Remuneration Committee for each grant.

6.2. In case where Options are granted by a Company under the HFL ESOS 2025 in lieu of options held by an employee under an ESOS in another company which has merged, demerged, arranged or amalgamated with the Company, the period during which the options granted by the transferor company were held by such employee shall be adjusted against the minimum vesting period required which is 1 (one) year from the date of grant of such options.

6.3. Vesting of Options would be subject to continued employment with the Company and thus the Options would vest essentially on passage of time. In addition to this service condition, the Nomination and Remuneration Committee may also specify certain performance criteria subject to satisfaction of which the options would vest.

6.4. 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 his notice for



termination of employment / service, nor be subject to any disciplinary proceedings pending against him on such date of vesting.

6.5. The specific Vesting schedule and conditions subject to which vesting would take place would be outlined in the Grant letter given to the Option Grantee at the time of Grant of Options.

6.6. Vesting of Options in case of employees on long leave

The period of leave shall not be considered in determining the Vesting Period in the event the employee is on a long leave. The Nomination and Remuneration Committee at its sole discretion shall decide the long leave period. In all other events, including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Nomination and Remuneration Committee.

7. Exercise

7.1. Exercise Price

- (a) The Exercise Price per Option shall be determined by the Nomination and Remuneration Committee subject to conforming to the accounting policies determined in accordance with applicable accounting standards. The minimum Exercise Price should be equal to the face value of Share of the Company on the date of such Grant.
- (b) . Exercise Price is not required to be paid by the Eligible Employee at the time of Grant in respect of Options granted to him under the HFL ESOS 2025. Eligible Employee needs to pay Exercise Price only at the time of Exercise of Options.
- (c) The payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn or by any electronic mode in favour of the Company or in such other manner as the Nomination and Remuneration Committee may decide from time to time.
- (d) The Nomination and Remuneration Committee may revise the Exercise Price of the Options already granted, which are not exercised, whether or not they have been vested, if the grant of options have been rendered unattractive due to decline in market price of the shares.

7.2. Exercise Period

- (a) **While in employment:** The Exercise Period shall be **5 (Five) years** from the date of Vesting of Options, equal yearly vesting for 5 years subject to clause 7.3.
- (b) **In case of separation from employment:** Options can be exercised as per provisions outlined below:



S. No.	Separations	Vested Options	Unvested Options
1	Resignation or termination other than due to Misconduct	All the Vested Options as on the date of submission of resignation shall be exercisable by the Option Grantee within 6 months from his last working day with the Company.	All the Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
2	Termination due to Misconduct	All the Vested Options which were not Exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All the Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	Retirement or early retirement approved by the Company	All the Vested Options can be exercised by the Option Grantee immediately after, but in no event later than six (6) months from the date of such retirement.	All the Unvested Options on the date of retirement shall stand cancelled with effect from that date.
4	Death	All the Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than twelve (12) months from the date of Death.	All the Unvested Options as on the date of death shall be Vested and may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than twelve (12) months from the date of Death. In this case, minimum Vesting Period of one year shall not be applicable.
5	Permanent Incapacity	All the Vested Options may be exercised by the Option Grantee or Option Grantee's nominee, immediately after, but in no event later than twelve (12) months from the date of such incapacity.	All the Unvested Options as on the date of such Permanent Incapacity shall be Vested and can be exercised by the Option Grantee or Option Grantee's nominee immediately after, but in no event later than twelve (12) months from the date of such incapacity. In this case, minimum Vesting Period of one year shall not be applicable.



S. No.	Separations	Vested Options	Unvested Options
6	Abandonment*/ leaving without any notice	All the Vested Options which were not exercised as on the date of such abandonment shall stand cancelled.	All the Unvested Options as on the date of such abandonment shall stand cancelled.
7	Other reasons apart from those mentioned above	The Nomination and Remuneration Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

*The Nomination and Remuneration Committee at its sole discretion shall decide the date of lapse or cancellation of Options and such decision shall be final and binding on Option Grantees.

- 7.3. The Vested Options can be Exercised by the Eligible Employee any time within the Exercise Period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter.
- 7.4. In the event that an Employee, who has been granted benefits under a Scheme, is transferred pursuant to Scheme of arrangement, amalgamation, merger or demerger or continued in the existing company, prior to 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 Employee.
- 7.5. The Options shall be deemed to have been exercised when an Eligible Employee makes an application in writing and pays the Exercise Price to the Company or by any other means as decided by the Nomination and Remuneration Committee for the Shares of the Company against the Options vested in him.
- 7.6. The Options not Exercised within the Exercise Period shall lapse and the Eligible Employee shall have no right over such lapsed or cancelled Options.

8. Lock-in

The Shares arising out of Exercise of Vested Options shall not be subject to any lock-in period from the date of allotment of such Shares under the HFL ESOS 2025.



Provided that the Shares allotted on such Exercise shall be sold in accordance with 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

9. Exit route

In case, the shares allotted pursuant to exercise of the options does not get listed on any Recognised Stock Exchange or the Company gets de-listed from any Recognised Stock Exchange, the Board shall have the powers to set out exit route terms and conditions relating to Vested Options and Unvested Options in due compliance with the Applicable Laws.

10. Restriction on transfer of Options

- 10.1. The Options shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 10.2. The 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 7.2 (b) would apply.
- 10.3. No person, other than the Eligible Employee to whom the Option is Granted, shall be entitled to Exercise the Option, except in the event of the death or Permanent Incapacity of the Option Grantee, in which provisions in table under Sub-clause 7.2 (b) would apply.

11. Rights as a shareholder

- 11.1. The Option Grantee 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 Employee Stock Options Granted, till Shares underlying such Employee Stock Options are allotted on Exercise of such Options.
- 11.2. 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 Employee Stock Options and becomes a registered shareholder of the Company.
- 11.3. 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 Clause 4.2(h) of HFL ESOS 2025.

12. Taxation

- 12.1. The liability of paying taxes, if any, in respect of Options granted pursuant to the HFL ESOS 2025 and the Shares issued pursuant to Exercise thereof shall be entirely on Option Grantee



and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder including any amendments thereof.

- 12.2. The Company shall have the right to deduct from the Option Grantee's salary, any of the Option Grantee's tax obligations arising in connection with the Options upon the Exercise thereof. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.
- 12.3. The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee/Nominee of the Option Grantee in full.
- 12.4. Any other Income Tax Laws and Rules in force will be applicable to the Company and Option Grantee.

13. Authority to vary terms

Subject to shareholders' approval in a general meeting by way of a special resolution and such other approvals as may be required, the Board or the Nomination and Remuneration Committee may at any time amend, alter, or vary the terms of the HFL ESOS 2025 and/ or terms of the Options already granted under the HFL ESOS 2025 subject to the condition that such amendment, alteration, or variation, as the case may be is not detrimental to the interest of Eligible Employees and Option Grantees.

However, the Board or the Nomination and Remuneration Committee shall be entitled to vary the terms of the HFL ESOS 2025 to meet any regulatory requirements without seeking shareholders' approval by way of special resolution.

14. Miscellaneous

14.1. Government Regulations

The HFL ESOS 2025 shall be subject to all Applicable Laws, including any statutory modification(s) or re-enactment(s) thereof, and approvals from government authorities, if any, and to the extent required.

14.2. Inability to obtain approval

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



- 14.3. Neither the existence of the HFL ESOS 2025 nor the fact that an Employee has on any occasion been granted an Option shall give such an Employee any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in the HFL ESOS 2025 or any future scheme(s) by being granted options on any other occasion.
- 14.4. The rights granted to an Option Grantee upon the grant of Options shall not accord 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 the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 14.5. The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise options in whole or in part.

14.6. General Risks

Participation in the HFL ESOS 2025 shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the equity shares and the risks associated with the investments is that of the Option Grantee alone.

15. Variation of terms of the Schemes

- 15.1. The Company may by special resolution of its shareholders vary the terms of the Scheme relating to the Options offered pursuant to an earlier resolution of the general body but not yet exercised by the Employees, if such variation is not prejudicial to the interests of the Employees.
Notwithstanding the provisions of Clause (15.1), the Company shall be entitled to vary the terms of the Scheme to meet any regulatory requirement without seeking shareholders* approval by special resolution.

- 15.2. The notice for passing a special resolution for variation of terms of the Scheme shall disclose full details of the variation, the rationale therefor, and the details of the Employees who are beneficiaries of such variation.

- 15.3. A Company may reprice the Options, or Shares, as the case may be, which are not exercised, whether or not they have been vested, if the Schemes were rendered unattractive due to fall in the price of the Shares in the stock market:
Provided that the Company ensures that such repricing is not detrimental to the interests of the Employees and approval of the shareholders by a special resolution has been obtained for such repricing.



16. Surrender of Options

An Employee may surrender his/her vested /unvested Options at any time during / post his/her employment with the Company. Any Employee willing to surrender his/her Options shall communicate the same to the Board or Committee in writing. Thereafter the surrendered Options shall be brought back to the Employee Stock Options pool and shall become available for future grants.

17. Method of Valuation

The Company will follow IFRS / IND AS / any other requirements for accounting of the Stock Options as are applicable to the Company for the same and as prescribed by Section 133 of the Companies Act, 2013 including any guidance note on accounting for employee share based payment issued by the Government from time to time.

18. Insider Trading

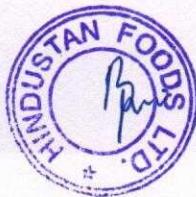
The Employee shall ensure that there is no violation of:

- a. SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time; and
- b. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and
- c. Any other regulations to prevent fraudulent or harmful practices relating to the Securities Market.

The Employee shall keep the Company, the Board, the Committee fully indemnified respect of any liability arising for violation of the above provisions.

19. Accounting and Disclosures

- 19.1. The Company shall follow the laws/regulations/ policies applicable to accounting and disclosure related to Options, including but not limited to the Indian Accounting Standards (Ind AS) and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) / Ministry of Corporate Affairs (MCA)/Securities Exchange Board of India (SEBI) from time to time, including the disclosure requirements prescribed therein.
- 19.2. The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features of the HFL ESOS 2025 in a format as prescribed under SEBI SBEB Regulations, 2021.
- 19.3. The Board shall, inter alia, disclose either in the Director's report or in the annexure to the Director's report, the following details of the HFL ESOS 2025, or as amended from time to time under applicable laws:



- (a) Options granted;
- (b) Options vested;
- (c) Options exercised;
- (d) The total number of Shares arising as a result of Exercise of Option;
- (e) Options lapsed;
- (f) Exercise Price;
- (g) Variation of terms of Options, if any;
- (h) Money realized by Exercise of Options;
- (i) Total number of Options in force;
- (j) Employee-wise details of Options granted to:
 - key managerial personnel,
 - any other employee, who receives a grant of options in any one year of option amounting to one percent or more of options granted during that year,
 - identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant, and
- (k) Diluted Earnings Per Share (EPS) pursuant to issue of Shares on Exercise of Option calculated in accordance with the relevant Indian Accounting Standards
- (l) Such other details as required to be disclosed from time to time.
- (m) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.
- (n) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:
 - (i) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model.
 - (ii) the method used and the assumptions made to incorporate the effects of expected early exercise.
 - (iii) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and
 - (iv) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.

20. Certificate from Secretarial Auditors

In case the equity shares of the Company are listed on Recognised Stock Exchanges, the Board shall at each annual general meeting place before the shareholders a certificate from the Secretarial Auditors of the Company that the HFL ESOS 2025 has been implemented in accordance with the SEBI SBEB Regulations, 2021 and in accordance with the resolution of the Company passed in the general meeting where HFL ESOS 2025 has been approved.



21. Governing Laws

21.1. The terms and conditions of the HFL ESOS 2025 shall be governed by and construed in accordance with the Applicable Laws including the Foreign Exchange Laws mentioned below.

21.2. Foreign Exchange Laws

In case any Options are granted to any employee being resident outside India belonging to the Company, working outside India, the provisions of the Foreign Exchange Management Act, 1999 and rules or regulations made thereunder as amended and enacted from time to time shall be applicable and the Company shall comply with such requirements as prescribed from time to time in connection with Grant, Vest and Exercise of Options thereof.

22. Notices

22.1. All notices of communication required to be given by the Company to an Option Grantee by virtue of the HFL ESOS 2025 shall be in writing and/or in any other means of electronic communication. The communications shall be made by the Company in any one or more of the following ways:

- i. Sending communication(s) to the last known 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 during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

22.2. Any communication to be given by an Option Grantee to the Company in respect of the HFL ESOS 2025 shall be sent to the person at the address mentioned below:

COMPANY SECRETARY**Hindustan Foods Limited**

Address: Office No. 3, Level 2, Centrium, Phoenix Market City, 15, LBS Marg, Kurla (West), Mumbai 400 070, Maharashtra, India.

Email : investorrelations@thevanitycase.com



23. Governing Jurisdiction

- 23.1. The Courts in Mumbai, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of the HFL ESOS 2025.
- 23.2. Nothing in this Clause shall however limit the right of the Company to bring proceedings against any Eligible Employee in connection with the HFL ESOS 2025:
 - (i) in any other court of competent jurisdiction; or
 - (ii) Concurrently in more than one jurisdiction.

24. Compliances and conditions for listing

- 24.1. No change shall be made in the terms of options issued under any other scheme unless approved by the Nomination and Remuneration Committee, whether by repricing, change in vesting period or maturity or otherwise unless prior approval of the shareholders, by way of special resolutions, is taken for such a change, except for any adjustments for Corporate Actions made in accordance with these regulations.
- 24.2. For listing of shares issued pursuant to HFL ESOS 2025 the Company shall obtain the in-principle approval of the Recognised Stock Exchanges where it proposes to list the said shares prior to the grant of options.
- 24.3. The Company shall appoint a Merchant Banker for the implementation of the HFL ESOS 2025 till the stage of obtaining in-principle approval from the Recognized Stock exchanges in accordance with SEBI SBEB Regulations, 2021.

25. New Schemes

Nothing contained in the HFL ESOS 2025 will be construed to prevent the Company, from implementing any other new scheme for share based employee benefits, which is deemed by the Company to be appropriate or in its best interest. No employee or other person claiming through him will have any claim against the Company as a result of such action.

26. Severability

In the event any one or more of the provisions contained in the HFL ESOS 2025 shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of the HFL ESOS 2025, but the HFL ESOS 2025 shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein, and the HFL ESOS 2025 shall be carried out as nearly as possible according to its original terms and intent.

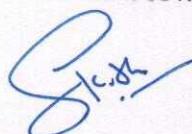


27. Confidentiality

27.1. An Option Grantee must keep the details of the HFL ESOS 2025 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 or any third parties. In case, Option Grantee is found in to be in breach of this Confidentiality Clause, the Company has undisputed right to terminate any Agreement for Grant of Options and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this Confidentiality Clause shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this clause, the Nomination and Remuneration Committee will have the authority to deal with such cases as it may deem fit.

27.2. On acceptance of the grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorised the Company to disclose information relating to the Option Grantee (including the number of Options Granted) during the process of implementation of the HFL ESOS 2025 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, or in any offer documents in relation to any proposed initial public offering or other fund-raising by the Company, or in any communication with statutory or regulatory authorities.

For HINDUSTAN FOODS LIMITED



SAMEER KOTHARI
MANAGING DIRECTOR
DIN: 01361343



CERTIFIED TRUE COPY



Place: Mumbai

Date : April 10, 2025