

**Employee Stock Option Plan 2023  
(DEE ESOP 2023)**

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**1. Name, Objective and Term of the Plan**

- 1.1 This Employee Stock Option Plan shall be called DEE Employee Stock Option Plan 2023 (“**DEE ESOP 2023**” / “**Plan**”).
- 1.2 The objective of the DEE ESOP 2023 is to reward the Employees for association, dedication and contribution to the goals of the Company. The Company intends to use this Plan to attract and retain key talents working with the Company and its Subsidiary Companies in India by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The Company views Employee Stock Options as instruments that would enable the Employees to get a share in the value, they create for the Company in the years to come.
- 1.3 The DEE ESOP 2023 has been formally adopted and approved by the Board in its meeting held on September 07, 2023. DEE ESOP 2023 is established with effect from September 07, 2023 on which the shareholders have approved the Plan by way of a special resolution and shall continue to be in force until earlier of:
- i. March 31, 2030; or
  - ii. The date all the Options reserved under the Plan are granted, vested and exercised; or
  - iii. The date of termination, if any, of the Plan.

Thus, all the Employees meeting the eligibility criteria as may be determined by the Nomination and Remuneration Committee from time to time and who join the Company and / or its Subsidiary Companies in India hereafter or the period as per point ii and iii whichever is earlier) would also be entitled to the benefit under Plan.

- 1.4 The Board of Directors or the Nomination and Remuneration Committee of Board, as authorised, may, subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the DEE ESOP 2023. The Nomination and Remuneration Committee of the Board of Directors of the Company (by whatever name called) duly constituted in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended (“**Listing Regulations**”) shall act as the Compensation Committee for administration of DEE ESOP 2023.
- 1.5 This document is not intended to provide any legal or taxation advice to the Option Grantee of DEE ESOP 2023 and such Employee should consult their own tax advisors before accepting the grant and / or vesting of the Equity Shares under the DEE ESOP 2023 Plan.

## 2. Definitions and Interpretation

### 2.1 Definitions

- i. **“Agreement”** means the Employee Stock Option Agreement, if any, entered in to between the Company and Employee, evidencing the terms and conditions of Options granted under DEE ESOP 2023. The Agreement is subject to the conditions of DEE ESOP 2023.
- ii. **“Applicable Law”** means every law relating to Employee Stock Options, to the extent applicable, including and without limitation to the Companies Act, Securities and Exchange Board of India Act, 1992, as amended, Securities and Exchange Board of India (Shares Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and re-enacted from time to time and includes any clarifications or circulars issued there under (**“SEBI SBEB Regulations”**), and all relevant tax, securities, exchange control or corporate laws of India, or amendments thereof or of any relevant jurisdiction or of any Recognized Stock Exchange on which the Shares are listed or quoted.
- iii. **“Board”** means the Board of Directors of the Company.
- iv. **“Companies Act”** means the Companies Act, 2013, as amended, and rules made thereunder and include any statutory modifications or re-enactments thereof.
- v. **“Company”** means “DEE Development Engineers Limited (CIN: U74140HR1988PLC030225), a company incorporated under the provisions of the Companies Act, 1956, having its registered office at “1255, Sector-14, Escortsnagar, Faridabad, Haryana-121007
- vi. **“Company Policies / Terms of Employment”** means the Company’s policies for employees and the terms of employment as contained in the employment letter / contract / Company intranet and the Company handbook, which includes provisions for securing confidentiality, non-compete and non-poaching of other Employees and customers. Policies / Terms of Employment of the Subsidiary Companies as regard an Option Grantee on the payrolls of such Subsidiary Company shall be deemed to be “Company Policies / Terms of Employment” for such Option Grantee.
- vii. **“Compensation Committee”** means the Committee constituted / reconstituted by the Board of Directors of the Company from time to time, by whatever name called, as per the requirements of Applicable Laws, to administer and supervise the DEE ESOP 2023 and other employee benefit plans, if any, comprising of such members of the Board as provided under Regulation 19 of the Listing Regulations, as amended from time to time, and having such powers as specified under the SEBI SBEB Regulations

read with powers specified in this DEE ESOP 2023 and is deemed to include the Nomination and Remuneration Committee authorised by the Board in this behalf. The Nomination and Remuneration Committee of the Board of Directors of the Company shall act as the Compensation Committee for the purposes of DEE ESOP 2023.

- viii. **“Director”** means a member of the Board of the Company.
- ix. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Nomination and Remuneration Committee for granting the Employee Stock Options to the employees.
- x. **“Employee”** means
  - (i) an employee as designated by the Company, or
  - (ii) a director of the Company, whether a whole time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
  - (iii) an employee as defined in sub-clause (i) or (ii) above of a group company including associate company and Subsidiary Company(ies) in India, of the Company, but does not include:
    - a. an employee who is a Promoter or a person belonging to the Promoter Group;
    - b. a Director who either himself or through his relatives or through any-body corporate, directly or indirectly, holds more than 10% of the outstanding Equity Shares of the Company;
- xi. **“Employee Stock Option”** means the Option granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the Shares offered by the company, directly or indirectly at a pre-determined price.
- xii. **“Equity Shares”** means fully paid-up Equity Shares of the Company having a face value of Rs.10/- (Rupees Ten Only) each.
- xiii. **“DEE ESOP 2023”** means the Employee Stock Option Plan 2023 under which the Company is authorised to grant Employee Stock Options to the Employees.
- xiv. **“Exercise”** means making of an application by an Employee to the Company for issue of Equity Shares or appreciation in the form of cash, as the case may be, against Vested Options in pursuance of the DEE ESOP 2023, in accordance with the procedure laid down by the Company

- for such exercise.
- xv. **“Exercise Period”** means such time period clause 8.2 after Vesting within which the Employee can exercise his/her right to apply for the shares against the Vested Options in pursuance of the DEE ESOP 2023.
- xvi. **“Exercise Price”** means the price, if any, payable by an Employee in order to exercise the Options granted to him in pursuance of the DEE ESOP 2023.
- xvii. **“Grant”** means the process by which the company issues Options to the Employees under the DEE ESOP 2023.
- xviii. **“Independent Director”** means a Director within the meaning of Section 149(6) of the Companies Act read with Regulation 16(1)(b) of the Listing Regulations.
- xix. **“Misconduct”** means any of the following:
- a. committing of any act of misconduct warranting summary termination under law; or
  - b. conduct which in the reasonable opinion of the Board amount to a serious breach by an Option Grantee of the obligation of trust and confidence to his employer; or
  - c. a finding by the Board that an Employee has committed any material or consistent breach of any of the terms or conditions of the Terms of Employment including any willful negligence of the duties assigned by the Board; or
  - d. conviction of any criminal offence or having been charged with any criminal offence which, in the reasonable opinion of the Company will result in conviction.
- xx. **“Nomination and Remuneration Committee”** Nomination and Remuneration committee means committee constituted as per section 178 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended and last reconstituted by the Board of Directors in the board meeting held on July 27, 2023. Nomination and Remuneration Committee will be act as Compensation Committee for DEE ESOP 2023.
- xxi. **“Option”** means Employee Stock Option within the meaning of this Plan.
- xxii. **“Option Grantee”** means an Employee having a right but not an obligation to exercise an Option in pursuance of the DEE ESOP 2023
- xxiii. **“Permanent Incapacity”** means any incapacity of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task

which the said Employee was capable of performing immediately before such disablement, as determined by the Nomination and Remuneration Committee based on a certificate of a medical expert identified by the Company.

- xxiv. **“Promoter”** shall have the same meaning as assigned to the term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (**“SEBI ICDR Regulations”**).
- xxv. **“Promoter Group”** shall have the same meaning assigned to the term under the SEBI ICDR Regulations.
- xxvi. **“Retirement”** means retirement as per the rules of the Company or any of its direct or indirect Subsidiary Company.
- xxvii. **“Plan”** means DEE ESOP 2023 within the meaning of this Employee Stock Option Plan 2023.
- xxviii. **“Shares”** means Equity Shares of the Company within the meaning of this Plan.
- xxix. **“Recognised Stock Exchange”** means National Stock Exchange of India Limited (**“NSE”**), BSE Limited (**“BSE”**), or any other recognized stock exchange in India on which the Company’s Shares are listed or proposed to be listed in future.
- xxx. **“Subsidiary Company(ies)”** means a company which is a subsidiary company of the Company within the meaning of the Companies Act, 2013 and located in India.
- xxxi. **“Unvested Option”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to exercise the Option.
- xxxii. **“Vesting”** means the process by which the Employee becomes entitled to receive the benefit of a Grant made to him/ her under the DEE ESOP 2023.
- xxxiii. **“Vesting Condition”** means any condition subject to which the Options granted would vest in an Option Grantee.
- xxxiv. **“Vesting Period”** means the period during which the vesting of the Employee Stock Option granted to the Employee, in pursuance of DEE ESOP 2023 takes place.
- xxxv. **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has

become eligible to exercise the Option.

## **2.2 Interpretation**

In this Plan, unless the contrary intention appears:

- i. the clause headings are for ease of reference only and shall not be relevant to interpretation;
- ii. a reference to a clause number is a reference to its sub-clauses;
- iii. words in singular number include the plural and vice versa;
- iv. words importing a gender include any other gender; and
- v. a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

Words and expressions used and not defined herein but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Companies Act, 2013, and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation, as the context requires.

## **3. Authority**

- 3.1 The Nomination and Remuneration Committee and the Board at their respective meetings held on September 22, 2023 read with approval of the Nomination and Remuneration Committee dated September 22, 2023 and the shareholders at the Annual General Meeting held on September 23, 2023 resolved to issue to the Employees under DEE ESOP 2023, not exceeding 5% Employee Stock Options convertible in to not more than 2,651,957 Shares having a face value of Rs.10/- (Rupees Ten Only) each fully paid-up, with each such Option conferring a right upon the Employee to be issued one Share of the Company, in accordance with the terms and conditions of such issue. It is further clarified that the above number only sets out a maximum number of Equity Shares to be issued in terms of this DEE ESOP 2023 and does not impose an obligation on the Company to mandatorily issue Employee Stock Options.
- 3.2 The maximum number of Options that shall be granted to each Employee shall vary depending upon the designation and the appraisal / assessment process, however shall not exceed 1.00% of total number of options granted per eligible Employee, however the Nomination and Remuneration Committee reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to each Employee within this ceiling.
- 3.3 Where Shares are allotted consequent upon Exercise of an Employee Stock Option under the DEE ESOP 2023, the maximum number of Shares that can be allotted under DEE ESOP 2023 as referred to in sub-clause 3.1 above shall stand reduced to the extent of such Shares allotted.
- 3.4 If an Option expires, lapses or becomes un-exercisable due to any reason, it shall



be brought back to the Options pool and shall become available for future Grants, subject to compliance with the provisions of the Applicable Laws.

- 3.5 In case of a share split where the face value of the Shares of the Company is reduced below Rs.10/-, the maximum number of Shares available for being granted under DEE ESOP 2023 shall stand modified accordingly, so as to ensure that the cumulative face value (number of shares X face value per share) prior to such split remains unchanged after the share split. Thus, for instance, if the face value of each Equity Share is reduced to Rs.1.00/-, the total number of Shares available under DEE ESOP 2023 would be 26,519,570 Equity Shares of Rs.10/- each.
- 3.6 In case of a share consolidation where the face value of the Shares of the Company is increased above Rs.10/-, the maximum number of Shares available for being granted under DEE ESOP 2023 shall stand modified accordingly, so as to ensure that the cumulative face value (number of shares X face value per share) prior to such consolidation remains unchanged after the share consolidation. Thus, for instance, if the face value of each Equity Share is increased to Rs.100/-, the total number of Shares available under DEE ESOP 2023 would be 265,196 Equity Shares of Rs.100/- each.
- 3.7 Prior approval of the shareholders of the Company by way of a special resolution in the general meeting shall be obtained in case the Grant of the Options to any identified Employee, in any 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 the Option.

#### **4. Administration**

- 4.1 The DEE ESOP 2023 shall be administered by the Nomination and Remuneration Committee. Nomination and Remuneration Committee will be Compensation Committee as per the Board Resolution dated July 27, 2023. All questions of interpretation, discrepancies arising because of, or pursuant to, or in connection with the DEE ESOP 2023 shall be determined by the Nomination and Remuneration Committee and such determination shall be final and binding upon all persons having an interest in or affected by the DEE ESOP 2023.
- 4.2 Neither the Nomination and Remuneration Committee nor any of its members shall be liable for any actions taken in good faith for the implementation of the DEE ESOP 2023.
- 4.3 The Nomination and Remuneration Committee in accordance with this Plan, Articles of Association and Applicable Laws, shall, *inter alia*, determine the following:
- a. The quantum of Employee Stock Options to be granted under the DEE ESOP 2023 per Employee subject to ceiling specified in sub-clause 3.2;
  - b. Terms and conditions in respect of grant to, vest in and exercise of Options (including determining exercise period) by the Employees which may be

different for different class / classes of the Employees falling in the same tranche of grant of the Options issued under DEE ESOP 2023 and that Option would lapse on failure to exercise the Option within the Exercise Period and termination due to misconduct of behaviour;

- c. The procedure for making a fair and reasonable adjustment in case of corporate actions such as, merger, sale of division, stock split, stock consolidation, rights issues, bonus issues and others. In this regard, the following shall, inter alia, be taken into consideration by the Nomination and Remuneration Committee.
    - i) the number and the price of Options shall be adjusted in a manner such that total value of the Options remains the same after the corporate action; and
    - ii) the Vesting period and the life of the Option shall be left unaltered as far as possible to protect the rights of the Option Grantees
  - d. The procedure and terms for the Grant, Vesting and Exercise of Employee Stock Options in case of employees who are on long leave;
  - e. The specified time period within which the Employees shall Exercise the Vested Options in case of termination of employment or resignation, if required;
  - f. the procedure for buy-back of the Options granted under the DEE ESOP 2023 if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
    - permissible sources of financing for buy-back,
    - any minimum financial thresholds to be maintained by the Company as per its last financial statements, and
    - limits upon quantum of Options that the Company may buy-back in a financial year;
  - g. the procedure for funding for Exercise of Options, as permitted under the Applicable Laws; and
  - h. Approve forms, writings and / or agreements for use in pursuance of the DEE ESOP 2023.
  - i. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares
  - j. Allow exercise of unvested options on such terms and conditions as it may deem fit
  - k. Forfeiture/ cancellation of options granted
  - l. The procedure for cashless exercise of options
- 4.4 The Compensation Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended from time to time, by the trust, the company and its employees, as may be applicable.

## **5. Eligibility and Applicability**

- 5.1 Only the Employees within the meaning of this Plan are eligible for being granted Employee Stock Options under DEE ESOP 2023. The specific Employees to whom the Stock Options would be granted and their Eligibility Criteria would be determined by the Nomination and Remuneration Committee.
- 5.2 The Plan shall be applicable to the Company, its Subsidiary Companies in India, and any successor company thereof and may be granted to the Employees and Directors of the Company, that of its Subsidiary Companies in India, as determined by the Compensation Committee at its own discretion and in compliance with Applicable Law.

## **6. Grant and Acceptance of Grant**

### **6.1 Grant of Options**

Each Grant under this DEE ESOP 2023 shall be made in writing by the Company to the eligible Employees fulfilling the Eligibility Criteria in a letter of Grant as may be approved under the DEE ESOP 2023 from time to time.

### **6.2 Acceptance of the Grant**

- a. Any Employee who wishes to accept the Grant made under this DEE ESOP 2023 must deliver to the Company a duly signed acceptance of the letter of Grant on or before the date which shall not be more than 60 (Sixty) days from the date of the Grant (“Closing Date”), as specified in the letter of Grant. On receipt by the Company of the signed acceptance, the Employee will become an Option Grantee.
- b. Any Employee who fails to deliver the signed acceptance of the letter of Grant on or before the Closing Date stated above shall be deemed to have rejected the Grant unless the Nomination and Remuneration Committee determines otherwise.
- c. Upon acceptance of the Grant in the manner described above, the Employee henceforth as a Grantee, shall be bound by the terms, conditions and restrictions of the DEE ESOP 2023 and the Grant document. The Grantee’s acceptance of the Grant of Options under the DEE ESOP 2023, within the time period provided, shall constitute an agreement between the Grantee and the Company as to the terms of this DEE ESOP 2023 and the Grant document.

## **7. Vesting Schedule and Vesting Conditions**

- 7.1 Options granted under this Plan would vest not earlier than minimum Vesting Period of 1 (One) year and not later than Vesting Period of 4 (Four) years from the date of the Grant of such Options.

7.2 Options granted under DEE ESOP 2023 would vest as under:

- 20% Options would vest at the end of first year from the date of the Grant of such Options, and
- 40% Options would vest at the end of second year from the date of the Grant of such Options.
- 40% Options would vest at the end of third year from the date of the Grant of such Options.

Provided further that in the event of death all the Unvested Options as on date of death shall, vest immediately in the Option Grantee's nominee or legal heir and can be exercised in the manner defined for Vested Options.

Provided further that in the event of Permanent Incapacity all the Unvested Options as on date of incurring of such Permanent Incapacity shall vest immediately in the Option Grantee or his/ her nominee or legal heir, as the case may be and can be exercised in the manner defined for Vested Options.

7.3 Vesting of the Options would be subject to continued employment with the Company, Subsidiary Companies in India and if the Employee has not served any notice of resignation. Thus the Options would vest on completion of the Vesting Period. In addition to the continuation of employment / services, the Options shall vest subject to the achievement of the Vesting conditions which shall be similar as disclosed in the explanatory statement to the notice of the general meeting of the Company. Apart from that, the Nomination and Remuneration Committee may also specify certain performance parameters, detailed terms and conditions relating to such performance based vesting, milestone based vesting, and graded based vesting the proportion in which the options granted would vest and / or lock in period subject to which the Options would vest.

7.4 The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the document(s) given to the Option Grantee at the time of grant of Options.

7.5 Vesting of the Options in case of Employees on long leave

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

## 8. Exercise

### 8.1 Exercise Price:

- a. The Exercise Price shall be lower average of both the stock exchanges i.e. NSE and BSE either weighted average Market Price of last 6 (six) months or closing market price of the company's equity share before the date of the grant with upto a discount of 50% . The exercise price shall be decided by the Nomination and Remuneration Committee at its discretion from time to time. However, the Exercise Price shall not be less than the face value of the Shares.
- b. Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company or by way of electronic payment like NEFT, RTGS, IMPS, etc., or in such other manner and subject to such procedures as the Nomination and Remuneration Committee may decide but not in cash.

## 8.2 Exercise Period:

### a. While in employment:

- i. The Exercise period would commence from the date of Vesting and will of respective Vesting or such other period as may be decided by the Nomination and Remuneration Committee, from time to time.
- ii. For the duly completed and valid exercise applications received up to the end of each month, the Company shall allot Equity Shares in a dematerialized mode, by the end of the subsequent month.

### b. Exercise Period in case of separations:

Subject to the maximum Exercise Period approved by the shareholders of the Company from the date of vesting of the Options, the Options can be exercised as per provisions outlined below:

S. No.	Separations	Vested Options	Unvested Options
1.	<b>Resignation / termination (other than due to Misconduct)</b>	All the Vested Options as on the date of submission of resignation may be exercised by the Option Grantee on or before last working day	All Unvested Options on the date of submission of resignation / termination shall stand cancelled with effect from the date of the resignation
2.	<b>Termination due to Misconduct</b>	All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3.	<b>Retirement / Early Retirement as</b>	All Vested Options can be exercised by the Option Grantee immediately after, but in no event later than 1 (One) year from the date of	All Unvested Options as on the date of Retirement would continue to vest in accordance with the original vesting schedules even after

	<b>approved by the Company</b>	Retirement unless otherwise determined by the Nomination and Remuneration Committee.	the Retirement unless otherwise determined by the Nomination and Remuneration Committee in accordance with the Company's Policies and provisions of the then prevailing Applicable Law. Such aforesaid Options can be exercised within a period of 1 (One) year from the date of Vesting
4.	<b>Death</b>	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 1 (One) year from the date of Death.	All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 1 (One) year from the date of Death.
5.	<b>Permanent Incapacity</b>	All Vested Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such incapacity, the nominee or legal heir, immediately after, but in no event later than 1 (One) year from the date of such incapacity.	All the Unvested Options as on the date of such Permanent Incapacity shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 1 (One) year from the date of such incapacity.
6.	<b>Other reasons apart from those mentioned above in case of separation</b>	The Nomination and Remuneration Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

- 8.3 The Options shall be deemed to have been exercised when an Employee makes an application in writing to the Company or by any other means as decided by the Nomination and Remuneration Committee, for the issuance of the Equity Shares against the Options vested in him, subject to the Applicable Laws.
- 8.4 The Options not exercised within the Exercise Period shall lapse and the Employee shall have no right over such lapsed or cancelled Options.
- 8.5 In the event of transfer of an Option Grantee from the Company to the Subsidiary Companies in India, the Unvested Options as on the date of transfer, will continue

to vest as per the original vesting schedule and capable of being exercised by the Option Grantee subject to the compliance with the Applicable Laws.

## **9. Lock-in and other confirmations**

- 9.1 The Shares issued upon exercise of the Options shall be freely transferable and shall not be subject to any lock-in period restriction after such allotment and credit to the respective demat account; however the same shall be subject to such restrictions as maybe prescribed under Applicable Laws including the Company's Code of Conduct to regulate, monitor and report trading by insiders, under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended.

Provided that the Shares allotted on such Exercise cannot be sold, transferred or alienated in any manner during such period as required under the terms of Code of Conduct for Prevention of Insider Trading of the Company framed under Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

## **10. Exit route in case of de-listing**

- 10.1 If the Company gets de-listed from all the Recognised Stock Exchanges, then the Board shall have the powers to set out the terms and conditions for the treatment of the Vested Options and the Unvested Options in due compliance of the Applicable Laws.

## **11. Other Terms and Conditions**

- 11.1 The Employee shall not have a right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of the Employee Stock Options granted, till Shares underlying such Employee Stock Options are allotted by the Company on exercise of such Employee Stock Options.

Nothing herein is intended to or shall give the employee, to whom the options are granted, any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any Options / Shares covered by the Grant unless such employee Exercises the Employee Stock Options and the Company makes the necessary allotment or recording of the transfer of Shares and the employee becomes a registered holder of the Shares of the Company.

- 11.2 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner
- 11.3 However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with clause 4.3(c) of DEE ESOP 2023.
- 11.4 Employee Stock Options shall not be transferable to any person except in the

event of death of the Option Grantee, in which case the provisions in table under sub-clause 8.2(b) would apply.

- 11.5 The Employee Stock Options shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner whatsoever. The Company shall not recognize any pledge, hypothecation, mortgage or other alienation done in violation of this condition.
- 11.6 No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option except in the event of the death of the Option Grantee, in which case the provisions in table under sub-clause 8.2(b) would apply.

## **12. Taxation**

- 12.1 The liability of paying taxes, if any, in respect of the Employee Stock Options granted pursuant to this Plan and the Shares issued pursuant to exercise thereof shall be entirely on the Option Grantee and shall be in accordance with the provisions of the Income Tax Act, 1961, as amended, read with rules issued thereunder and / or Income Tax Laws of respective countries as applicable to the Eligible Employees of the Subsidiary Companies in India .
- 12.2 The Company shall have the right to deduct from the Employee's salary or recover any tax that is required to be deducted or recovered under the Applicable Law. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.
- 12.3 The Company shall have no obligation to deliver the Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

## **13. Authority to vary terms**

- 13.1 Subject to prior approval of the shareholders' of the Company by way of a special resolution and the Applicable Laws, the Nomination and Remuneration Committee may at any time amend, alter, vary the terms of the Plan subject to the condition that such amendment, alteration, or variation, as the case may be is not detrimental to the interest of the Employees.

Provided that the Company shall be entitled to vary the terms of the Plan to meet any regulatory requirement without seeking the shareholders' approval by way of a special resolution.

- 13.2 The Company may also re-price the Options which are not exercised, whether or not they have vested, if the Plan is rendered unattractive due to fall in the value of the Shares, provided that the Company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantee and approval of the



shareholders by way of a special resolution has been obtained for such re-pricing.

#### **14. Miscellaneous**

##### **14.1 Government Regulations**

The DEE ESOP 2023 shall be subject to all Applicable Laws to the extent applicable. The Grant of the Options and allotment of the Shares to the Employees under DEE ESOP 2023 shall be subject to the Company requiring the Employees to comply with all Applicable Laws.

The Company shall ensure that it obtains the necessary statutory and regulatory approvals from relevant authorities including the Securities and Exchange Board of India, the relevant stock exchanges and necessary approval of the members within one year of the listing of its securities, before granting any options under DEE ESOP 2023.

##### **14.2 Inability to obtain authority**

The inability of the Company to obtain approval / authority from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful allotment and issuance of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of such inability.

14.3 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Employee Stock Option shall give such individual any right, entitlement or expectation that he has or shall in future have any such right, entitlement or expectation to participate in this Plan by being granted an Employee Stock Option on any other occasion.

14.4 The rights granted to an Option Grantee upon the grant of an Employee Stock Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason, whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

14.5 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Employee Stock Option in whole or in part.

14.6 Participation in DEE ESOP 2023 shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the market price of the Shares and the risks associated with the investments are that of the Employee alone.

#### **15. Accounting and Disclosures**

- 15.1 The Company shall follow the laws / regulations applicable to accounting and disclosure related to the Employee Stock Options and Accounting Standard IND AS 102 on Share- based payments and / or any relevant accounting standards as may be prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 and / or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (“ICAI”) from time to time, including the disclosure requirements prescribed therein, in compliance with relevant provisions of Regulation 15 of SEBI SBEB Regulations.
- 15.2 The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features of the DEE ESOP 2023 in a format as prescribed under SEBI SBEB Regulations.
- 15.3 The Company shall disclose details of Grant, Vest, Exercise and lapse of the Employee Stock Options in the Directors’ Report or in an annexure thereof as prescribed under SEBI SBEB Regulations or any other Applicable Laws as in force.

#### **16. Certificate from Secretarial Auditors**

- 16.1 The Board shall at each annual general meeting place before the shareholders a certificate from the Secretarial Auditors of the Company that the Plan has been implemented in accordance with the SEBI SBEB Regulations and in accordance with the resolution of the Company in the general meeting.

#### **17. Governing Laws**

- 17.1 The terms and conditions of the DEE ESOP 2023 shall be governed by and construed in accordance with the Applicable Laws including the Foreign Exchange Laws mentioned below.

#### **18. Notices**

- 18.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of the DEE ESOP 2023 shall be in writing. The communications shall be made by the Company in any one or more of the following ways:
- (i) Sending communication(s) to the address of the Option Grantee available in the records of the Company; or
  - (ii) Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or
  - (iii) Emailing the communication(s) to the Option Grantee at the official email address provided, if any, by the Company to the existing / prospective Option Grantee during the continuance of the employment or at the email address provided by the Option Grantee after cessation of employment.

- 18.2 Any communication to be given by an Option Grantee to the Company in respect of DEE ESOP 2023 shall be sent to the person at the address mentioned below or by email:

**Contact Person** : **Ranjan Kumar Sarangi**  
**Address** : **DEE Development Plant 1, Tatarpur, palwal**  
**Email** : **secretarial@deepiping.com**

## **19. Jurisdiction**

- 19.1 The Courts in Faridabad, Haryana, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this DEE ESOP 2023.
- 19.2 Nothing in this Clause shall however limit the right of the Company to bring proceedings against any Employee in connection with this DEE ESOP 2023:
- (i) in any other court of competent jurisdiction; or
  - (ii) concurrently in more than one jurisdiction.

## **20. Severability**

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

## **21. Confidentiality**

- 21.1 An Option Grantee must keep the details of the DEE ESOP 2023 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peers, colleagues, co-employees or with any employee and / or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this clause on confidentiality, the Company has undisputed right to terminate any Agreement and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this clause on confidentiality shall be final, binding and cannot be questioned by the Option Grantee. In case of non-adherence to the provisions of this clause, the Board shall have the authority to deal with such cases as it may deem fit.
- 21.2 On acceptance of the Grant of the Option offered by the Company, it shall be deemed that the Option Grantee has authorised the Company to disclose information relating to the Option Grantee during the process of implementation

of the Plan or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need to know basis.

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