



FSN E-Commerce Ventures Limited

(formerly 'FSN E-Commerce Ventures Private Limited')

October 03, 2022

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051

BSE Limited
Corporate Relationship Department,
2nd Floor, New Trading Wing,
Rotunda Building, P.J. Towers,
Dalal Street, Mumbai – 400 001

Symbol: NYKAA

Scrip Code: 543384

Dear Sirs,

Sub: Intimation regarding Dispatch of Notice of Postal Ballot – Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

Pursuant to Regulation 30 of the SEBI Listing Regulations, we hereby submit the postal ballot notice (“Notice”) along with the explanatory statement issued/sent to the Shareholders of the Company, for the following matters:

Item No.	Description of Resolutions
Ordinary Resolutions	
1	Approval for reclassification of authorized share capital and consequent alteration to the Memorandum of Association of the Company
2	Approval for Issue of bonus shares
Special Resolutions	
3	Approval for Employee Stock Option Plan 2022 (hereinafter referred as ‘ESOP 2022’)
4	Approval for grant of employee stock options under ESOP 2022 to the eligible employees of the group companies including the subsidiary companies or associate companies of the Company
5	Approval for Employees Stock Unit Plan 2022 (hereinafter referred as ‘Stock Unit Plan 2022’)
6	Approval for grant of employee stock units under Stock Unit Plan 2022 to the eligible employees of the group companies including the subsidiary companies or associate companies of the Company

In accordance with applicable laws and circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India, the said Notice is being sent electronically to all the Members whose names appear in the Register of Members / List of Beneficial Owners and whose e-mail IDs are registered with the Company / Link Intime India Private Limited (“RTA”) / Depositories as on Friday, September 30, 2022 (“Cut-Off Date”).

This Notice is also available on the website of the Company i.e., www.nykaa.com and the Company's RTA i.e., <https://instavote.linkintime.co.in>

The remote e-voting period shall commence on Tuesday, October 04, 2022 at 09:00 A.M. (IST) and ends on Wednesday, November 02, 2022 at 05:00 P.M. (IST). The results of the voting shall be declared on or before Friday, November 04, 2022.

We request you to take the same on your record.

Thanking You.

Yours faithfully,
For FSN E-Commerce Ventures Limited
(formerly 'FSN E-Commerce Ventures Private Limited')

Rajendra Punde
Head – Legal, Company Secretary & Compliance Officer
Mem. No.: A9785

Encl: a/a



POSTAL BALLOT NOTICE

(Notice pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014)

Dear Member(s),

NOTICE is hereby given pursuant to Section 108 and 110 of the Companies Act, 2013, as amended (hereinafter referred to as the "Act") read together with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 ("the Rules"), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Secretarial Standard-2 on General Meetings ("the SS-2"), read with General Circular Nos. 03/2022, 20/2021, 10/2021, 39/2020, 33/2020, 22/2020, 17/2020 and 14/2020 dated May 05, 2022, December 08, 2021, June 23, 2021, December 31, 2020, September 28, 2020, June 15, 2020, April 13, 2020 and April 08, 2020, respectively, issued by the Ministry of Corporate Affairs, Government of India ("MCA Circulars"), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'SEBI Listing Regulations') and other applicable laws, rules and regulations, for seeking approval of Members of FSN E-Commerce Ventures Limited ("the Company") to the proposed resolutions appended below through Postal Ballot, only through Remote E-Voting i.e., remote voting by electronic means.

The Board of Directors has appointed Mr. Sachin Sharma (Membership No. 46900/CP. No. 20423), Designated Partner, M/s. Sharma and Trivedi LLP (LLPIN: AAW-6850), Company Secretaries, Mumbai or failing him Mr. Dinesh Trivedi (Membership No. 23841/CP. No. 22407), Designated Partner, M/s. Sharma and Trivedi LLP (LLPIN: AAW-6850), Company Secretaries, Mumbai as Scrutinizer for conducting the Postal Ballot, through the remote e-voting process, in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.

The Company has engaged the services of Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company ('Link Intime'), as the agency to provide e-voting facility.

The Scrutinizer will submit his report, after the completion of scrutiny, to the Executive Chairperson, Managing Director and CEO of the Company or any other person authorized by her. The results of e-voting will be announced on or before Friday, November 04, 2022, and will be displayed on the Company's website www.nykaa.com and will also be communicated to the Stock Exchanges where the equity shares of the Company are listed, National Securities Depository Limited ('NSDL') / Central Depository Services (India) Limited ('CDSL') and Link Intime. The Company will also display the results of the Postal Ballot at its Registered Office.

SPECIAL BUSINESS:

(1) RECLASSIFICATION OF AUTHORIZED SHARE CAPITAL AND CONSEQUENT ALTERATION OF MEMORANDUM OF ASSOCIATION OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded for reclassification of the Authorized Share Capital of the Company from Rs. 325,00,00,000/- (Rupees Three Hundred and Twenty-Five Crores only) comprising of 275,00,00,000 (Two Hundred and Seventy-Five Crores) equity shares of Rs. 1 (Rupee One) each and 50,00,00,000 (Fifty Crores) preference shares of Rs. 1 (Rupee One) each, to Rs. 325,00,00,000/- (Rupees Three Hundred and Twenty-Five Crore only) comprising of 325,00,00,000 (Three Hundred and Twenty-Five Crores) Equity Shares of Rs. 1/- (Rupee One) each and consequently the 5th Clause of the Memorandum of Association of the Company, relating to the Share Capital be and is hereby altered by deleting the same and substituting in its place and stead, the following new Clause 5th:

“5th (a) The Authorized Share Capital of the Company is Rs. 325,00,00,000/- (Rupees Three Hundred and Twenty-Five Crores) divided into 325,00,00,000 (Three Hundred and Twenty-Five Crores) Equity Shares of Rs. 1/- (Rupee One) each.

(b) The paid up share capital of the Company shall be minimum Rs. 1,00,000 (Rupees one lakh only).”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as it may deem necessary, proper or expedient to give effect to this resolution.”

(2) ISSUE OF BONUS SHARES

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** in accordance with the provisions of Section 63 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder, the Securities and Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable regulations, rules and guidelines issued by SEBI and the Reserve Bank of India (“RBI”) from time to time, Article 167 of Articles of Association of the Company, and subject to such approvals, consents, permissions, conditions and sanctions as may be necessary from appropriate authority(ies) and subject to such condition(s) and modification(s), if any as may be prescribed or imposed while granting any applicable approval(s), permission(s) and sanction(s) of any authority(ies) for the time being in force, and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as ‘the Board’, which term shall include any Committee authorised by the Board to exercise its powers including powers conferred on the Board by this resolution), consent of the Members be and is hereby accorded to the Board for capitalisation of a sum not exceeding Rs. 237,27,61,850/- (Rupees Two Hundred and Thirty Seven Crores Twenty Seven Lakhs Sixty One Thousand Eight Hundred and Fifty only) standing to the credit of the Securities Premium Account for the purpose of issue of bonus equity shares of Rs. 1/- each, credited as fully paid to the eligible members of the Company holding equity shares of Rs. 1/- each of the Company, whose names appear in the Register of Members maintained by the Company/List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on ‘Record Date’ as may be determined by the Board, in the proportion of 5 (Five) new fully paid-up equity share of Rs. 1/- each for every 1 (One) existing fully paid-up equity shares of Rs. 1/- each held by them and that the new bonus equity shares so issued and allotted shall, for all purposes, be treated as an increase in the paid-up capital of the Company held by each such Member.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make appropriate adjustments due to issue of Bonus shares with respect to the employee stock options and stock units of the Company, effective as on the ‘Record Date’, pursuant to Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 or Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021, as amended from time to time, such that the exercise price for all outstanding stock options (vested but not exercised and unvested stock options including lapsed and forfeited options available for re-issuance), the number thereof and the number of stock options available for future grant(s) as on the Record Date shall be proportionately adjusted.

RESOLVED FURTHER THAT the bonus equity shares so allotted shall rank *pari passu* in all respects with the fully paid-up equity shares of the Company as existing on the Record Date and the same shall be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT in the case of Members who hold shares in dematerialized form, the bonus equity shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participant(s) and in other cases, the share certificate(s) in respect of the bonus equity shares shall be dispatched, within such time as prescribed by law and the relevant authorities.

RESOLVED FURTHER THAT the allotment of the said bonus equity shares to the extent that they relate to Non-Resident Indians (NRIs), Foreign Portfolio Investors (FPIs) and other Foreign Investors, be subject to the approval of RBI or any other regulatory authority, if any.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of such bonus equity shares on the Stock Exchanges where the shares of the Company are presently listed as per the provisions of the SEBI LODR Regulations and other applicable regulations, rules and guidelines.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and to give such directions as may be necessary, proper, expedient or desirable and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

(3) 'FSN E-COMMERCE VENTURES LIMITED – EMPLOYEE STOCK OPTION PLAN 2022'

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the rules made thereunder, Regulation 6 and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021, as amended and enacted from time to time read with all circulars and notifications issued thereunder (“SEBI SBEB & SE Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), the relevant provisions of the Memorandum of Association and the Articles of Association of FSN E-Commerce Ventures Limited (“Company”), and such other rules, regulations, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable (collectively referred herein as the “Applicable Laws”), and subject to any other approvals, permissions and sanctions of any or various authority(ies) as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), on the recommendation of the nomination and remuneration committee (“Committee”) and the board of directors of the Company (“Board”), the consent of the members of the Company be and is hereby accorded to (i) the introduction and implementation of ‘FSN E-Commerce Ventures Limited – Employee Stock Option Plan 2022’ (“Plan”), salient features of which are set out in the Explanatory Statement to the Notice issued to the members of the Company, and (ii) authorizing the Board (*which term shall be deemed to include the Committee*) to offer, create, issue, grant and allot from time to time, in one or more tranches, employee stock options (“Options”), to the eligible employees as determined by the Board, in accordance with the provisions of the Applicable Laws and the provisions of the Plan.

RESOLVED FURTHER THAT the maximum number of Options to be granted to eligible employees on such terms and conditions as provided in the Plan and as may be fixed or determined by the Board shall not exceed 16,00,000 (sixteen lakhs) Options, corresponding to 16,00,000 (sixteen lakhs) equity shares of the Company of face value of Re. 1 (Rupee One only) each fully paid up, being 0.334% of the paid-up equity share capital of the Company on a fully diluted basis as on the date of the adoption of the Plan (subject to adjustments).

RESOLVED FURTHER THAT the equity shares, so issued and allotted as mentioned hereinbefore shall, except as set out in the Plan, rank *pari passu* with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the Options granted under the Plan, the Options as specified above shall be deemed to be proportionally adjusted to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand reduced or augmented, as the case may be, in the same

proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said option grantees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take requisite steps for listing of the equity shares allotted under the Plan on BSE Limited and National Stock Exchange of India Limited or any other stock exchanges where the equity shares of the Company are listed in due compliance with the SEBI SBEB & SE Regulations and other Applicable Laws.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB & SE Regulations and any other Applicable Laws to the extent relevant and applicable to the Plan.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Plan subject to compliance with the Applicable Laws and further subject to consent of the members of the Company by way of special resolution to the extent required under the SEBI SBEB & SE Regulations, and to do all such acts, deeds, matters and things as it may deem fit, necessary or desirable, at its absolute discretion, including for obtaining approvals, statutory, contractual or otherwise for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such applications, documents, writings that may be required and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Plan and do all other things incidental and ancillary thereof in conformity with the provisions of the Act, the SEBI SBEB & SE Regulations, the Memorandum of Association and the Articles of Association of the Company and any other Applicable Laws in force.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary, expedient or proper including authorizing or directing to appoint merchant bankers, brokers, solicitors, registrars, compliance officer, investors service centre and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the Plan as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.”

(4) GRANT OF EMPLOYEE STOCK OPTIONS TO THE ELIGIBLE EMPLOYEES OF GROUP COMPANIES, INCLUDING SUBSIDIARY AND ASSOCIATE COMPANY(IES) OF THE COMPANY UNDER ‘FSN E-COMMERCE VENTURES LIMITED – EMPLOYEE STOCK OPTION PLAN 2022’

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 (the “**Act**”) and the rules made thereunder, Regulation 6 and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021, as amended and enacted from time to time read with all circulars and notifications issued thereunder (“**SEBI SBEB & SE Regulations**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”), the relevant provisions of the Memorandum of Association and the Articles of Association of FSN E-Commerce Ventures Limited (“**Company**”), and such other rules, regulations, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable (collectively referred herein as the “**Applicable Laws**”), subject to any other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, on the recommendation of the nomination and remuneration committee (“**Committee**”) and board of directors of the Company (“**Board**”), the consent of the members of the Company be and is hereby accorded authorizing the Board (*which term shall be deemed to include the Committee*) to create, offer and grant, in 1(one) or more tranches, employee stock options (“**Options**”) under ‘**FSN E-Commerce Ventures Limited – Employee Stock Option Plan 2022**’ (“**Plan**”), to the eligible employees of a group companies including the

subsidiary companies or associate companies of the Company, in or outside India (as defined in the Act), as determined by the Board, with such number of Options not exceeding 16,00,000 (sixteen lakhs) Options, corresponding to 16,00,000 (sixteen lakhs) equity shares of the Company of face value of Re.1 (Rupee One only) each fully paid up, on such terms and in such manner as the Board may decide in accordance with the provisions of the Applicable Laws and the provisions of the Plan.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Plan subject to the compliance with the Applicable Laws and further subject to consent of the members of the Company by way of special resolution to the extent required under the SEBI SBEB & SE Regulations, and to do all such acts, deeds, matters and things as it may deem fit, necessary or desirable, at its absolute discretion, including for obtaining approvals, statutory, contractual or otherwise for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such applications, documents, writings that maybe required and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Plan and do all other things incidental and ancillary thereof in conformity with the provisions of the Act, the SEBI SBEB & SE Regulations, the Memorandum of Association and the Articles of Association of the Company and any other Applicable Laws in force.”

(5) **‘FSN E-COMMERCE VENTURES LIMITED – EMPLOYEE STOCK UNIT PLAN 2022’**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the rules made thereunder, Regulation 6 and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021, as amended and enacted from time to time read with all circulars and notifications issued thereunder (“SEBI SBEB & SE Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), the relevant provisions of the Memorandum of Association and the Articles of Association of FSN E-Commerce Ventures Limited (“Company”), and such other rules, regulations, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable (collectively referred herein as the “Applicable Laws”), and subject to any other approvals, permissions and sanctions of any or various authority(ies) as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), on the recommendation of the nomination and remuneration committee (“Committee”) and the board of directors of the Company (“Board”), the consent of the members of the Company be and is hereby accorded to (i) the introduction and implementation of ‘FSN E-Commerce Ventures Limited – Employee Stock Unit Plan 2022’ (“Stock Unit Plan 2022”/ “Plan”), salient features of which are set out in the Explanatory Statement to the Notice issued to the members of the Company, and (ii) authorizing the Board (which term shall be deemed to include the Committee) to offer, create, issue, grant and allot from time to time, in one or more tranches, employee stock units (“Units”) to the eligible employees as determined by the Board in accordance with the provisions of the Applicable Laws and the provisions of the Stock Unit Plan 2022.

RESOLVED FURTHER THAT the maximum number of Units to be granted to eligible employees on such terms and conditions as provided in the Stock Unit Plan 2022 and as may be fixed or determined by the Board shall not exceed 4,00,000 (four lakhs) Units, corresponding to 4,00,000 (four lakhs) equity shares of the Company of face value of Re. 1 (Rupee One only) each fully paid up, being 0.084% of the paid-up equity share capital of the Company on a fully diluted basis as on the date of the adoption of the Stock Unit Plan 2022 (subject to adjustments).

RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall, except as set out in the Stock Unit Plan 2022, rank *pari passu* with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the unit grantees for the purpose of making a fair and reasonable adjustment to the Units granted under the

Stock Unit Plan 2022, the Units specified above shall be deemed to be proportionally adjusted to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the Unit grantees under the Stock Unit Plan 2022 shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said unit grantees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take requisite steps for listing of the equity shares allotted under the Stock Unit Plan 2022 on BSE Limited and National Stock Exchange of India Limited or any other stock exchanges where the equity shares of the Company are listed in due compliance with the SEBI SBEB & SE Regulations and other Applicable Laws.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB & SE Regulations and any other Applicable Laws to the extent relevant and applicable to the Stock Unit Plan 2022.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Stock Unit Plan 2022 subject to compliance with the Applicable Laws and further subject to consent of the members of the Company by way of special resolution to the extent required under the SEBI SBEB & SE Regulations, and to do all such acts, deeds, matters and things as it may deem fit, necessary or desirable, at its absolute discretion, including for obtaining approvals, statutory, contractual or otherwise for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such applications, documents, writings that may be required and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Stock Unit Plan 2022 and do all other things incidental and ancillary thereof in conformity with the provisions of the Act, the SEBI SBEB & SE Regulations, the Memorandum of Association and Articles of Association of the Company and any other Applicable Laws in force.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary, expedient or proper including authorizing or directing to appoint merchant bankers, brokers, solicitors, registrars, compliance officer, investors service centre and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the Stock Unit Plan 2022 as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.”

(6) GRANT OF EMPLOYEE STOCK UNITS TO THE ELIGIBLE EMPLOYEES OF GROUP COMPANIES, INCLUDING SUBSIDIARY AND ASSOCIATE COMPANY(IES) OF THE COMPANY UNDER ‘FSN E-COMMERCE VENTURES LIMITED – EMPLOYEE STOCK UNIT PLAN 2022’

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the rules made thereunder, Regulation 6 and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021, as amended and enacted from time to time read with all circulars and notifications issued thereunder (“SEBI SBEB & SE Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), the relevant provisions of the Memorandum of Association and the Articles of Association of FSN E-Commerce Ventures Limited (“Company”), and such other rules, regulations, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable (collectively referred herein as the “Applicable Laws”), subject to any other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or

imposed while granting such approvals, permissions and sanctions, on the recommendation of the nomination and remuneration committee (“**Committee**”) and board of directors of the Company (“**Board**”), the consent of the members of the Company be and is hereby accorded authorizing the Board (*which term shall be deemed to include the Committee*) to create, offer and grant, in one or more tranches, employee stock units (“**Units**”) under ‘FSN E-Commerce Ventures Limited – Employee Stock Unit Plan 2022’ (“**Stock Unit Plan 2022**”/ “**Plan**”), to the eligible employees of a group companies including the subsidiary companies or associate companies of the Company, in or outside India (as defined in the Act), as determined by the Board, with such number of Units not exceeding 4,00,000 (four lakhs) Units, corresponding to 4,00,000 (four lakhs) equity shares of the Company of face value of Re. 1 (Rupee One only) each fully paid up, on such terms and in such manner as the Board may decide in accordance with the provisions of the Applicable Laws and the provisions of the Stock Unit Plan 2022.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Stock Unit Plan 2022 subject to the compliance with the Applicable Laws and further subject to consent of the members of the Company by way of special resolution to the extent required under the SEBI SBEB & SE Regulations, and to do all such acts, deeds, matters and things as it may deem fit, necessary or desirable, at its absolute discretion, including for obtaining approvals, statutory, contractual or otherwise for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such applications, documents, writings that maybe required and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Stock Unit Plan 2022 and do all other things incidental and ancillary thereof in conformity with the provisions of the Act, the SEBI SBEB & SE Regulations, the Memorandum of Association and the Articles of Association of the Company and any other Applicable Laws in force.”

Registered Office:

104, Vasan Udyog Bhavan,
Sun Mill Compound, Tulsi Pipe Road,
Lower Parel, Mumbai - 400013, Maharashtra

By the Order of the Board of Directors

For FSN E-Commerce Ventures Limited
(Formerly ‘FSN E-Commerce Ventures Pvt. Ltd.’)

CIN: L52600MH2012PLC230136

Email id : nykaacompanysecretary@nykaa.com

Website : www.nykaa.com

Tel No.: +91 22 6614 9696

Rajendra Punde

Head Legal, Company Secretary & Compliance Officer

Mem. No.: A9785

Date : October 03, 2022

Place : Mumbai

NOTES:

- (1) The Statement pursuant to Section 102(1) of the Companies Act, 2013 read together with Rule 22 of the Companies (Management and Administration) Rules, 2014 setting out material facts is annexed hereto.
- (2) The Board of Directors has appointed Mr. Sachin Sharma (Membership No. 46900/CP. No. 20423), Designated Partner, M/s. Sharma and Trivedi LLP (LLPIN: AAW-6850), Company Secretaries, Mumbai or failing him Mr. Dinesh Trivedi (Membership No. 23841/CP. No. 22407), Designated Partner, M/s. Sharma and Trivedi LLP (LLPIN: AAW-6850), Company Secretaries, Mumbai as a Scrutinizer to scrutinize the postal ballot process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.
- (3) The Postal Ballot Notice is being sent only by e-mail to those members who have registered their e-mail address with their Depository Participant(s) ('DPs') or with Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company ('Link Intime') and whose names appear in the Register of Members/ List of Beneficial Owners as received from Depositories i.e. National Securities Depository Limited ('NSDL')/Central Depository Services (India) Limited ('CDSL') as on Friday, September 30, 2022 ('Cut-off date') in accordance with the provisions of the Companies Act, 2013, read with Rules made thereunder and, General Circular Nos. 03/2022, 20/2021, 10/2021, 39/2020, 33/2020, 22/2020, 17/2020 and 14/2020 dated May 05, 2022, December 08, 2021, June 23, 2021, December 31, 2020, September 28, 2020, June 15, 2020, April 13, 2020 and April 08, 2020, respectively, issued by the Ministry of Corporate Affairs, Government of India ('MCA Circulars'). In accordance with the aforesaid MCA Circulars, physical copy of the Notice along with Postal Ballot Form and pre-paid business reply envelope will not be sent to the Members for this Postal Ballot.

The communication of the assent or dissent of the Members would take place through the process of remote e-Voting only.

A person who is not a Member as on the cut-off date should treat this Notice of Postal Ballot for information purpose only.

- (4) Voting rights of a Member / Beneficial Owner (in case of electronic shareholding) shall be in proportion to his/her/its shareholding in the paid-up equity share capital of the Company as on the Cut-Off Date.
- (5) In terms of Sections 108, 110 and other applicable provisions of the Companies Act, 2013, as amended, read together with the Companies (Management and Administration) Rules, 2014 and in compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'SEBI Listing Regulations') read with circular of SEBI on e-Voting Facility provided by Listed Entities, dated December 9, 2020, SS-2 and amendments thereto, the Company is pleased to offer remote e-Voting facility to all the Members of the Company. The Company has appointed Link Intime India Private Limited ('Link Intime') for facilitating e-Voting to enable the Members to cast their votes electronically (hereinafter referred to as the 'remote e-Voting'). The instructions for e-voting are provided as part of this Postal Ballot Notice which the members are requested to read carefully before casting their vote.
- (6) All documents referred to in this Postal Ballot Notice will be open/available for inspection through electronic mode by the Members of the Company during working hours on all working days upto and including the last day for remote e-Voting i.e., **Wednesday, November 02, 2022**. Any member seeking to inspect the documents can send an e-mail to nykaacompanysecretary@nykaa.com with subject line "Inspection of Documents."
- (7) The Notice of Postal Ballot is also placed on the website of the Company i.e. www.nykaa.com and the website of Link Intime i.e. <https://instavote.linkintime.co.in> and at the relevant sections of the websites of the stock exchanges on which the shares of the Company are listed i.e. BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com).
- (8) **Procedure for registering the e-mail addresses for obtaining the Notice of Postal ballot and remote e-Voting instructions by the Members whose e-mail addresses are not registered with the DPs (in case**

of Members holding shares in demat form) or with Link Intime (in case of Members holding shares in physical form)

Those persons who are Members of the Company as on Cut-off date i.e., **Friday, September 30, 2022** and who have not yet registered their e-mail addresses are requested to get their e-mail addresses registered by following the procedure given below:

(i) For Temporary Registration for Demat shareholders:

The Members of the Company holding equity shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime by clicking the link in their web site www.linkintime.co.in at the Investor Services tab by choosing the E-mail Registration heading and follow the registration process as guided therein. The Members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail id. In case of any query, a member may send an e-mail to Link Intime at rnt.helpdesk@linkintime.co.in.

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

(ii) For Permanent Registration for Demat shareholders:

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective DP by following the procedure prescribed by the DP.

(iii) Registration of e-mail address for shareholders holding physical shares:

The Members of the Company holding equity shares of the Company in physical form and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime, by clicking the link: www.linkintime.co.in in their web site www.linkintime.co.in at the Investor Services tab by choosing the e-mail Registration heading and follow the registration process as guided therein. The Members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e-mail id and also upload the image of share certificate in PDF or JPEG format (upto 1 MB). In case of any query, a member may send an e-mail to Link Intime at rnt.helpdesk@linkintime.co.in.

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

- (9) The remote e-Voting period will commence on Tuesday, October 04, 2022 (09:00 a.m. IST) and end on Wednesday, November 02, 2022 (05:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Friday, September 30, 2022 may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by Link Intime for voting thereafter. Once the vote on resolution is cast by the Member, the Member shall not be allowed to change it subsequently.**

(10) The instructions and other information relating to e-Voting are as under:**Login method for Individual shareholders holding securities in demat mode is given below:**

- (i) Individual Shareholders holding securities in demat mode with NSDL
- (a) Existing IDeAS user can visit the e-Services website of NSDL Viz. <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting

service provider name i.e. LINKINTIME and you will be re-directed to “InstaVote” website for casting your vote during the remote e-Voting period.

- (b) If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com> Select “Register Online for IDeAS Portal” or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
 - (c) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.
- (ii) Individual Shareholders holding securities in demat mode with CDSL
- (a) Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to log in to Easi/Easiest are <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi.
 - (b) After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.
 - (c) If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.
 - (d) Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.
- (iii) Individual Shareholders (holding securities in demat mode) login through their depository participants. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form is given below:

Individual Shareholders of the Company, holding shares in physical form as on the cut-off date for e-Voting may register for e-Voting facility of Link Intime as under:

- (i) Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
- (ii) Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details:
 - (a) **User ID:** Shareholders holding shares in **physical form shall provide** Event No + Folio Number registered with the Company.

- (b) **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).
- (c) **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
- (d) **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

Shareholders/ members holding shares in **physical form but have not recorded 'c' and 'd', shall provide their Folio number in 'd' above*

- (iii) Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
- (iv) Click “confirm” (Your password is now generated).
- (v) Click on ‘Login’ under ‘**SHARE HOLDER**’ tab.
- (vi) Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘**Submit**’.

Cast your vote electronically:

- (i) After successful login, you will be able to see the notification for e-Voting. Select ‘**View**’ icon.
- (ii) e -Voting page will appear.
- (iii) Refer the Resolution description and cast your vote by selecting your desired option ‘**Favour / Against**’ (If you wish to view the entire Resolution details, click on the ‘**View Resolution**’ file link).
- (iv) After selecting the desired option i.e. Favour / Against, click on ‘**Submit**’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘**Yes**’, else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-Voting system of Link Intime at <https://instavote.linkintime.co.in> and register themselves as ‘**Custodian / Mutual Fund / Corporate Body**’. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘**Custodian / Mutual Fund / Corporate Body**’ login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 - 49186000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 22- 23058542-43.

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- (i) Click on ‘Login’ under ‘SHARE HOLDER’ tab and further Click ‘forgot password?’
- (ii) Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”

In case shareholders is having valid e-mail address, password will be sent to his / her registered email address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”

- (11) The Scrutinizer will submit the results to Executive Chairperson, Managing Director and CEO of the Company or any other person authorized by her after completion of the scrutiny of the e-Voting, and the results of the voting by Postal Ballot will be announced on or before **Friday, November 04, 2022**.
- (12) The voting results along with the Scrutiniser’s Report will be displayed at the Registered Office of the Company, communicated to the Stock Exchanges viz. BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com) and additionally be uploaded on the Company’s website: www.nykaa.com and on the website of Link Intime: <https://instavote.linkintime.co.in>.
- (13) Resolutions passed by the Members through Postal Ballot are deemed to have been passed as if the same have been passed at a general meeting of the Members convened in that behalf. The resolution, if approved by the requisite majority of members by means of Postal Ballot, shall be deemed to have been passed on the last day of e-voting i.e., **Wednesday, November 02, 2022**.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (‘THE ACT’) FORMING PART OF THE NOTICE**Item Nos. 1 and 2**

The Company was incorporated in the year 2012 and subsequently, in the year 2021 its Equity Shares got listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

With a view to encourage the participation of retail investors in the long term, increasing the overall tradeable float/activity level in the Equity shares and retail diversification of shareholding, the Board of Directors at its meeting held on October 03, 2022, subject to consent of the members of the Company, approved and recommended issue of bonus equity shares of Rs. 1/- (Rupee One only) each credited as fully paid-up to eligible members of the Company in the proportion of 5 (Five) new fully paid-up equity share of Rs. 1/- (Rupee One only) each for every 1 (One) existing fully paid-up equity share of Rs. 1/- (Rupee One only) each by capitalising a sum

not exceeding Rs. 237,27,61,850/- (Rupees Two Hundred and Thirty Seven Crores Twenty Seven Lakhs Sixty One Thousand Eight Hundred and Fifty only) out of Securities Premium Account. Article 167 of the Articles of Association of the Company permits capitalisation of any part of the amount for the time being standing to the credit of any of the Company's reserve accounts (including securities premium account), or to the credit of the profit and loss account, or otherwise available for distribution by applying the same towards payment of unissued shares to be issued to the members as fully paid bonus shares.

As on March 31, 2022, the balance in securities premium of the Company was Rs. 1415,06,83,809 (Rupees One Thousand Four Hundred and Fifteen Crores Six Lakhs Eighty Three Thousand Eight Hundred and Nine only), as per audited financial statement for the financial year 2021-22. Further, the balance in securities premium account of the Company after the aforesaid issue of bonus equity shares is expected to be Rs. 1177,79,21,959 (Rupees One Thousand One Hundred and Seventy Seven Crores Seventy Nine Lakhs Twenty One Thousand Nine Hundred and Fifty Nine only).

The Company has granted Stock Option to the employees under various employees stock option schemes and stock units. Consequent to the issue of bonus equity shares, appropriate adjustments with respect to exercise price and number of shares to be issued against stock options and number of stock options vested / to be vested on the employees of the Company and its group companies including the subsidiary companies or associate companies of the Company under the employee stock options and stock units of the Company, effective as on the 'Record Date' (as may be determined by the Board) would be made so that the total value of stock options remains the same after the issue of bonus equity shares. These adjustments do not impact the shareholding of the existing shareholders and hence are not dilutive in nature.

Presently, the Authorized Share Capital of the Company is Rs. 325,00,00,000/- (Rupees Three Hundred and Twenty-Five Crores only) comprising of 275,00,00,000 (Two Hundred and Seventy-Five Crores) equity shares of Rs. 1 (Rupee One) each and 50,00,00,000 (Fifty Crores) preference shares of Rs. 1 (Rupee One) each.

In order to facilitate issue of bonus shares and for further requirements, if any, it is proposed to reclassify the Authorized Share Capital to Rs. 325,00,00,000/- (Rupees Three Hundred and Twenty-Five Crore only) comprising of 325,00,00,000 (Three Hundred and Twenty-Five Crores) Equity Shares of Rs. 1/- (Rupee One) each. The reclassification of the Authorized Share Capital as aforesaid would require consequential alteration to the existing 5th Clause of the Memorandum of Association of the Company.

The reclassification of the Authorized Share Capital and consequential alteration to the 5th Clause of the Memorandum of Association of the Company and issue of bonus equity shares by way of capitalisation of the sums standing to the credit of Securities Premium Account requires members' approval in terms of Sections 13, 61, 63 and 64 of the Companies Act, 2013 and other applicable statutory and regulatory approvals.

A draft copy of the modified Memorandum of Association is available for inspection by the Members of the Company electronically during the working hours on all working days till the last day for remote e-Voting.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 1 and 2 of this Postal Ballot Notice except to the extent of their shareholding in the Company and outstanding stock options vested, if any, under the ESOS Schemes of the Company.

The Board commends the Ordinary Resolutions set out at Item Nos. 1 and 2 of this Postal Ballot Notice for approval by the members.

Item Nos. 3 and 4:

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives. The Company believes that equity-based compensation plans are effective tools to attract, reward key talents working at critical positions and retain such talent exclusively working for the Company's growth.

Your Company has always believed in employee co-ownership and alignment of the rewards with the long-term value creation for the shareholders. With a view to align the employees' interest with that of the shareholders and to retain and achieve long-term performance, the Company had implemented the Employee Stock Option Scheme

- 2012 (“ESOS – 2012”) and Employee Stock Option Scheme - 2017 (“ESOS – 2017”) in the past prior to listing of its shares, the shares reserved under which are near exhaustion.

With a view to motivate the key work force, seeking their contribution to the corporate growth and to bring skin in the game, the Company proposes to implement a new employee stock option plan namely ‘**FSN E-Commerce Ventures Limited – Employee Stock Option Plan 2022**’ (“**Plan**”) contemplating grant of employee stock options (“**Options**”) to a select band of employees, of the Company, and its group companies, including its subsidiary companies and associate companies, who are in the middle to senior leadership level or holding critical roles or possessing niche talent.

Accordingly, the Nomination and Remuneration Committee of the Directors (“**Committee**”) and the Board of Directors of the Company (“**Board**”) at their respective meetings held on September 30, 2022 and October 3, 2022 have approved the introduction of the Plan, subject to your approval.

In terms of Section 62(1)(b) of the Companies Act, 2013 (“**Act**”) and rules made thereunder read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“**SEBI SBEB & SE Regulations**”), the salient features and other details of the Plan are given as under:

(a) Brief Description of the Plan:

- (i) The Company views Options as long-term incentive instruments to enable the eligible employees in mid to senior leadership positions, or holding critical roles or possessing niche talent. The main objectives of the Plan are:
 - (a) to achieve sustained growth of the Company and create shareholder value by aligning the interests of the eligible employees with the long-term interests of the Company;
 - (b) to attract and retain talent and as well as to motivate eligible employees to work towards the growth and profitability of the Company;
 - (c) to recognise and reward the efforts of eligible employees and their continued association with the Company and its group company(ies) including associate company(ies), subsidiary company(ies);
 - (d) to enable the eligible employees to have greater involvement in the existing plans of the Company and provide them an opportunity to share in the future growth and profitability of the Company, which should lead to improved employee engagement, motivation, and retention.
- (ii) The Plan contemplates grant of Options to the eligible employees (including Directors) as defined in the Plan as may be determined in due compliance with the SEBI SBEB & SE Regulations and provisions of the Plan.
- (iii) After vesting of Options, the eligible employees earn a right (but not obligation) to exercise the vested Options within the predefined exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.
- (iv) The Committee shall administer the Plan. All questions of interpretation of the Plan shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Plan.

(b) Total number of Options to be granted:

- (i) The total number of Options to be granted under the Plan shall not exceed **16,00,000 (Sixteen Lakhs only)**, being 0.334% of the paid-up equity share capital of the Company on a fully diluted basis as on the date of the adoption of the Plan. Each Option when exercised shall entitle the option grantee to 1 (one) equity share of face value of Re. 1/- (Rupee One only) each fully paid-up.
- (ii) Further, the SEBI SBEB & SE Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the Options granted. In this regard, the Committee shall adjust the number and price of the Options granted in such a manner that the total value of the Options granted under the Plan remain the

same after any such corporate action. Accordingly, if any additional Options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of aforesaid shall be deemed to be increased to the extent of such additional Options issued in accordance with applicable laws.

(c) Identification of classes of employees entitled to participate and be beneficiaries in the Plan:

Subject to determination or selection by the Committee, following classes of employees/ Directors are eligible being:

- (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 clause (i) or (ii) of a group company including subsidiary company or its associate company, in India or outside India.

but does not include –

- (a) an employee who is a promoter or belongs to the promoter group;
- (b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% (ten percent) of the outstanding equity shares of the Company.

(d) Requirements of Vesting and period of Vesting:

- (i) The Options granted on any date shall vest not earlier than the minimum vesting period of **1 (one) year** and not later than maximum vesting period of **5 (five) years** from the date of grant, as decided by the Committee and set out in the grant letter.
- (ii) The vesting dates and relative percentages shall be determined by the Committee and may vary from employee to employee or any class thereof.
- (iii) The Options will vest essentially on the basis of continued tenure as per requirement of the SEBI SBEB & SE Regulations and subject to the condition that the option grantee is not under notice of resignation. As a prerequisite for a valid vesting, the option grantee should not be subject to any ongoing disciplinary proceedings against him on the date of vesting. In case of any disciplinary proceedings against any option grantee, the relevant vesting shall be kept in abeyance until disposal of the proceedings and such vesting shall be determined accordingly.
- (iv) The vesting shall also be subject to the any performance and/or milestone based condition as determined by the Committee. In the event the Options granted to an option grantee is subject to any vesting condition and such option grantee has not satisfied such a condition during the vesting period, then the relevant Options shall lapse unless otherwise determined by the Committee. The Committee, at its discretion, may specify other criteria for vesting of Options.
- (v) In the event an option grantee is transferred or deputed to an associate company or subsidiary company or any company in the Group prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed option grantee even after the transfer or deputation.
- (vi) The specific vesting schedule and vesting conditions subject to which vesting would take place shall be specified in the grant letter issued to the option grantee at the time of grant.
- (vii) Vesting shall be limited to whole number of Options, and fractional Options (if any) will be rounded up or down to the nearest integer.

(e) Maximum period within which the Options shall be vested:

All the Options granted on any date shall vest not later than the maximum period of **5 (five)** years from the date of grant.

(f) Exercise price or pricing formula:

The exercise price per Option shall be determined by the Committee which shall be up to a maximum of 20% (twenty percent) discount to the lower of the following:

- (i) Market Price of Share, as defined under this Plan; or
- (ii) the average of daily closing Market Prices of the Shares for 15 (fifteen) days immediately preceding the grant date.

Explanation: In case the shares are listed on more than 1(one) recognized stock exchange, then the recognized stock exchange where the highest trading volume on the said date(s) shall be considered for the purpose of determining the closing market price.

(g) Exercise period and the process of exercise/ acceptance of offer:

- (i) Exercise period in case of employment

Subject to paragraph (g)(ii) below (i.e. exercise in case of separation of employment), the exercise period in respect of the vested Options shall be subject to a maximum period of 1 (one) year from the date of vesting of the last tranche of Options granted. For e.g. if an option grantee has been granted 100 Options to vest equally over 5 (five) years, then the exercise period for the first tranche of Options, i.e. 20 Options shall be 5 (five) years from the date of their vesting, and for the subsequent tranches of Options shall be 4 (four) years, 3 (three) years, 2 (two) years from the date of their respective vesting, with the exercise period for the last tranche of 20 Options being 1 (one) year from the date of their vesting.

- (ii) Exercise period in case of separation of employment:

The Options can be exercised as under:

Sr. No.	Events of separation	Vested Options	Unvested Options
1	Resignation / termination (other than due to misconduct)	All the vested Options as on the date of submission of resignation/ date of termination shall be exercisable by the option grantee within 1 (one) year from the date of last vesting or 60 (sixty) days from last working day of option grantee, whichever is earlier.	All the unvested options as on date of submission of resignation/ date of termination shall stand cancelled / lapsed/ expired with effect from such date.
2	Termination due to misconduct	All the vested Options at the time of such termination shall stand cancelled / lapsed/ expired with effect from the date of such termination.	All the unvested Options at the time of such termination shall stand cancelled / lapsed/ expired with effect from the date of such termination.

Sr. No.	Events of separation	Vested Options	Unvested Options
3	Retirement	All the vested Options as on the date of retirement can be exercisable by the option grantee within 12 (twelve) months from the date of retirement.	All the unvested Options as on the date of retirement would continue to vest in accordance with the original vesting schedule even after the Retirement unless otherwise determined by the Committee in accordance with the Company policies / terms of employment and provisions of the then prevailing applicable laws and can be exercised within a period of 12 (twelve) months from the date of vesting.
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 12 (Twelve) months from the date of death of the option grantee.	All the unvested Options as on date of death shall vest immediately with effect from the date of his/her death to the option grantee's nominee or legal heir and can be exercised within 12 (Twelve) months from the date of death by nominee of legal heirs. Further, the Company shall formulate appropriate policy in accordance with applicable laws, as regards the Options granted, in case of death of the option grantee.
5	Permanent Incapacity / disability	All the vested Options may be exercised by the option grantee, immediately after, but in no event later than 12 (Twelve) months from the date of such permanent incapacity / disability.	All the unvested Options as on date of incurring of such incapacity shall vest immediately with effect from such event to the option grantee and can be exercised within 12 (Twelve) months from the date of permanent incapacity / disability. Further, the Company shall formulate appropriate policy in accordance with applicable laws, as regards the Options granted, in case of permanent incapacity / disability of the option grantee.
6	Abandonment of employment	All the vested Options shall stand cancelled / lapsed / expired with effect from such date as determined by the Committee.	All the unvested Options shall stand cancelled / lapsed/ expired with effect from such date as determined by the Committee.
7	Termination due to reasons apart from	The Committee shall decide whether the vested Options as on that date can be exercised	All the unvested Options on the date of such termination shall stand cancelled/ lapsed/

Sr. No.	Events of separation	Vested Options	Unvested Options
	those mentioned above	by the option grantee or not, and such decision shall be final.	expired unless otherwise required by applicable laws.

(iii) The vested Options shall be exercisable by the option grantees by a written application to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Committee from time to time. Exercise of Options shall be entertained only after payment of requisite exercise price and satisfaction of applicable taxes by the option grantee. The Options shall lapse if not exercised within the specified exercise period.

(h) The appraisal process for determining the eligibility of employees under the Plan:

Appraisal process for determining the eligibility of the Employees will be based on designation, period of service, performance linked parameters, grade, criticality, skills, potential contribution and such other criteria as may be determined by the Committee at its sole discretion, from time to time.

(i) Maximum number of Options to be issued per employee and in aggregate, if any:

The maximum number of Options under the Plan that may be granted per employee/to a single employee in any year and in aggregate shall not be more than **1,50,000 (One Lakh Fifty Thousand only)** Options.

Prior approval of shareholders of the Company in the general meeting by passing special resolution shall be obtained in case the grant of Options to any identified employee, in any 1 (one) financial year, is equal to or exceeding 1% (one percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Option.

The maximum number of Options to be granted under the Plan shall not exceed **16,00,000 (Sixteen Lakhs only)**.

(j) Maximum quantum of benefits to be provided per employee under the Plan:

Apart from grant of Options as stated above in paragraph (i) above, no other benefits are contemplated under the Plan.

(k) Whether the Plan is to be implemented and administered directly by the Company or through a trust:

The Plan shall be implemented and administered directly by the Company.

(l) Whether the Plan involves new issue of shares by the Company or secondary acquisition by the trust or both:

The Plan contemplates issue of fresh/ primary equity shares by the Company in accordance with the SEBI SBEB & SE Regulations and other applicable laws.

(m) The amount of loan to be provided for implementation of the Plan by the Company to the trust, its tenure, utilization, repayment terms, etc.:

This is currently not contemplated under the Plan.

(n) Maximum percentage of secondary acquisition (subject to limits specified under the SEBI SBEB & SE Regulations) that can be made by the trust for the purposes of the Plan:

This is currently not contemplated under the Plan.

(o) A statement to the effect that the Company shall conform to the accounting policies specified in Regulation 15 of the SEBI SBEB & SE Regulations:

Clause 16 of the Plan states that the Company shall follow the IND AS 102 on Share based Payments and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other statutory authority from time to time, including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time and comply with the disclosure requirements prescribed therein, in compliance with relevant provisions of SEBI (SBEB & SE) Regulations. .

(p) The method which the Company shall use to value its Options:

The Company shall adopt 'fair value method' for valuation of Options as prescribed under IND AS 102 on Share-based payments or any accounting standard/ guidance note, as applicable, notified by competent authorities from time to time.

(q) Declaration:

In case the Company opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

(r) Period of lock-in:

The equity shares issued pursuant to exercise of vested Options shall not be subject to any lock-in period restriction in general. However, in case of any early / accelerated vesting allowed for Good Leavers (as determined in accordance with the Plan), the Committee at its discretion may impose lock-in period restriction at the time of such acceleration. Usual restrictions as may be prescribed under applicable laws including that under the code of conduct framed, if any, by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended, shall apply.

(s) Terms & conditions for buyback, if any, of specified securities/ Options covered granted under the SEBI SBEB & SE Regulations:

Subject to the provisions of the then prevailing applicable laws, the Committee shall determine the procedure for buy-back of the specified securities/ Options issued under the SEBI SBEB & SE Regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:

- (i) permissible sources of financing for buy-back;
- (ii) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
- (iii) limits upon quantum of Options that the Company may buy-back in a financial year.

Explanation – 'specified securities' mean as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

Consent of the members is being sought by way of special resolutions pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB & SE Regulations.

A draft copy of the Plan is available for inspection by the Members of the Company electronically during the working hours on all working days till the last day for remote e-Voting.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 3 and 4 of this Postal Ballot Notice, except to the extent of their shareholding as shareholders. The Directors, Key Managerial Personnel or their relatives may be deemed to be concerned or interested in these resolutions to the extent of Options that may be granted to them and to the extent of their shareholding as shareholders, if any.

The Board recommends the Special Resolutions set out at Item Nos. 3 and 4 of this Postal Ballot Notice for approval by the members.

Item Nos. 5 and 6:

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives. The Company believes that equity-based compensation plans are effective tools to attract, reward key talents working at critical positions and retain such talent exclusively working for the Company's growth.

Your Company has always believed in employee co-ownership and alignment of the rewards with the long-term value creation for the shareholders. With a view to align the employees' interest with that of the shareholders and to retain and achieve long-term performance, the Company had implemented the Employee Stock Option Scheme – 2012 (“ESOS – 2012”) and Employee Stock Option Scheme – 2017 (“ESOS – 2017”) in the past prior to listing of its shares, the shares reserved under which are near exhaustion.

At this juncture, the Company has transitioned to the next phase of leveraging market opportunities, business growth including addressing of business competitions which resulted in consistent demand for talents for critical roles. Apart from this, emergence of new age skillsets relevant for the Company's business has resulted in changed dynamics of the talent market. This has necessitated in bringing out a meaningful reward strategy for attraction of new talents and retention of both existing and new critical resources in leadership positions, holding critical roles or possessing niche talent as required in new age technology-based businesses. Further, given the nature of business, the Company is required to stay aligned with the sector/ industry wherein most of the cases, equity compensation is made attractive for eligible personnel with deep discount from the prevailing market price along with mix of equity options with minimal/ without discount.

Given the background above, the Company proposes to implement a new employee stock incentive units plan namely ‘**FSN E-Commerce Ventures Limited – Employee Stock Unit Plan 2022**’ (“**Stock Unit Plan 2022**”/ “**Plan**”) contemplating grant of employee stock units (“**Units**”) at face value of equity shares of the Company to a select band of employees of the Company, and its Group companies, including its subsidiary companies and associate companies, who would be responsible for critical business operations. At the same time, the Company is aware that any discount should be compensated with appropriate vesting conditions based on achievement of mandatory corporate performance targets. Thus, vesting of Units shall be subject to mandatory performance conditions as elaborated at point number (d) below. Further, grant of number of Units per eligible employee (under one or multiple grants taken together) is proposed to be limited as specified at point number (i) below with a view to maintain minimal adequacy/ attractiveness yet avoiding concentration in the hands of few personnel. Also, Units granted at face value is known to have lower equity dilution for existing shareholders.

Accordingly, the Nomination and Remuneration Committee of the Directors (“**Committee**”) and the Board of Directors of the Company (“**Board**”) at their respective meetings held on September 30, 2022 and October 3, 2022 have approved the introduction of the Stock Unit Plan 2022, subject to your approval.

In terms of Section 62(1)(b) of the Companies Act, 2013 (“**Act**”) and rules made thereunder read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“**SEBI SBEB & SE Regulations**”), the salient features and other details of the Stock Unit Plan 2022 are given as under:

(a) Brief Description of the Stock Unit Plan 2022:

- (i) The Company views Units as long-term incentive instruments that would while limiting the dilution in the shareholding, also enable the eligible employees who are in leadership positions or holding critical roles or possessing niche talent as required in new age technology-based companies to get a share in the value they create for the Company in the years to come. The main objectives of the Stock Unit Plan 2022 are:
 - (a) to hire key talent across the Company and its Group companies including subsidiary companies and associate companies who qualifies as e-commerce talent, ensuring retention;

- (b) to achieve sustained growth of the Company and create shareholder value by aligning the interests of the eligible employees with the long-term interests of the Company;
 - (c) to attract and retain talent and as well as to motivate eligible employees to work towards the growth and profitability of the Company;
 - (d) to recognize and reward the efforts of eligible employees and their continued association with the Company and its Group companies including subsidiary company(ies) and associate company(ies);
 - (e) to enable the eligible Employees to have greater involvement in the existing plans of the Company and provide them an opportunity to share in the future growth and profitability of the Company, which should lead to improved employee engagement, motivation, and retention.
- (ii) The Stock Unit Plan 2022 contemplates grant of Units to the eligible employees (including Directors) as defined in the Stock Unit Plan 2022 as may be determined in due compliance with SEBI SBEB & SE Regulations and provisions of the Stock Unit Plan 2022.
 - (iii) After vesting of Units, the eligible employees earn a right (but not obligation) to exercise the vested Units within the predefined exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.
 - (iv) The Committee shall administer the Stock Unit Plan 2022. All questions of interpretation of the Stock Unit Plan 2022 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Stock Unit Plan 2022.

(b) Total number of Units to be granted:

- (i) The total number of Units to be granted under the Stock Unit Plan 2022 shall not exceed **4,00,000 (Four Lakhs only)**, being 0.084% of the paid-up equity share capital of the Company on a fully diluted basis as on the date of the adoption of the Stock Unit Plan 2022. Each Unit when exercised shall entitle the unit grantee to 1 (one) equity share of face value Re. 1/- (Rupee One only) each fully paid-up.
- (ii) Further, the SEBI SBEB & SE Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the Units granted. In this regard, the Committee shall adjust the number and price of the Units granted in such a manner that the total value of the Units granted under the Stock Unit Plan 2022 remain the same after any such corporate action. Accordingly, if any additional Units are issued by the Company to the unit grantees for making such fair and reasonable adjustment, the aforesaid Units shall be deemed to be increased to the extent of such additional Units issued in accordance with applicable laws.

(c) Identification of classes of employees entitled to participate and be beneficiaries in the Stock Unit Plan 2022:

Subject to determination or selection by the Committee, following classes of employees/ Directors are eligible being:

- (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 clause (i) or (ii) of a Group company including subsidiary company or its associate company, in India or outside India.

but does not include –

- (a) an employee who is a promoter or belongs to the promoter group;
- (b) a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% (ten percent) of the outstanding equity shares of the Company.

(d) Requirements of Vesting and period of Vesting:

- (i) The Units granted on any date shall vest not earlier than the minimum vesting period of **1 (one) year** and not later than maximum vesting period of **5 (five) years** from the date of grant as decided by the Committee and set out in the grant letter.
- (ii) The vesting dates and relative percentages shall be determined by the Committee and may vary from employee to employee or any class thereof.
- (iii) Units shall vest essentially based on continuation of employment/ service as per the requirement of the SEBI SBEB & SE Regulations and subject to the condition that the unit grantee is not under notice of resignation. As a prerequisite for a valid vesting, the unit grantee should not be subject to any ongoing disciplinary proceedings against him on the date of vesting. In case of any disciplinary proceedings against any unit grantee, the relevant vesting shall be kept in abeyance until disposal of the proceedings and such vesting shall be determined accordingly. Further, the vesting of Units shall be subject to achievement of mandatory corporate performance conditions based on Growth /Profitability Targets of the Company.
- (iv) The Committee shall have power to select the performance parameters for an employee or class thereof depending on the specific roles and the relative weightages assigned to each parameter.
- (v) The Committee, at its discretion, may also specify additional parameters including certain performance criteria subject to satisfaction of which the Units would vest. In the event the vesting of the Units granted to a unit grantee is subject to any vesting condition and such unit grantee has not satisfied such a condition during the vesting period, then the relevant Units shall lapse, unless otherwise determined by the Committee.
- (vi) In the event a unit grantee is transferred or deputed to an associate company or subsidiary company or any company in the group prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed unit grantee even after the transfer or deputation.
- (vii) The specific vesting schedule and vesting conditions subject to which vesting would take place shall be specified in the grant letter issued to the unit grantee at the time of grant.
- (viii) Vesting shall be limited to whole number of Units, and fractional Units (if any) will be rounded up or down to the nearest integer.

(e) Maximum period within which the Units shall be vested:

All the Units granted on any date shall vest not later than the maximum period of **5 (five) years** from the date of grant.

(f) Exercise price or pricing formula:

The exercise price per Unit shall be the face value of equity shares of the Company as on grant date. The exercise price shall be intimated to the unit grantee in the grant letter at the time of grant.

(g) Exercise period and the process of exercise/acceptance of offer:

- (i) Exercise period in case of employment

Subject to paragraph g(ii) below (i.e. exercise in case of separation of employment), the exercise period in respect of the vested Units shall be subject to a maximum period of **90 (ninety) days** from the date of each vesting.

(ii) Exercise in case of separation of employment:

The Units can be Exercised as under:

Sr. No.	Events of separation	Vested Units	Unvested Units
1	Resignation / termination (other than due to misconduct)	All the vested Units as on the date of submission of resignation/ date of termination shall be exercisable by the unit grantee within 90 (ninety) days from the Vesting or 60 (sixty) days from last working day of unit grantee, whichever is earlier.	All the unvested Units as on date of submission of resignation/ date of termination shall stand cancelled / lapsed/ expired with effect from such date.
2	Termination due to Misconduct	All the vested Units at the time of such termination shall stand cancelled / lapsed/ expired with effect from the date of such termination.	All the unvested Units at the time of such termination shall stand cancelled / lapsed/ expired with effect from the date of such termination.
3	Retirement	All the vested Units as on the date of retirement can be exercisable by the unit grantee within 90 (ninety) days from the date of retirement.	All the unvested Units as on the date of retirement would continue to vest in accordance with the original vesting schedule even after the retirement unless otherwise determined by the Committee in accordance with the Company Policies / Terms of Employment and provisions of the then prevailing applicable law and can be exercised within a period of 90 (ninety) days from the date of vesting.
4	Death	All the vested Units may be exercised by the unit grantee's nominee or legal heir immediately after, but in no event later than 12 (twelve) months from the date of death of the unit grantee.	All the unvested Units as on date of death shall vest immediately with effect from the date of his/her death to the unit grantee's nominee or legal heir and can be exercised within 12 (twelve) months from the date of death by nominee of legal heirs. Further, the Company shall formulate appropriate policy in accordance with applicable laws, as regards the Units granted, in case of death of the unit grantee.
5	Permanent Incapacity/ disability	All the vested Units may be exercised by the unit grantee, immediately after, but in no event later than 12 (twelve) months from the date of such Permanent Incapacity / disability.	All the unvested Units as on date of incurring of such incapacity shall vest immediately with effect from such event to the unit grantee and can be exercised within 12 (twelve) months from the date of Permanent Incapacity/ disability.

Sr. No.	Events of separation	Vested Units	Unvested Units
			Further, the Company shall formulate appropriate policy in accordance with applicable laws, as regards the Units granted, in case of Permanent Incapacity / disability of the unit grantee.
6	Abandonment of employment	All the vested Units shall stand cancelled / lapsed/ expired with effect from such date as determined by the Committee.	All unvested Units shall stand cancelled / lapsed/ expired with effect from such date as determined by the Committee.
7	Termination due to reasons apart from those mentioned above	The Committee shall decide whether the vested Units as on that date can be exercised by the unit grantee or not, and such decision shall be final.	All the unvested Units on the date of such termination shall stand cancelled/ lapsed/ expired unless otherwise required by applicable laws.

- (iii) The vested Units shall be exercisable by the unit grantees by a written application to the Company expressing his/ her desire to exercise such Units in such manner and on such format as may be prescribed by the Committee from time to time. Exercise of Units shall be entertained only after payment of requisite exercise price and satisfaction of applicable taxes by the unit grantee. The Units shall lapse if not exercised within the specified exercise period.
- (h) The appraisal process for determining the eligibility of employees under the Stock Unit Plan 2022:**
- Appraisal process for determining the eligibility of the Employees will be based on designation, period of service, performance linked parameters, grade, criticality, skills, potential contribution and such other criteria as may be determined by the Committee at its sole discretion, from time to time.
- (i) Maximum number of Units to be issued per employee and in aggregate, if any:**
- (i) The maximum number of Units under the Stock Unit Plan 2022 that may be granted per employee/to a single employee in any year and in aggregate shall not be more than **50,000 (fifty thousand)** Units.
- (ii) Prior approval of shareholders of the Company in the general meeting by passing special resolution shall be obtained in case the grant of Units to any identified employee, in any 1 (one) financial year, is equal to or exceeding 1% (one percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Units.
- (iii) The maximum number of Units to be granted under the Plan shall not exceed **4,00,000 (Four Lakhs only)**.
- (j) Maximum quantum of benefits to be provided per employee under the Stock Unit Plan 2022:**
- Apart from grant of Units as stated above in paragraph (i) above, no other benefits are contemplated under the Stock Unit Plan 2022.
- (k) Whether the Stock Unit Plan 2022 is to be implemented and administered directly by the Company or through a trust**
- The Stock Unit Plan 2022 shall be implemented and administered directly by the Company.

- (l) Whether the Stock Unit Plan 2022 involves new issue of shares by the Company or secondary acquisition by the trust or both**

The Stock Unit Plan 2022 contemplates issue of fresh/ primary equity shares by the Company in accordance with the SEBI SBEB & SE Regulations and other applicable laws.

- (m) The amount of loan to be provided for implementation of the Stock Unit Plan 2022 by the Company to the trust, its tenure, utilization, repayment terms, etc.:**

This is currently not contemplated under the Stock Unit Plan 2022.

- (n) Maximum percentage of secondary acquisition (subject to limits specified under the SEBI SBEB & SE Regulations) that can be made by the trust for the purposes of the Stock Unit Plan 2022:**

This is currently not contemplated under the Stock Unit Plan 2022.

- (o) A statement to the effect that the Company shall conform to the accounting policies specified in Regulation 15 of the SEBI SBEB & SE Regulations:**

Clause 16 of the Plan states that the Company shall follow the IND AS 102 on Share based Payments and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other statutory authority from time to time, including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time and comply with the disclosure requirements prescribed therein, in compliance with relevant provisions of SEBI (SBEB & SE) Regulations.

- (p) The method which the Company shall use to value its Unit:**

The Company shall adopt 'fair value method' for valuation of Units as prescribed under IND AS 102 on Share-based payments or any accounting standard/ guidance note, as applicable, notified by competent authorities from time to time.

- (q) Declaration:**

In case the Company opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Units and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

- (r) Period of lock-in:**

The equity shares issued pursuant to exercise of vested Units shall not be subject to any lock-in period restriction in general. However, in case of any early / accelerated vesting allowed for Good Leavers (as determined in accordance with the Stock Unit Plan 2022), the Committee at its discretion may impose lock-in period restriction at the time of such acceleration. Usual restrictions as may be prescribed under applicable laws including that under the code of conduct framed, if any, by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended, shall apply.

- (s) Terms & conditions for buyback, if any, of specified securities/ Units covered granted under the SEBI SBEB & SE Regulations:**

Subject to the provisions of the then prevailing applicable laws, the Committee shall determine the procedure for buy-back of the specified securities/ Units issued under the SEBI SBEB & SE Regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions thereof, including:

- (i) permissible sources of financing for buy-back;
- (ii) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and



(iii) limits upon quantum of Units that the Company may buy-back in a financial year.

Explanation – 'specified securities' mean as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

Consent of the members is being sought by way of special resolutions pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB & SE Regulations.

A draft copy of the Stock Unit Plan 2022 is available for inspection by the Members of the Company electronically during the working hours on all working days till the last day for remote e-Voting.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 5 and 6 of this Postal Ballot Notice, except to the extent of their shareholding as shareholders. The Directors, Key Managerial Personnel or their relatives may be deemed to be concerned or interested in these resolutions to the extent of stock units that may be granted to them and to the extent of their shareholding as shareholders, if any.

The Board recommends the Special Resolutions set out at Item Nos. 5 and 6 of this Postal Ballot Notice for approval by the members.

Registered Office:

104, Vasan Udyog Bhavan,
Sun Mill Compound, Tulsi Pipe Road,
Lower Parel, Mumbai - 400013, Maharashtra

By the Order of the Board of Directors

For FSN E-Commerce Ventures Limited

(Formerly 'FSN E-Commerce Ventures Pvt. Ltd.')

CIN: L52600MH2012PLC230136

Email id : nykaacompanysecretary@nykaa.com

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Rajendra Punde

Head Legal, Company Secretary & Compliance Officer

Mem. No.: A9785

Date : October 03, 2022

Place : Mumbai