



16 January 2016

To,

Dept. of Corporate Services (CRD) BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, <u>Mumbai- 400 001</u> Fax Nos.: 22723121 Scrip Code: 536507 Scrip Code of Debt : 950223/ 946822 / 947433	Listing Department The National Stock Exchange of India Limited Exchange Plaza, Bandra- Kurla Complex, Bandra (East) <u>Mumbai- 400 051</u> Fax Nos. 26598237 NSE Symbol: FLFL
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Dear Sir/Madam,

Sub: Securities and Exchange Board Of India (Share Based Employee Benefits)
Regulations, 2014 - SEBI (SBEB) Regulations, 2014

In terms of Regulation 3(3) of Chapter II of SEBI (SBEB) Regulations, 2014, we enclosed herewith copy of Trust Deed duly executed between the Company and Milestone Trusteeship Services Private Limited (the Trustee), whereby setting up an "Future Lifestyle Fashions Limited Employees' Welfare Trust" for the purpose of implementation of share based employee benefits scheme(s), from time to time.

Kindly take the above on your record.

Thanking you,

Yours faithfully,

For ~~Future Lifestyle Fashions Limited~~

Sanjay Kumar Mutha
Chief Legal & Company Secretary

Encl: as above

THE KAPOL CO-OP. BANK LTD.
FORT BRANCH
(AUTHORISED SIGNATORY)

The Kapol Co-operative Bank Ltd.
Fort Branch, Vibhadas
Streets, Ground Floor & 1st
Floor, 16, Mumbai Samachar
Marg, Fort, Mumbai-400 001.
R.S. (P)/C.R. 1061/01/05/1973-74

TRUST DEED

This DEED is executed on this 11th day of January 2016 at Mumbai.

BETWEEN

FUTURE LIFESTYLE FASHIONS LIMITED, a Company registered under the Companies Act, 1956 and having its Registered Office at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060 (hereinafter referred to as "**Settlor**" or "**Company**" or "**FLFL**") which expression shall unless the context otherwise requires include any successors and assigns) of the **First Part**;

AND

MILESTONE TRUSTEESHIP SERVICES PRIVATE LIMITED, a company incorporated under the Companies Act, 1956, having its Registered Office at 602, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital, Bandra East, Mumbai 400 051, (hereinafter referred to as the "**Trustee**" which expression shall unless the context otherwise requires include any successors and assigns) of the **Second Part**

"**Parties**" shall mean collectively the Settlor and the Trustee and "**Party**" means each of the Settlor and the Trustee individually.

WHEREAS

1. The Settlor is a public limited company engaged in the business of fashion retailing and fashion brands and has a strong portfolio of owned and licensed brands, a well established retail presence, a pan-India reach for its brands through a strong distribution network and investments in fast growing fashion brands.
2. The Settlor is interested in promoting the welfare of its Employees and of its subsidiary(ies) or holding company and with a view to attract and retain key talents working with the Company or its subsidiary(ies) or holding company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability of the Company;
3. The Settlor with this intent has implemented a Plan "**Future Lifestyle Fashions Limited Employee Stock Option Plan 2015**". This Plan is established pursuant to approval of the Board of Director vide Resolution dated 05 February 2015 and under the authority granted in terms of approval by the Shareholders of the Company vide special resolution passed on 26 August 2015 in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014, as amended from time to time (the "**SBEB Regulations** "), prescribed by the Securities and Exchange Board of India ("**SEBI**").
4. Under the said Plan, Eligible Employees are proposed to be granted option(s) to purchase Shares (as herein below defined) of the Settlor at a pre set price and as per sole discretion of the Settlor's Nomination and Remuneration Committee;
5. In furtherance of the Settlor's aforesaid desire and to administer the said Scheme or such other schemes/plans as may be implemented from time to time, the Settlor has decided to create an irrevocable trust for the benefit of Employees as hereinafter mentioned;
6. The Trustee, Milestone Trusteeship Services Private Limited, is a company engaged in providing trusteeship and allied services and is registered with Securities and Exchange Board of India (SEBI) under the SEBI(Debenture Trustee) Regulations 1993.
7. Milestone Trusteeship Services Private Limited is being appointed by the Settlor/Company to act in the interest of eligible employees, and Trustee has consented to act as the first Trustee of these presents and to accept the trust under these presents;
8. The Settlor has handed over to the Trustee an initial corpus amount of Rs.10,000/- (Rupees Ten Thousand only) and the Trustee accepted the payment and the receipt whereof and hereby acknowledges to set up the Trust and to be applied in accordance with this Trust Deed.

NOW THIS DEED WITNESSETH AS FOLLOWS:

1. NAME OF THE TRUST

The Trust created by these presents shall be known as the "**Future Lifestyle Fashions Limited Employees' Welfare Trust** " or such other name as may be decided by the Trustees (which is hereinafter called "**FLFL Employees' Welfare Trust**" or "**the Trust**")

2. DEFINITIONS

In these presents unless there is anything repugnant to the subject or context thereof, the following expressions / words shall, have the meaning given against them below, namely: -

- a) "**Act**" means the Companies Act, 2013 including any amendments, modifications thereto and shall include the rules thereunder;
- b) "**Applicable Laws**" mean the SEBI (Share Based Employee Benefits) Regulations, 2014 (SBEB Regulations) and shall include any Indian law and all statutes, ordinances, rules, regulations, guidelines, policies or other pronouncements having the effect of law, regulations, rules, conditions imposed or forming part of any approval, consent, license permission or authorization and



orders/directions of any Court of competent jurisdiction or any governmental agency;

- c) **"Beneficiary (ies)"** means Eligible Employees (as herein below defined) of the Company and / or its Subsidiary/ies and / or Holding company and as more particularly described as identified classes of beneficiaries under each of respective Plan / scheme, as formulated or may be formulated by the Company from time to time;
- d) **"Benefit"** means the benefit whether in the form of a welfare benefit or otherwise, which the Company may decide to provide to the Eligible Employees vide a Plan at any point in time to be implemented through this Trust;
- e) **"Company"** means Future Lifestyle Fashions Limited;
- f) **"Committee" or "Nomination and Remuneration Committee" or "Compensation Committee"** means the Nomination and Remuneration Committee, constituted by the Board of Directors of the Company from time to time, in compliance with the SBEB Regulations, which will inter-alia, administer FLFL Employees' Welfare Trust, as per the Applicable Laws and the Plans/ Schemes;
- g) **"Contribution"** means monies received from the Company or from any other person (including any future money to be received) by the Trust under or pursuant to and in accordance with the terms and conditions set out in this Trust Deed;
- h) **"Closing Date"** shall mean 15 years from date of approval of the Plan by the Shareholders of the Company or allotment of all Shares allocated under the Plan, whichever is earlier or such other date as may be decided by the Committee;
- i) **"Eligible Employees"** mean the Employees of the Company and/or the Subsidiary/ies and/or Holding company of the Company who have been identified as eligible employees by the Committee for granting Employee Stock Options as per the Plan/Scheme, both present and future and includes where the context so requires, their legal heir(s) and / or the designated beneficiary(ies) as more particularly described under respective Plan/scheme;
- j) **"Employees"** means and includes employees of the Company and/or of the Subsidiary/ies and/or Holding company of the Company, including Directors of the Company and/or of the Subsidiary/ies and/or Holding company of the Company, identified on the basis of eligibility criteria determined in the Plan and who are in permanent employment of the Company at the time of Grant and Vesting of the Options unless otherwise specified. Eligible Employee does not include (i) any employee who is a Promoter or belongs to the Promoter Group or (ii) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Shares of the Company or (iii) an Independent Director within the meaning of the Act;
- k) **"Exercise"** means the tendering of an application by a Beneficiary in the prescribed format for acquisition of Shares, pursuant to the Options Vested in him/her under the Plan, as applicable.;
- l) **"Exercise Notice"** shall have the meaning ascribed to it in Clause 19.6 hereunder;
- m) **"Exercise Period"** means the period specified as such in the relevant Plan during which a Beneficiary is entitled to exercise the Options vested in him/her to acquire the shares of the Company in accordance with the terms of such Plan.;
- n) **"Exercise Price"** means the purchase price of each Share as determined in accordance with the Plan, payable by the Beneficiary to the Trust and/or the Company for exercising the Option vested in him in pursuance of the Plan;
- o) **"Exercise Windows"** shall mean such dates, during the Exercise Period, on which the Beneficiary may Exercise their Options. The Exercise Windows will be determined and communicated by the Committee / Trust and all Beneficiaries



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who intend to Exercise their respective Options are required to exercise within such Exercise Windows;

- p) **"Future Lifestyle Fashions Limited Employee Stock Option Plan 2015" or "FLFL ESOP 2015"** means the first scheme/plan formulated by the Company for the benefit /welfare of the Employees annexed herewith as Annexure 1 as may be amended or modified from time to time;
- q) **"Grant"** means issuance of the Options/Stock Option/ESOP or approval of the Benefit to the Eligible Employee by the Company pursuant to any Plan to be implemented through the Trust;
- r) **"Grant Letter"** means a letter issued by the Company communicating the Grant to the Eligible Employee with respect to the Options Granted to such Eligible Employee based on the terms and conditions as stipulated in the Plan and as recommended by the Committee from time to time;
- s) **"General Corpus"** means any and all the amounts received by the Trust including but not limited to the income, gifts, donations, loans or contributions accepted by the Trust for application towards the objects and purposes of the Trust from time to time and includes all additions thereto by way of further settlement, accumulation of income, capital accretion or otherwise but excluding Initial Corpus defined hereunder;
- t) **"Market Price"** means the latest available closing price, on a recognized stock exchange on which the shares of the company are listed on the date immediately prior to the relevant date. In case shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume on the said date shall be considered as the market price.
- u) **"Holding Company"** means any present or future holding company of the settlor, as defined in the Act;
- v) **"Option/Stock Option/ESOP"** means a right or an option, but not an obligation, granted to an Eligible Employee to purchase to or subscribe for Shares or any Resultant Shares pursuant to the Plan ;
- w) **"Plan" / "Scheme"** means FLFL ESOP 2015 and any future scheme /plan as may be formulated by the Company for the benefit /welfare of the Employees, as amended or modified from time to time (with prior approval of the Company's Shareholders by way of a special resolution);
- x) **"Resultant Shares"** means the Shares acquired through the Trust, in lieu of Shares of the Company on occurrence of change in capital structure or on any corporate action, as mentioned in the Scheme;
- y) **"Shares"** means the equity shares of the Company and/or the securities convertible into equity shares, and where the context so requires shall include the Resultant Shares;
- z) **"Subsidiary Company" / "Subsidiary/ies"** means any present or future subsidiary company of the Settlor, as defined in the Act;
- aa) **"Trust"** shall mean "FLFL Employees' Welfare Trust;
- bb) **"Trust Deed" or "Deed"** shall mean this trust deed between the Settlor and the Trustee.;
- cc) **"Trustees"** mean collectively one or more Trustees appointed pursuant to or under this Deed;
- dd) **"Trust Fund"** aggregate of the Initial Corpus, General Corpus, the Shares , Income and funds which includes any gifts, donations, loans or contributions in cash or in kind (including any property, whether movable or immovable) accepted by the Trustee(s) for application towards the objects and purposes of the Trust



and includes all property added thereto by way of further settlement, accumulation of income, capital accretion or otherwise.;

- ee) **"Vested Options"** means Options, which have been vested in the Beneficiary(ies) and have thereby become exercisable;
- ff) **"Vesting"** means the process by which the Beneficiary (or the Beneficiary(ies) as the case may be) is given the right to apply for Shares of the Company against the Option granted to him pursuant to the Plan;

Any terms or expressions not defined in this Trust Deed will have the meanings as defined in the Scheme.

3. INTERPRETATION

Unless otherwise provided in this Deed:

- a) Any reference to the provisions of any statute shall be deemed to include reference to the same as in force (including any amendment or re-enactment) at the time the matter relating thereto occurs.
- b) Articles and paragraph headings are inserted for reference only and shall not affect the interpretation of this Deed.
- c) Words and expressions defined in the Act shall bear the same meanings herein.
- d) Words denoting one gender include all genders, words denoting company include body corporate, corporations and trusts and vice versa; words denoting the singular include the plural; and words denoting the whole include a reference to any part thereof.
- e) Reference in this Deed to any documents or agreement includes reference to such document or agreement as amended, supplemented, varied or replaced from time to time.
- f) References to "this Deed" mean this Deed together with its recitals.
- g) The words "including", "include" and "in particular" shall be construed as being by way of illustration only and shall not be construed as limiting the generality of the preceding words.

4. PRINCIPAL OFFICE OF THE TRUST

The principal office of the Trust shall be at 602, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital, Bandra East, Mumbai 400 051 or at such other place in India as the Trustee(s) may from time to time decide.

5. SETTLEMENT

- 5.1 The Settlor, with a view to set up the Trust, does hereby irrevocably settle, transfer, assign and make over to the Trustee(s) a sum of Rs.10,000/- (Rupees Ten Thousand), (**"Initial Corpus"**) for the object of the Trust, TO HAVE AND HOLD such sum hereinabove together with all additions or accretions thereto and the investments representing such sum hereinabove (constituting part of the corpus of the Trust Fund) by the Trustee(s) UPON TRUST and subject to the powers, provisions, agreements and declarations herein contained.
- 5.2 *Acceptance of Trust:* The Trustee hereby admits and acknowledges receipt of the Initial Settlement and hereby declares and confirms that it shall hold and stand possessed of the Trust Fund UPON TRUST and subject to the powers, provisions, agreements and declarations herein contained. The Trustee has consented to act on the terms and conditions set out herein.

6. OBJECT OR PURPOSE OF THE TRUST

The object / purpose of the Trust shall be as follows:



- 6.1 To administer FLFL Employees' Welfare Trust;
- 6.2 To administer and implement one or more Plans to the extent of furtherance of objectives of this Trust Deed and for the benefit of Employees in consultation with the Committee.
- 6.3 To acquire / subscribe to the Shares of the Company pursuant to fresh issue/ allotment of Shares by the Company and / or by way of secondary acquisition as the case may be, by utilizing trust funds, in accordance with the provisions of this Deed, provisions of section 67 of the Act and in consultation with and as per the broad guidelines as prescribed from time to time by the Committee.
- 6.4 The Trust shall not deal in derivatives, and shall undertake only delivery based transactions for the purposes of secondary acquisition as permitted under SBEB Regulations.
- 6.5 To hold the Shares of the Company till the time of Exercise of the Options by the Eligible Employees and/or as directed by the Committee and in accordance with the Plan/s.
- 6.6 To transfer Shares to the Eligible Employees of the Company in accordance with the terms of the Plan and as per the broad guidelines as prescribed from time to time by the Committee.
- 6.7 To sell Shares in the secondary market in circumstances as specified in Clause 13.5 below and/or as per the Regulations and Applicable Laws from time to time.
- 6.8 To invest any surplus funds of the Trust, in accordance with law for the fulfillment of the objects of the Trust and for discharging any loans taken in accordance with law and as per the broad guidelines as prescribed from time to time by the Committee.
- 6.9 To utilize the dividend received with respect to the Shares and/or any other funds resulting from investments made by the Trust or to utilize the Trust Fund to administer and implement the Plan(s) (whether employee benefit or welfare) , to fulfill the object of the Trust and /or to repay the loan to the Company .

7. SOURCE OF FUNDS

The Trust shall receive funds from one or more of the following sources:

- a. by way of Contributions from the Company;
- b. by way of loan (with interest or interest free, as may be decided from time to time by the Committee) from the Company;
- c. any other source as may be deemed fit by the Committee.

Provided however that, the Company may lend monies to the Trust on appropriate terms and conditions to acquire the Shares either through new issue or secondary acquisition, for the purposes of implementation of the Plan/Scheme, subject to the applicable provisions of the Companies Act, 2013 read with Companies (Share Capital and Debenture) Rules, 2014, as amended from time to time.

8. HOLDING OF TRUST FUND

The Trustees shall stand possessed of the Trust Fund and the income thereof upon such trusts and with and subject to such charge, powers and provisions whatever in favour of or for the benefit of the Beneficiaries for the time being.

The Trustees shall hold the sums covenanted by Clause 5 hereof and any further sums which may be paid under any future deed or covenant or otherwise upon trust at their discretion to pay or apply the same to or for the benefit of all the Beneficiaries or any one or more of them to the exclusion of the other or others in such proportion and in such manner in all respects as the Trustees in their discretion may deem fit, however subject to the provisions of SBEB Regulations and as per the broad guidelines as prescribed by the Committee from time to time;



If the Settlor or any other person or persons shall lend, pay, transfer to the Trustees any other sum of money or contribution to the intent that the same shall be held upon the Trust declared by these presents, such other sum of money or contribution shall be consolidated with and form one fund with the Trust in all respects as if the same had been originally comprised in the Trust Fund.

9. USE OF TRUST FUND

- 9.1 Subject as aforesaid the Trustees shall stand possessed of the Trust Fund and the income thereof upon trust to hold, pay, apply and deal with the same in all respects for the purposes of the Trust Deed.
- 9.2 Without detracting in any way from the generality of the foregoing, the Trust Fund will be applied for the purpose of distribution amongst the Beneficiaries or any one or more of them to the exclusion of the other or others in such proportion and in such manner in all respects as the Trustees in their discretion may deem fit, however subject to the provisions of SBEB Regulations and as per the broad guidelines as prescribed by the Committee from time to time;
- 9.3 The Trustees have power to distribute the income or the corpus of the Trust Fund towards the fulfilment of the objects of the Trust or any other purpose as may be decided by the Trustees, subject to the provisions of SBEB Regulations and as per the broad guidelines as prescribed by the Committee from time to time.
- 9.4 The vested Options lapsed due to non-exercise and/or unvested Options that get cancelled due to resignation/ termination of the employees or otherwise, would be available for being re-granted at a future date to the Eligible Employees.
- 9.5 In case of non-exercise of Option by the Eligible Employee or resignation by / termination of the employment of the Eligible Employee(s) to whom the Options have been granted, as the case may be, such excess Shares may be used by the Trustees against future grants to /exercise of Options by the Eligible Employees, subject to the provisions of SBEB Regulations.

10. BENEFICIARIES

- 10.1 The Trustees shall, on the recommendation of the Committee, be entitled from time to time to add or to delete to the description of classes of Beneficiaries, under each of Plan/Scheme as formulated by the Company from time to time..
- 10.2 Except as may be provided by the Settlor under the Plan / Scheme, in the event of an Employee ceasing to be in employment of the Company and/or subsidiaries and/or holding company, due to resignation/termination of employment, such Employee including his/her Relatives shall cease to be Beneficiaries under these presents in accordance with the Plan(s).
- 10.3 The Beneficiaries do not have any right to receive dividend or to vote or in any manner enjoy the benefits of a Shareholder in respect of options granted to him, till shares are issued upon exercise of options.

11. PAYMENTS BY THE TRUST/ TRUST EXPENSES

- 11.1 The Trustees shall have the power to pay all expenses incurred in or about the setting up and administer the Trust from the Trust Fund.
- 11.2 The Trustees shall have the power to make such reserves out of the Trust Fund, as the Trustees deem proper for expenses, taxes and other liabilities of the Trust.
- 11.3 With respect to tax matters, the Trustees shall have the power and discretion to pay all taxes of the Trust from the Trust Fund.
- 11.4 The Trustees shall not be accountable or liable to any person interested in the Trust for the manner in which it exercises these powers and discretions in good faith. The judgment of the Trustees with respect to these matters shall be binding and conclusive upon all persons interested in the Trust.



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12. TRUSTEE

- 12.1 Milestone Trusteeship Services Private Limited shall be the first Trustee of the Trust .
- 12.2 Without prejudice to any other provisions of law, Trustees of the Trust shall have the right to resign by giving not less than 60 days prior written notice of resignation, to the Committee. If the office of a Trustee is vacated, either by resignation, liquidation, bankruptcy or neglect to act as Trustee or on otherwise becoming incapable to act in trust of these presents, the Committee will appoint new trustee(s) within a period of sixty days from the date of such notice .
- 12.3 The Trustee hereof may be removed by the Committee by giving not less than 60 days prior intimation. The Committee shall however ensure appointment of new trustee within the said period of 60 days after serving removal notice to the Trustee. The outgoing Trustee shall be automatically vacating the office upon expiry of 60 days from the date of removal notice.
- 12.4 The Committee shall have an authority to appoint new trustee/s in case of resignation or removal of the Trustee or additional trustee/s if required/deem fit at any point of time. The eligibility of such new/additional trustee shall be solely decided by the Committee, subject to the provisions of SBEB Regulations. .
- 12.5 Upon any appointment of a new or additional trustee as aforesaid, the Trust Fund shall if and so far as may be necessary or be required, be transferred so that the same may be vested in the Trustees for the time being or such of them as the Trustees consider proper and every such appointment, the new or additional Trustees may, whether the Trust Fund shall have been vested in him or not, act or assist in the execution of the trusts and powers of these presents and shall have the same powers, authorities and discretion as if he had been originally appointed a trustee of these presents.
- 12.6 Without prejudice to any other provision of law, Trustees of the Trust shall stand discharged from its office as Trustee on tendering resignation of his office in writing or on the happening of any of the events mentioned in Clause 12.3 above .
- 12.7 If the Trustee hereby appointed or any future Trustee or Trustees shall becomes bankrupt or liquidated or desire to be discharged or refuse or become unfit or incapable to act as Trustee, then, and in any such case, it shall be lawful for the Committee for the time being, to appoint a new Trustee in place of such Trustee, and upon every such appointment the Trust Fund shall (if and so far the nature of the funds or other circumstances shall require or admit) be transferred so that the same shall be vested in the Trustees for the time being.
- 12.8 The Trustees shall be responsible only for such properties, monies, shares, funds and securities as they shall actually receive and shall be answerable and accountable only for their own acts neglects, receipts, defaults and not for those of any other person.

13. POWERS AND DUTIES OF TRUSTEE

- 13.1 The Company shall upfront provide to the Trustees all the details of the Committee formed by it for the administration and superintend of the Plans/Schemes and shall thereafter immediately upon any modification /change therein from time to time.
- 13.2 It shall be the duty of Trustees to act in the interest of Beneficiaries of the Trust and subject to provisions of the Regulations. The Trustees shall not act in any manner or include any provision in the Trust Deed that would be detrimental to the interests of the Beneficiaries.
- 13.3 The Trustees shall for the purposes of administration and operation of the Trust, act as per the broad guidelines of the Committee, as per the Applicable Laws and as per the enabling resolution(s) passed by the Shareholders of the Settlor at their annual general meeting held on 26 August 2015 and such further resolutions that may be passed by Shareholders from time to time in this regard.



13.4 The Trustees should ensure that appropriate approval from the Shareholders has been obtained by the Company in order to enable the Trust to implement the Plan/scheme(s) and undertake secondary acquisition for the purposes of the Plan/scheme(s) from time to time.

13.5 In addition, the Trustees shall have the following powers and duties:

- a. To grant, issue, re-issue, recall, surrender and withdraw of Options / Benefits under the Plan(s) / Scheme(s) to the Eligible Employees upon the instructions of the Committee;
- b. To cancel the Options/Benefits granted to any Eligible Employee upon being informed about resignation by /termination of employment of such Eligible Employee by the Committee;
- c. To allocate and give treatment to the balance Shares remaining in the Trust on account of or pursuant to the winding up of the Trust upon being so instructed by the Committee;
- d. To appoint agent/ banker/broker/depository participant etc. as may be required to carry out the activities of the Trust as set out herein and to fulfil the object of the Trust;
- e. To acquire / subscribe / hold / sell / transfer / dispossess / deal in the Shares of the Company, in terms of the provisions of SBEB Regulations and other the applicable laws;
- f. To sell the Shares in the secondary market in the following circumstances and in accordance with Clause 6.7 above:
 - i. Cashless exercise of Options under the Plan;
 - ii. On vesting or exercise of Options or implementing of Schemes, in terms of SBEB Regulations;
 - iii. Participation in buy back or open offers or delisting offers or any other exit offered by the Company generally to its Shareholders, if required;
 - iv. For repaying the loans, if an appropriated inventory of shares held by the Trust is not appropriated within the timeline as provided under SBEB Regulations;
 - v. Winding up of the Plan/schemes; and
 - vi. Based on approval granted by SEBI.

The sale proceeds of shares shall be however, utilised/distributed within a period of 30 days from the date of sale of Shares, and such period may be extended beyond 30 days but not more than 45 days only with consent of the Committee.

- g. To avail loan from the Settlor/Company or any other person as may be advised by the Committee for the purpose of meeting the object of the Trust and to repay the same out of the Trust Fund from time to time
- h. To do all such acts and deeds in consultation with the Committee as may be required to fulfil the object of the Trust and safeguard the interests of the Beneficiaries of the Trust.

14. FORMATION OF RULES AND REGULATIONS BY TRUSTEES:

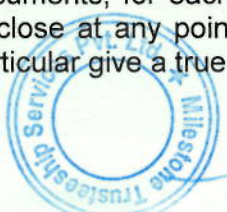
The Trustees will have power to frame such rules and regulations for the management and administration of the Trust from time to time in consultation with the Committee, in compliance with the Plan/Scheme documents, objects of the Trust and Applicable Laws. The Trustees may add, alter, amend, substitute or vary such rules and regulations made and make new rules and regulations if deem fit, provided that such rules and regulations shall not be inconsistent with the objects of the Trust and the broad guidelines of the Committee and the Applicable Laws.

15. ACCOUNTS, RECORDS & COMPLIANCES

- 15.1 The Trust shall keep and maintain proper books of account, records and documents, for each such plan/scheme so as to explain its transactions and to disclose at any point of time the financial position of each plan/scheme and in particular give a true and fair view of the state of affairs of each plan/scheme.



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- 15.2 The Trustees shall get the same duly audited with all the necessary vouchers at least once every year by a reputed Chartered Accountant or from a firm of Chartered Accountants appointed by the Trustees in consultation with the Committee.
- 15.3 The accounting year of the Trust shall begin on 1st April of each calendar year and end on 31st March of the next calendar year, provided that the first accounting year of the Trust shall begin from the date of this Trust Deed and end on 31st March following the date of this Trust Deed.
- 15.4 The Trustees shall make arrangements to prepare and keep all necessary accounts including the accounts of individual employees' records, transfers and other documents in connection with this Trust Deed and generally carry out all administrative work in connection therewith.
- 15.5 The Trustees shall make the necessary arrangement for all tax and regulatory compliances by the Trust.
- 15.6 The Trustees shall make all the necessary disclosures including but not limited to the disclosures under SEBI (Substantial Acquisition of Shares and Takeover) Regulation 2011, from time to time.
- 15.7 The Trust shall be required to make disclosures and comply with the other requirements applicable to insiders or promoters under the SEBI (Prohibition of Insider Trading) Regulations, 1992 or any modification or re-enactment thereto.

16. BANK ACCOUNT AND OTHER ACCOUNTS OF TRUST

The Trustees shall be entitled from time to time to open, operate and maintain a banking account or accounts in the name of the Trust or in the name of the Trustees at such Bank or Banks as they may from time to time decide and may at any time pay or cause to be paid or withdraw any moneys forming part of the Trust Fund or the income thereof to the credit of any such account or accounts and either by way of fixed deposit or current account or safe custody account or any other account whatever. Further, the Trustees shall do all such acts, matters, deeds and things as may be necessary, usual or expedient in order to implement these presents.

The Trustees shall open the depository account and broker account as may be required for the Trust.

The Trustees shall open Depository Participant Account in the name and title of "Milestone Trusteeship Services Private Limited " (hereinafter referred to as "DP Account") or any other name as may be decided by the Trustees.

17. INVESTMENTS BY THE TRUST

Notwithstanding anything contained in these presents, the Trustees shall at their discretion but subject to broad guidelines as laid down by the Committee, invest the Trust Fund and all moneys in the Trust, which may require investment in fixed deposits with Nationalised Banks, Registered Mutual funds, and government securities.

18. VOTE ON SHARES HELD BY THE TRUST

The Trustees of the Trust, in terms of the SBEB Regulations, shall not vote in respect of the shares held by the Trust.

19. EXERCISE OF OPTIONS

- 19.1 The Vested Options shall be eligible to be exercised by the Beneficiary only during the Exercise Windows within the Exercise Period either by (i) purchasing the Shares from the Trust at the Exercise Price (option 1) or (ii) by instructing the Trustees to sell the Shares and receive the difference between the Selling Price and the Exercise Price for the Options Exercised by the Beneficiary after deducting all expenses and taxes payable on Exercise / sale, if any (option 2).



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- 19.2 In the event the Beneficiary opts for option 2 the following cashless exercise option shall be available to the Beneficiary:

Under a cashless exercise, a Beneficiary who Exercises the Options, during an Exercise Window, will have to simultaneously provide instructions to sell the Shares and he/she will only be entitled to receive the difference between the Selling Price and the Exercise Price for the Options Exercised by him/her, after deducting taxes payable on Exercise / sale, if any, and other amounts, expenses and charges due from him/her (including that in connection with the sale).

For the purpose of implementing the 'Cashless Exercise' the Committee shall be entitled to specify procedures and / or mechanisms to enable the Trust to facilitate cashless exercise of the Options as may be necessary and the same shall be binding on the Beneficiary.

For the purpose of this clause, unless otherwise stated, "**Selling Price**" means the actual price realized on sale of the Shares on a Recognized Stock Exchange.

Notwithstanding anything contained herein or elsewhere in the Plan, it is hereby clarified that the Company is under no obligation to either buy the Shares or pay any compensation to any Beneficiary under this clause as a result of the inability or unwillingness of the Beneficiary to acquire any Shares, whether due to lack of funds, or any restriction under law or otherwise.

Notwithstanding anything contained elsewhere herein or in the Plan, if the Committee and / or the Board, in case the Options have Vested but not Exercised, is prevented by any law or regulation in force, it may defer or refuse to permit the Exercise of Options till such time as it is prohibited by the Applicable Laws. In such an event, the Company shall not be liable to pay any compensation or similar payment to the Beneficiary for any loss suffered due to such refusal.

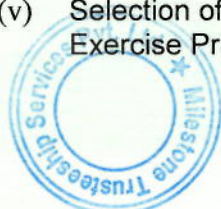
Provided further that the Board of the Company and/or the Committee shall have the power, and is authorized, to cancel all or any of the Options granted under the Plan , if so required under the Applicable Law. The Company shall not be liable to pay any compensation or similar payment to the Beneficiary for any loss suffered due to such cancellation.

- 19.3 Upon receipt of the Exercise Notice, the Committee or the person(s) authorized by it shall immediately inform the Trustees of the same and forward all the particulars to the Trustees.
- 19.4 In the event the Beneficiary chooses option 1, the Trustees shall transfer the Shares to the Beneficiary within two working day from the date of receipt of the consideration for the Shares into the Trust Account.
- 19.5 In the event the Beneficiary chooses option 2, the Trustees shall transfer the net sale consideration within seven working days from the date of receipt of the Exercise Notice by the Committee or person(s) authorized by the Committee for the purpose.

19.6 Notice of Exercise

19.6.1 For Exercising the Options, all Beneficiaries shall submit a duly signed written notice of Exercise of Options (hereinafter referred to as the "Exercise Notice"), in the agreed format as per the Plan, to the Committee or person(s) authorized by it within the Exercise Windows during the Exercise Period setting forth:

- (i) The number of Options desired to be Exercised;
- (ii) The bank account details of the Beneficiary
- (iii) Beneficiary's demat account details (viz. Depository Participant (D.P.) No. and Client I.D. Account No.);
- (iv) Permanent account number;
- (v) Selection of decision to Exercise Options by way of (a) payment of Exercise Price; or (b) cashless exercise; and



- (vi) Such other particulars as the Trustees / Committee may prescribe from time to time either for payment exercise or for cashless exercise .

19.6.2 The Options shall be deemed to be Exercised upon receipt, by the Committee, or person(s) authorized by it of duly executed Exercise Notice accompanied with:

- (i) the aggregate Exercise Price towards the number of Options proposed to be Exercised (*see method of payment below*);

OR

- (ii) relevant instructions to sell the Shares, the Beneficiary will be entitled to upon Exercise of Options, in accordance with Clause 19.2 (*cashless exercise*) herein.

19.6.3 Method of payment: Payment of the aggregate Exercise Price for all the Options proposed to be Exercised shall be made in the following manner:

- (i) Electronic fund transfer (NEFT or RTGS); or
- (ii) Cheque or demand draft drawn in the name of 'FLFL Employees' Welfare Trust' payable at Mumbai; or
- (iii) Any other mode as may be approved by the Committee.

20. DISCHARGE

Any receipt given by the Trustees with respect to the income of the Trust Fund, any consideration against exercise of options or for any documents of title or securities, papers, writings or other documents or for any other moneys or property forming part of the Trust Fund, shall be sufficient and shall effectually discharge the person or person paying, giving or transferring the same from being bound to see to the application or being answerable for the loss, misapplication or non-application thereof.

21. RECORDS AND ACCOUNTS OF THE TRUSTEE

The Trustees shall maintain the record of their proceedings and decisions and proper accounts and shall submit their accounts to the Settlor and/ or for audit by the auditor nominated in that behalf by the Settlor / Committee annually and as soon as conveniently may be after each such audit deliver copies of the audited accounts to the Settlor.

22. PROFESSIONAL ADVICE

The Trustees may act on the advice or opinion of any lawyer, broker, actuary, accountant or other professional or businessperson whether such advice was obtained by the Trustees or by the Settlor and shall not be responsible for any loss occasioned by their so acting.

23. DISSOLUTION OF THE TRUST

- (i) The Trust shall be extinguished upon the expiry of 30 years from the date of execution of this Trust Deed. The said term of 30 years of the Trust may be extended for a further period as may deem fit in the interest of the Beneficiaries.
- (ii) Notwithstanding the above, the Trust shall be extinguished upon the earlier occurrence of (i) the fulfillment of its objectives and purposes or (ii) if the fulfillment of its objectives and purposes becomes impossible by virtue of any law, regulation or circumstance.
- (iii) The excess monies and/or Shares left in the Trust upon dissolution of the Trust after meeting all the obligations, if any, shall be utilized for repayment of the loan or by way of distribution to Eligible Employees as recommended by the Committee.



- (iv) The Trustees shall in consultation with the Committee have the power to make proper arrangements for matters, relating to or arising from the dissolution of the Trust and to distribute the Trust Fund to such Beneficiaries on such terms and conditions as the Trustees may deem fit but on the recommendations of the Committee.

24. EXCLUSION OF TRUSTS UNTIL MONIES PAID

Notwithstanding anything to the contrary herein expressed or implied nothing herein shall confer on the Trustees any right to any payment or create any trusts in regard to any monies intended to be paid to the Trustees unless and until the same shall have been actually so paid or credited.

25. RIGHTS OF THE TRUSTEES

- 25.1 The Trustees may authorise any other authorised representative, for the purpose of executing for them or on their behalf any transfers of any securities for the purposes of the Trust Deed and may revoke such appointments and make new appointments.
- 25.2 The Trustees shall have full power and discretion to open accounts with any bank and to deposit money into and draw money from any such account from time to time as may deem fit, to appoint a person or persons to operate all such accounts and pass a resolution to authorize the manner in which cheques and other documents shall be signed and endorsed on their behalf, provided however that the Trustees shall exercise such power and discretion exclusively for the purpose of fulfilment of the objects of the FLFL Employees' Welfare Trust.
- 25.3 For administrative and operational convenience, the Trustees may, from time to time, delegate to any person any powers and duties including management of the Trust Fund vested in it under this Deed; provided, however, the Trustees shall remain responsible and liable for any such persons acts of commission or omission to the extent that the Trustee itself would have been responsible and liable for such acts. Any action taken by such person in respect of the Trust shall be construed as an act done by the Trustee.
- 25.4 The Trustees shall have a right to appoint brokers and such other agents, inter-alia, for the purpose of dealing in the Shares of the Company, provided however that the Trustees shall exercise such right exclusively for the purpose of fulfilment of the objects of the Trust.
- 25.5 The Trustees shall have full power and discretion to hear and deal with complaints pertaining, to the affairs of the Trust.
- 25.6 The Trustees shall coordinate with the Human Resource department of the Settlor for any matter pertaining to the Trust for the benefit of the Employees.
- 25.7 The Trustees shall have full power and discretion to make, vary or rescind rules and orders, if any, for the administration of the objects of the Trust and the management, administration, control and maintenance of all properties and monies and pay all costs, charges and expenses in any way incurred by the Trust, and to have custody of the records, documents, papers, etc. of the records, documents, papers, etc. of the Trust, and to examine and check the accounts and other records of the Trust.
- 25.8 The Trustees shall have full power and discretion to subscribe to / acquire Shares for the purpose of fulfilment of objects of this Trust, however subject to broad guidelines as laid down by the Committee.
- 25.9 The Trustees shall have full power and discretion to borrow or obtain loans from the Settlor or any other person for the purpose of the Trust.
- 25.10 The Trustees shall have full power and discretion at any time and from time to time by Power of Attorney to appoint any person or persons to be the Attorney or Attorneys of the Trust for such purposes and with such powers, authorities and discretion and for such period and subject to such conditions as the Trustees may from time to time think fit, provided however that the Trustees



shall exercise such power and discretion exclusively for the purpose of fulfilment of the objects of the Trust.

- 25.11 The Trustees shall have full power and discretion to enter into all such negotiations and contracts and rescind and vary all such contracts and execute all acts and deeds in the name and/or on behalf of the Trust as the Trustees may consider expedient for or in relation to fulfilment of the objects of the Trust.
- 25.12 The Trustees shall have full power and discretion to institute, conduct, defend, compromise or compound or abandon any legal proceedings or refer to arbitration, dispute, differences, claim, demands or things by or against the Trust or its officers or otherwise concerning the affairs of the Trust and also to compound and allow time for payment or satisfaction of any dues or of any demand by or against the Trust, provided however that the Trustees shall exercise such power and discretion exclusively for the purpose of fulfilment of the objects of the Trust.
- 25.13 The Trustees shall have full power and discretion to appoint sub-committee or sub-committees consisting of such members of their body as they deem fit for such purposes as may be considered necessary with or without powers to co-opt members, provided however that the Trustees shall exercise such power and discretion exclusively for the purpose of fulfilment of the objects of the Trust.
- 25.14 Any claim, dispute or differences concerning the validity and interpretation, implementation or alleged breach of any provision of this Deed shall be resolved through mutual discussion between the parties hereto. Any such dispute if not settled within 30 days of it first raising of the dispute by one party, the same shall be referred to and finally resolved by arbitration to be conducted in accordance with the provisions of the Indian Arbitration and Conciliation Act, 1996, as amended from time to time. The arbitration panel shall consist of a sole arbitrator to be appointed by mutual agreement of the disputing parties, and failing such agreement, in accordance with the Indian Arbitration and Conciliation Act, 1996. The arbitration proceedings shall be held in Mumbai and shall be conducted in the English language. The award rendered by the arbitration panel shall be final, conclusive and binding on all parties to this Agreement and shall be subject to enforcement in any court of competent jurisdiction. Each party shall bear the cost of preparing and presenting its case, and the cost of arbitration, including fees and expenses of the arbitrators, shall be shared equally by the disputing parties, unless the award otherwise provides.
- 25.15 The Trustees shall have the power to determine in case of doubt whether any money or property shall for the purpose of this Trust be considered as capital or income, and whether out of the capital or income any expenses or outgoings shall or ought to be paid or borne and any and every such determination shall be binding and conclusive provided that nothing herein contained shall be deemed to authorize the Trustees to spend the income or corpus of the Trust Fund for any purpose not authorised by these presents.
- 25.16 The Trustees shall be respectively chargeable only for such Trust Fund and income including money, stocks, funds, and securities as they shall actually receive notwithstanding their respectively signing any receipt for the sake of conformity and shall be answerable and accountable only for their own acts, receipts, neglects or defaults and not for those of the other or others of them nor for any banker, broker, auctioneer or agent or any other persons with whom or into those hands any Trust Fund or Trust income may be deposited or come nor for the insufficiency or deficiency of any stocks funds, or securities not for any other loss unless the same shall happen through their own wilful default, dishonesty or neglect.
- 25.17 The Trust shall be and remain irrevocable for all times and the Settlor will have such rights and duties as stated in this Trust Deed.
- 25.18 The Trust shall be extinguished if the fulfilment of its purpose becomes impossible by destruction of Trust property or otherwise.



[Handwritten signature]



26. TRUSTEE'S REMUNERATION

- 26.1 The Trustees shall be entitled to remuneration for its services" under this Trust Deed as per the letter dated November 23, 2015 ("Fee Letter") or as may be mutually agreed with the Trustees from time to time. Such remuneration shall be exclusive of the service tax, if any, payable on such fees;
- 26.2 The Company shall pay Remuneration to the Trustee, in terms of the Fee Letter and *on such other terms and conditions as agreed by the Committee from time to time.* .
- 26.3 The Company shall also reimburse to the Trustees all legal, travelling and other costs, charges and expenses incurred by it, its officers, employees or their agents.
- (i) In connection with execution of these presents and the other documents; or
 - (ii) In connection with the custody of such documents pursuant to Clause 25.7 herein above.

27. PAYMENT & INDEMNITY:

- 28.1 The Company shall pay all costs and expenses whatsoever in administering the trusts of this deed; and
- 28.2 The Company shall indemnify the Trustees and keep them indemnified against all claims and demands whatsoever that may arise out of or in connection with this Trust Deed.

28. CONFIDENTIALITY

The Parties agree to keep the existence of this Agreement and its terms and conditions thereof confidential and, to disclose them only to employees, lawyers and accountants of their respective organisations (including parent companies) on a need-to-know basis. In addition, the terms of this Deed or the confidential information of the Parties may be disclosed if required by order of a court or tribunal having appropriate jurisdiction. The terms of this Deed or the confidential information of the Parties may also be disclosed to any statutory authority on a need to know basis. Before such disclosure, an intimation shall be issued to the other party and shall ensure to disclose only to the extent so required to be disclosed. Except above, the Parties agree not to disclose terms of this Deed or the confidential information of the Parties to any person or third Party without the prior written consent of the non-disclosing Party. This clause shall survive the termination of this agreement.

29. ASSIGNMENT / NON-TRANSFERABILITY

Neither party shall assign this Deed in whole or in part without written consent of the other party. Any purported assignment by either party without said written consent by the other party shall be void and of no effect.

30. AMENDMENT

No modification or amendment to this Deed and no waiver of any of the terms or conditions hereof shall be valid or binding unless made in writing and duly executed by each of the Parties.

31. PARTIAL INVALIDITY/SEVERABILITY

If at any time, any provision of this Deed shall become or be held illegal, invalid or unenforceable in any respect under any law, then the legality, validity or enforceability of the remaining provisions shall not in any way be thereby affected or impaired. Any invalid or unenforceable provisions of this Deed shall be replaced with a provision which is valid and enforceable and most nearly reflects the original intent of the invalid or unenforceable provision.



32. WAIVER

The failure of either Party at any time to require performance by the other Party of any provision hereof shall in no way affect the right of that Party hereafter to enforce the same. Nor shall any waiver by either Party of any breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision on as a waiver of this provision itself.

33. NON-EXCLUSIVITY

Notwithstanding anything contained in this Deed, both the Parties shall be free to enter into similar agreements with any other party.

34. RELATIONSHIP OF PARTIES

Nothing contained in this Deed shall be deemed to create any partnership, joint venture, employment between the Parties hereto. The parties shall have "Principal to Principal" relationship.

35. FORCE MAJEURE

Neither Party shall be liable for any default or delay in the performance of its obligations under this agreement when such default or delay is due to any events beyond its reasonable control, including act of God, strikes, labour dispute, epidemic, cyclone, flood, earthquake, drought, fire, explosion, atmospheric disaster, war, riot, revolution, act or decision of any Governmental Authority, change of Law which adversely affect the performance of the parties (Force Majeure Events). The Party affected by a Force Majeure Event shall promptly and in any case within two days of occurrence or knowledge thereof inform the other party of the nature, probable duration and impact thereof and both Parties shall take all reasonable measure to limit the consequences of the underlying Force Majeure Event to a minimum.

36. GOVERNING LAWS & JURISDICTION

This Deed will be governed by and construed in accordance with the laws of India and shall be subject to the exclusive jurisdiction of the Courts at Mumbai only.

37. NON-SOLICITATION

During the term of this Deed and for a period of twelve (12) months thereafter, the Parties shall not directly or indirectly solicit, hire employees of other Party without prior written consent of such other Party. However, this will not apply to any employee where such employee is offered employment following a response by that employee to a general advertisement regarding employment opportunities which was made in any newspaper, trade journal or other magazine or periodical, and where no direct solicitation of such employee was made prior to the employee's response to such advertisement

38. REPRESENTATION AND WARRANTIES

The representations, warranties, covenants and agreements contained herein shall survive the termination of this Deed .

39. ENTIRETY

This Deed constitutes the entire agreement between the Parties hereto and supersedes all prior agreements and understandings, oral or written in respect of any aspect covered by the Deed. In the event, there is any conflict between such other agreements and understandings and any term or condition contained in this Deed, the terms of this Deed shall prevail.

40. EXECUTION / COUNTER PARTS

The original of this Deed be retained by the Trustees and and the Company shall retain an attested copy. Wherever / whenever required by the Company, the Trustees shall



produce the original for the purpose of proving the existence of original documents and render all support to the Company for the same.

IN WITNESS WHEREOF the parties hereto have executed these presents the day and year first hereinabove written.

SIGNED AND DELIVERED by)
FUTURE LIFESTYLE FASHIONS)
LIMITED the Within named "Settlor")
through its authorised signatory)
Mr. C. P. Toshniwal, Executive)
Director & Chief Financial Officer,)

For Future Lifestyle Fashions Limited

Chandra Prakash Toshniwal
Executive Director & Chief Financial Officer

in the presence of:

1. Mr. Sanjay Kumar Mutha
2. Mr. Subodh More



SIGNED and DELIVERED by the)
within named "Trustee", MILESTONE)
TRUSTEESHIP SERVICES PRIVATE)
LIMITED through its authorised)
signatory)

Ms./Mr. Vaishali Urkude,



in the presence of :

1. Jagdish Kondor
2. Ravi Mishra

