



DOMS Industries Limited

Employee Stock Option Plan 2023

July 24, 2023

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1. Name, Objective and Term of the Plan

- 1.1 This Employee Stock Option Plan shall be called 'DOMS Industries Limited Employee Stock Option Plan 2023' ("**ESOP 2023**" / "**Plan**").
- 1.2 The objective of the ESOP 2023 is to reward the Employees for association, dedication and contribution to the goals of DOMS Industries Limited ("**Company**"). The Company intends to use this Plan to attract and retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability and to retain and motivate senior and critical human resources and to promote loyalty to the Company. 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 ESOP 2023 is established with effect from July 24, 2023, the day on which the Shareholders have approved the Plan by way of a special resolution and shall continue to be in force until (i) its termination by the Board of Directors or the Nomination & Remuneration Committee as authorized or (ii) the date on which all of the Employee Stock Options issued under the ESOP 2023 have been exercised and/or lapsed.
- 1.4 The Board of Directors or the Nomination & Remuneration Committee as authorized may, subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the ESOP 2023.

2. Definitions and Interpretation

2.1 Definitions

- i. "**Applicable Law**" means every law relating to Employee Stock Options by whatever name called, to the extent applicable, including and without limitation to the Companies Act, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2015, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and all relevant tax, securities, or corporate laws of India, or amendments thereof or of any relevant jurisdiction or of any Stock Exchange on which the Equity Shares of the Company are or proposed to be listed or quoted and includes, any amendment, modification, alteration or re-enactment made to such laws, rules, or regulations.
- ii. "**Board**" means the Board of Directors of the Company.
- iii. "**Cause**" means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or terms of employment amounting to misconduct or breach of terms of employment as determined by the Board or Committee after giving the Employee an opportunity of being heard, wherever required:
 - (i) Gross misconduct (generally this includes any fundamental breach of contract or conduct which brings the Company/the Board or members thereof in to disrepute/disgrace);

- (ii) Material breach of safety rules;
- (iii) Conviction by any court of law or any other adjudicating authority;
- (iv) Theft (whether before or after the date of employment contract);
- (v) Fraud (whether before or after the date of employment contract);
- (vi) Being under the influence of alcohol or drugs or similar substances, during the work hours or working periods;
- (vii) Violation of material Terms of Employment or flagrant/blatant failure to follow Company policies, procedures and regulations;
- (viii) conduct which in the reasonable opinion of the Board / Committee amounts to a serious breach by an Employee of the obligation of trust and confidence to the Board/Committee; or
- (ix) Willful and continued failure to substantially perform duties with the Company (other than such failure resulting from being disabled), within reasonable period of time after a written demand/notice for substantial performance is delivered to Employee by the Board, which demand specially identifies the manner in which the Board believes that the Employee has not substantially performed such duties;
- (x) Willful engaging in conduct which is demonstrably and materially injurious to the Company or any of its subsidiaries/associates, monetarily or otherwise;
- (xi) Engaging (whether before or after the date hereof) in egregious/grave misconduct involving serious moral turpitude to the extent that, in the reasonable judgment of the Board/Committee, Employee credibility and reputation no longer conform to the standard of the Company executives/Employees;
- (xii) being convicted of any criminal offence;
- (xiii) being disqualified from holding office in the Company or any other company under any legislation or being disqualified or disbarred from membership of, or being subject to any serious disciplinary action by, any regulatory body within the industry, which undermines the confidence of the Committee in the individual's continued employment;
- (xiv) Willful acts that undermine the Company's reputation or competitiveness after a written demand/notice is delivered to Employee by the Board, which demand specially identifies the manner in which the Board believes that Employee has acted such as to undermine the Company's reputation or competitiveness;
- (xv) Any particulars provided by Employee or any of the representations or warranties being made are untrue or any other act or omission not included

above, but defined as misconduct in the Company's rules or Employee handbook and / or employment agreement and/or appointment letter.

- iv. **"Companies Act"** means the Companies Act, 2013 and rules made thereunder and include any statutory modifications or re-enactments thereof.
- v. **"Company"** means 'DOMS Industries Limited', a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at J – 19, Opp. Telephone Exchange, GIDC, Umbergaon, Dist Valsad, Gujarat 396171.
- 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 and the Company Handbook, which includes provisions for requiring a desired level of performance, securing Confidentiality, Non-Compete and Non-Poaching of other Employees and customers. Policies/Terms of Employment of the Subsidiary Company as regards 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. **"Director"** means a member of the Board of Directors of the Company.
- viii. **"Eligibility Criteria"** means the criteria as may be determined from time to time by the Nomination & Remuneration Committee for granting the Employee Stock Options to the employees.
- ix. **"Employee"** means (i) a permanent employee of the Company working in India or outside India; or (ii) a Director of the Company whether whole-time 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 defined in Sub-clauses (i) and (ii) hereof of one or more Subsidiary Companies whether in or outside India, whether present or future. However, the term 'Employee' shall not include:
 - a. an employee who is a Promoter or a person belonging to the Promoter Group; or
 - b. a Director who either by himself/ herself or through his/ her relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company; or
 - c. an Independent Director within the meaning of the Companies Act and/ or SEBI (Listing Obligations and Disclosure Requirements), 2015.
- x. **"Employee Stock Option" or "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 underlying the option offered by the Company at a pre-determined price.
- xi. **"Equity Shares" or "Shares"** means fully paid-up equity shares of the Company of face value of Rs. 10.00 (Rupees Ten Only) each.
- xii. **"ESOP 2023"** means the DOMS Industries Limited Employee Stock Option Plan 2023 under which the Company is authorized to grant Employee Stock Options to the

Employees.

- xiii. **“Exercise”** means making of an application by an Employee to the Company for issue of Equity Shares, against Vested Options in pursuance of the ESOP 2023, in accordance with the procedure laid down by the Company for such exercise.
- xiv. **“Exercise Period”** means such time period after Vesting within which the Employee should exercise his right to apply for shares against the Options vested in him/her in pursuance of the ESOP 2023.
- xv. **“Exercise Price”** means the price payable by an Employee for exercising the Options granted to him/her in pursuance of the ESOP 2023.
- xvi. **“Grant”** means issue of Options to the Employees under the ESOP 2023.
- xvii. **“Grant Date”** means the date of the meeting of the Nomination & Remuneration Committee in which Grant of Options to the Employees is approved.
- 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- xix. **“Market Price”** means the latest available closing price, prior to the date of grant of Options by the Nomination & Remuneration Committee, on the recognized Stock Exchange on which the Shares of the Company are listed. In case Shares are listed on more than one Stock Exchange, then the closing price on the Stock Exchange where the highest trading volume on the said date shall be considered.
- xx. **“Nomination & Remuneration Committee”** means the Committee constituted by the Board from time to time, as per the requirements of Applicable Laws, to administer and supervise the Plan and other employee benefit Schemes, with a constitution of three or more non-executive Directors of which not less than two-thirds shall be Independent Directors.
- xxi. **“Option Grantee”** means an Employee who has been granted an Employee Stock Option in pursuance of the ESOP 2023 and who has accepted such Grant as required under the Plan and shall deem to include nominee/legal heir of an Option Grantee in case of his/her death to the extent provisions of the Plan are applicable to such nominee/ legal heir.
- xxii. **“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 & Remuneration Committee based on a certificate of a medical expert identified by the Company.
- xxiii. **“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.

- xxiv. **“Promoter Group”** shall have the same meaning assigned to the term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
- xxv. **“Plan”** means ESOP 2023 within the meaning of this Plan.
- xxvi. **“Retirement”** means retirement as per the rules of the Company.
- xxvii. **“SEBI SBEB Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended and re-enacted from time to time and includes any clarifications or circulars issued thereunder.
- xxviii. **“Stock Exchange”** means the BSE Limited, and/or the National Stock Exchange of India Limited or any other stock exchange in India on which the Company’s Shares are listed or to be listed in future.
- xxix. **“Subsidiary Company”** means any present and future subsidiary company, if any, of the Company as per provisions of the Companies Act, 2013.
- xxx. **“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.
- xxxi. **“Vesting”** means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of the ESOP 2023.
- xxxii. **“Vesting Condition”** means any condition subject to which the Options granted would vest in an Option Grantee.
- xxxiii. **“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.
- xxxiv. **“Vesting Period”** means the period during which the vesting of the Employee Stock Option granted to the Employee, in pursuance of ESOP 2023 takes place.

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), Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 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 Shareholders by way of special resolution dated July 24, 2023, have approved the ESOP 2023 and authorized the Company to Grant to the Employees under ESOP 2023, not exceeding 1,125,000, (*One Million One Hundred and Twenty Five Thousand*) Employee Stock Options to the eligible Employees in one or more tranches from time to time, which in aggregate shall be exercisable into not more than 1,125,000, (*One Million One Hundred and Twenty Five Thousand*) Shares of face value of Rs. 10.00 (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 as may be decided under the Plan.
- 3.2 The maximum number of Options that may be granted per Employee and in aggregate shall be decided by the Nomination & Remuneration Committee depending upon the designation and the appraisal/assessment process. However, the Grant of Options to identified Employees, shall not, at any time exceed the total Option pool size approved by the shareholders for ESOP 2023. If the number of Options that may be offered to any specific employee shall be 1.00% or more of the issued capital (excluding warrants & conversion) of the Company at the time of grant of options, then the Company will take prior approval from shareholders of the Company.
- 3.3 Subject to compliance with the provisions of the Applicable Laws, if an Employee Stock Option cancels, expires, lapses or becomes un-exercisable due to any reason, it shall, at the sole discretion of the Nomination and Remuneration Committee, be brought back to the Employee Stock Options pool as mentioned in Sub-clause 3.1 and shall become available for future grants.
- 3.4 Where Shares are issued and allotted consequent upon Exercise of an Employee Stock Option under the ESOP 2023, the maximum number of Shares that can be issued and allotted under ESOP 2023 as referred to in Sub-clause 3.1 above shall stand reduced to the extent of such Shares allotted.
- 3.5 In case of any corporate action(s) such as rights issues, bonus issues, merger and sale of divisions, change in capital structure and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling on the number of Options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional equity shares issued.
- 3.6 In case the equity shares of the Company are either sub-divided/split or consolidated, then the number of shares to be allotted and the exercise price payable by the Option Grantees

under the ESOP 2023 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10.00 per equity share bears to the revised face value of the equity shares of the Company after such sub-division/split or consolidation, without affecting any other rights or obligations of the said Option Grantees.

4. Administration

4.1 The ESOP 2023 shall be administered by the Nomination & Remuneration Committee in accordance with the proviso to Regulation (5)(2) of the SEBI SBEB Regulations. All questions of interpretation of the ESOP 2023 shall be determined by the Nomination & Remuneration Committee and such determination shall be final and binding upon all persons having an interest in the ESOP 2023 or in any Option issued thereunder.

4.2 The Nomination & Remuneration Committee shall in accordance with this Plan and Applicable Laws determine the following:

- (i) The Eligibility Criteria for grant of Employee Stock Options to the Employees;
- (ii) The quantum of Employee Stock Options to be granted under the ESOP 2023 per Employee subject to ceiling specified in Sub-clause 3.2;
- (iii) Terms and conditions in respect of grant to, vest in and exercise of Options by the Employees which may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP 2023;
- (iv) the specific Exercise Period within which the Employee should Exercise the Option and that Option would lapse on failure to Exercise the Option within the Exercise Period;
- (v) the specified time period within which the Employee shall Exercise the Vested Option in the event of termination or resignation or other cases of separation of an Employee;
- (vi) the right of an Employee to Exercise all the Options vested in him at one time or at various points of time within the Exercise Period;
- (vii) 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 following shall be taken into consideration by the Committee: (i) the number and the price of Option shall be adjusted in a manner such that total value of the Option 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.;
- (viii) The procedure and terms for the Grant, Vest and Exercise of Employee Stock Options in case of employees who are on long leave;
- (ix) the procedure for Vesting in case of termination of employment, if required;
- (x) the conditions under which Option vested in Employees may lapse in case of termination of employment for Cause; and

(xi) Approve forms, writings and/or agreements for use in pursuance of the ESOP 2023.

- 4.3 The Nomination & Remuneration Committee shall frame suitable policies, systems and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended and (c) any other regulation as may be notified by the Securities and Exchange Board of India or any other authority from time to time, by the Company and any Employee by the Company and its Employees, as applicable.

5. Eligibility and Applicability

- 5.1 Only Employees within the meaning of this Plan are eligible for being granted Stock Options under ESOP 2023. The specific Employees to whom the Stock Options would be granted and their Eligibility Criteria would be determined by the Nomination & Remuneration Committee.
- 5.2 The Plan shall be applicable to the Company and any successor company thereof, Subsidiary Companies and may be granted to the Employees and Directors of the Company, of the Subsidiary Company as determined by the Nomination & Remuneration Committee at its own discretion.
- 5.3 Appraisal process for determining the eligibility of the Employees will be based on designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Nomination & Remuneration Committee at its sole discretion, from time to time.

6. Grant and Acceptance of Grant

6.1 Grant of Options

- a) Grants contemplated under the Plan shall be made on such day and month as decided by the Nomination & Remuneration Committee at its discretion.
- b) Each Grant of Option under the Plan shall be made in writing by the Company to the eligible Employees by way of letter of Grant containing specific details of the Grant, and disclosure requirements, as prescribed under Applicable Laws.

6.2 Acceptance of the Grant

Any eligible Employee who wishes to accept the Grant made under this Plan must deliver to the Company a duly signed acceptance of the letter of Grant on or before the date ("**Closing Date**") which shall not be more than 60 days from the date of the Grant, as specified in the letter of Grant. On receipt by the Company of the signed acceptance, the eligible Employee will become an Option Grantee.

- 6.3 Any eligible 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 & Remuneration Committee determines otherwise.

7. Vesting Schedule and Vesting Conditions

- 7.1 Options granted under ESOP 2023 would vest not earlier than **five years** and not later than **ten years** from the date of grant of such Options.

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

- 7.2 As a prerequisite for a valid Vesting, an Option Grantee is required to be in employment or service of the Company/ its Subsidiary Company(ies) on the date of Vesting and must neither be serving his notice for termination of employment/ service, nor be subject to any disciplinary proceedings pending against him on the date of Vesting. In case of any disciplinary proceedings against any Option Grantee, the Committee can keep the relevant Vesting in abeyance until disposal of the proceedings and such Vesting shall be determined accordingly. The Options would vest on completion of Vesting Period.
- 7.3 In the event that an Employee, who has been granted Options under the Plan, is transferred or deputed to an associate company prior to Vesting or Exercise, the Vesting and Exercise as per the terms of Grant shall continue in case of such transferred or deputed Employee even after the transfer or deputation.
- 7.4 The Nomination & Remuneration Committee may also specify certain performance parameters, detailed terms and conditions relating to such performance based vesting, the proportion in which options granted would vest and/or lock in period subject to which the Options would vest.

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 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 Committee

8. Exercise

8.1 Exercise Price:

- (i) Exercise Price shall be Rs. 250, (*Rupees Two Hundred and Fifty Only*)).

- 8.2 Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by RTGS/ NEFT to the designated Bank Account of the Company, or in such other manner and subject to such procedures as the Nomination & Remuneration Committee may decide.

8.3 Exercise Period:

(a) Exercise while in employment:

- (i) The Exercise Period shall be **06 months** from the date of respective vesting or such other shorter period as may be decided by the Nomination & Remuneration Committee from time to time.
- (ii) 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 & Remuneration Committee, for the issuance of Equity Shares against the Options vested in him, subject to Applicable Laws.

(b) Exercise Period in case of separations:

Options can be exercised as per provisions outlined below:

Sr. No.	Separations	Vested Options	Unvested Options
1	Resignation/ termination (other than due to Cause)	All Vested Options as on date of submission of resignation may be exercised by the Option Grantee by the last working day with the Company.	All Unvested Options on the date of submission of resignation shall expire and stand cancelled with effect from date of submission of resignation.
2	Termination due to Cause	All Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	Retirement	All Vested Options can be exercised by the Option Grantee within 06 months from date of retirement.	All Unvested Options shall stand cancelled as on the date of such Retirement.
4	Death	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 06 months 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 06 months from the date of Death.
5	Permanent Incapacity	All Vested Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to	All the Unvested Options as on the date of such Permanent Incapacity shall vest immediately and can be

Sr. No.	Separations	Vested Options	Unvested Options
		such incapacity, the nominee or legal heir, immediately after, but in no event later than 06 months from the date of such incapacity.	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 06 months from the date of such incapacity.
6	Other reasons apart from those mentioned above	The Nomination & 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.	As decided by the Nomination & Remuneration Committee in accordance with the applicable law and such decision shall be final.

- 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.

9. Lock-in

- 9.1 The Shares issued upon Exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such Exercise, other than as may be required by Applicable Laws.

Provided however that the Shares allotted on such Exercise cannot be sold for such days from the date of allotment in terms of Code of Conduct to Regulate, Monitor & Report Trading by Designated Persons read with Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015 (SEBI Insider Trading Regulations), as amended or such other period as may be stipulated from time to time in terms of said Code of Conduct.

10. Exit route in case of de-listing

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

11. Restriction on transfer of Options

- 11.1 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner and shall not be transferable by an Employee to any person except for transmission in the event of death of the Option Grantee, in which case provisions in table under sub-clause 8.3 (b) would apply.
- 11.2 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 provisions in table under Sub-clause 8.3 (b) would apply.

12. Other Terms and Conditions and Rights as a shareholder

- 12.1 The Employee shall not have a right to receive any dividend or to vote or in any manner or enjoy the benefits of a Shareholder in respect of Employee Stock Options granted, till Shares resulting upon successful Exercise of such Employee Stock Options are allotted by the Company.
- 12.2 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.
- 12.3 If the Company issues bonus shares or rights shares, the Option Grantee shall not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with clause 4.2 (vii) of ESOP 2023.

13. Taxation

- 13.1 The liability of paying taxes, if any, in respect of Employee Stock Options granted pursuant to this Plan and the Shares issued pursuant to exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employees of Company working abroad, if any.
- 13.2 The Company/ Subsidiary Company(ies) 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 Laws. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.
- 13.3 The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

14. Authority to vary terms

- 14.1 Subject to such approvals as may be required, including the approval of the Shareholders by way of a special resolution in accordance with Regulation 7(1) of the SEBI SBEB Regulations where such variation is not prejudicial to the interests of the Employees, the Nomination & Remuneration Committee may at any time amend, alter, vary the terms of the Plan. Subject to such approvals as may be required, the Nomination & Remuneration Committee may also re-price the Options which are not exercised, whether or not they have vested, if Plan is rendered unattractive due to fall in the price of the Shares.

15. Miscellaneous

15.1 Government Regulations

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

15.2 Inability to obtain authority

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

- 15.3 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.
- 15.4 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).
- 15.5 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.
- 15.6 Participation in 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 Option Grantee alone.
- 15.7 The existence of the ESOP 2023 and the Grants made hereunder shall not in any way affect the right or the power of the Board or the shareholders of the Company to make or authorise any change in the capital structure, including any issue of shares, debt or other securities having any priority or preference with respect to the Shares or the rights thereof or from making any corporate action which is deemed to be appropriate or in its best interest, whether or not such action would have an adverse effect on the ESOP 2023 or any Grant made under the ESOP 2023. No Employee or other person shall have any claim against the Company as a result of such action.
- 15.8 Nothing contained in the ESOP 2023 shall be construed to prevent the Company directly or through any trust settled by any company, from implementing any other new scheme for granting stock options and/or share purchase rights, which is deemed by the Company to be appropriate or in its best interest, whether or not such other action would have any adverse impact on the ESOP 2023 or any Grant made under the ESOP 2023. No Employee or other person shall have any claim against the Company and/or trust as a result of such action.

16. Accounting and Disclosures

- 16.1 The Company shall follow the laws/regulations applicable to accounting and disclosure related to Employee Stock Options, including but not limited to the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other authority from time to time, including the disclosure requirements prescribed therein.
- 16.2 Where the existing Guidance Note or Accounting Standard do not prescribe accounting

treatment or disclosure requirements for ESOP 2023 then the Company shall comply with the relevant Accounting Standard as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time.

16.3 The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features of the ESOP 2023 in a format as prescribed under SEBI SBEB Regulations 2021.

16.4 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, 2021 or any other Applicable Laws as in force.

17. Certificate from Auditors

17.1 The Board shall at each annual general meeting place before the Shareholders a certificate from the Auditors of the Company that the Plan has been implemented in accordance with the SEBI SBEB Regulations, 2021 and in accordance with the resolution of the Company in the general meeting.

18. Governing Laws

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

18.2 Foreign Exchange Laws

In case any Employee Stock Options are granted to any Employee being resident outside India belonging to the Company / its Subsidiary Company(ies) working outside India, the provisions of the Foreign Exchange Management Act, 1999 and Rules or Regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vest, Exercise of Employee Stock Options and allotment of Equity Shares thereof.

19. Notices

19.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this 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; and/or
- (ii) Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; and/or
- (iii) Emailing the communication(s) to the Option Grantee at the official email address provided, if any, by the Company to the prospective /existing Option Grantee during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

19.2 Any communication to be given by an Option Grantee to the Company in respect of ESOP 2023

shall be sent to the person at the address mentioned below or e-mailed at:

Name: Rahul Shah
Designation: Chief Financial Officer
Address: Plot No 117, 52 Hecter Expansion Area, GIDC, Umbergaon, Gujarat - 396171
Email: rahul@domsindia.com

20. Nomination

An Option Grantee has to nominate a person as his/her nominee. The nominee in case of death or Permanent Incapacity of the Option Grantee shall be the legal representative recognized by the Company as the inheritor of the Option Grantee in respect of all rights and liabilities for the purposes of this Plan.

21. Jurisdiction

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

22. Listing of the Shares

Subject to the approval of the Stock Exchanges, the Shares issued and allotted on Exercise of the Options shall be listed on the recognized Stock Exchanges on which the Shares of the Company are proposed to be listed.

23. Severability

- 23.1 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.

24. Confidentiality

- 24.1 An Option Grantee must keep the details of the ESOP 2023 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this Clause on confidentiality, 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 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.

- 24.2 On acceptance of the grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Plan or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need to know basis.

-----End of Plan-----