



**LLOYDS METALS AND ENERGY
LIMITED
EMPLOYEE STOCK OPTION
PLAN – 2017**

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PART A: STATEMENT OF RISKS

An investment in Equity Shares / Options involves a high degree of risk. You should carefully consider all the information in this Plan, including the risks and uncertainties described below, before making an investment in the Equity Shares / Options.

If our business, profitability and financial condition gets affected, the price of our Equity Shares / Options could decline, and you may lose all or part of your investment in the Equity Shares / Options. Unless specified or quantified in the Plan, we are not in a position to quantify the financial or other implication of any of the risks.

ESOPs are subject to the following additional risks:

1. **Concentration:** The risk arising out of any fall in value of shares is aggravated if the Employee's holding is concentrated in the shares of a single Company.
2. **Leverage:** Any change in the value of the share can lead to a significantly larger change in the value of the option as an option amounts to a leveraged position in the share.
3. **Illiquidity:** The options cannot be transferred to anybody, and therefore Employees cannot mitigate their risks by selling the whole or part of their options before they are exercised.
4. **Vesting:** The options will lapse if the employment is terminated prior to vesting. Even after the options are vested, the unexercised options may be forfeited if the Employee is terminated for gross misconduct.
5. **Market Risk:** The Employee can experience losses due to factors that affect the overall performance of the financial markets, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers, political turmoil, recessions, changes in interest rates and terrorist attacks.

PART B: INFORMATION ABOUT THE COMPANY

1. Business Profile of the Company:

The Company was originally incorporated on 5th April, 1997, as Nagarjuna Metals and Engineers Private Limited under the Companies Act, 1956 with Registration No. 019594 with the Registrar of Companies, Mumbai, Maharashtra. Subsequently, the Company was converted into a public limited Company and the name of the Company was changed to Nagarjuna Metals and Engineers Limited pursuant to shareholders resolution passed at the Extra Ordinary General Meeting of our Company held on August 08, 1986 and a fresh Certificate of Incorporation was issued by Registrar of Companies, Maharashtra, Dated September 9, 1986.

Further the name of the Company was change to Lloyds Metals & Engineers Limited vide certificate of incorporation after name change dated January 05, 1990 and later on change its name as present name vide passing special resolution through Postal Ballot dated April 15, 2011 and fresh certificate of incorporation after name change was issue by the Registrar of Companies, Maharashtra dated April 25, 2011.

The Company made its Initial Public Offer of Equity Shares in the year 2000 and is currently listed on the BSE Limited and Metropolitan Stock Exchange of India Limited. Lloyds Metals And Energy Limited is engaged in the business as founders, Smelters, Rollers and Re-rollers in all their branches of Iron, Steel Stainless Steel, Aluminum and other metals (Ferrous and non-ferrous) and to produce, manufacture, fabricate, purchase, refine, treat, manipulate, prepare, import, export, sell and generally to deal in iron & steel, plates, structural, wires.

Main objects of the Company are as follow:

- a. To carry on business as founders, Smelters, Rollers and Re-rollers in all its branches of iron, steel, stainless steel, Aluminum and others metals (Ferrous and non-Ferrous) and produce, manufacture, fabricate, purchase, refine, treat, manipulate, prepare, import, export, sell, and generally to deal in iron & steel, billets, rounds, sheets, plates, structural, wires.
- b. To undertake and execute any contracts for works involving fabrication, supply or use of iron and steel, hardware and machinery and to carry out any auxiliary and other works comprised in such works.
- c. To carry on business of General Electric Power Generation, Trading & Supply in all its branches and to construct, lay down establish, fix and carry out all necessary power stations, cables, wires, lines, accumulations lamps and works and to generate, transit, trade and supply electricity and to co-generate electricity through conventional or non-conventional means from raw material or waste heat or from any other material and to continuously invest in research activities for diversifying, improving, production, maintenance and growth of the Company.

Present business of the Company:

- a. To carry on business of General Electric Power Generation, Mining, Steel, Trading & Supply in all its branches and to construct, lay down establish, fix and carry out all necessary power stations, cables, wires, lines, accumulations lamps and works and to generate, transit, trade and supply electricity and to co-generate electricity

through conventional or non-conventional means from raw material or waste, heat or from any other material and to continuously invest in research activities for diversifying, improving, production, maintenance and growth of the Company.

2. Abridged Financial information:

The financial information of the Company for the last 5 (Five) years i.e. from 2013 – 14 to 2017 – 18 will be provided along with the Grant Letters to be given to the Employees at the time of grant of options to the Employee.

3. Risk Factors for the Company

The risks and uncertainties include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in General Electric Power Generation, Mining and Steel industry including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, client concentration, our ability to manage marketing & sales operations, liability for damages on our service contracts, the success of the companies in which the Company has made strategic investments, change in current tax structure, political instability and general economic conditions affecting our industry.

Some of the risks are normal to the nature of industry in which the Company operates and some others are beyond the control of the Company. The Management of the Company has a perception that the following risks or uncertainties may occur during the course of business such as:

a. Industry Specific Risks

Change in government regulations or their implementation could disrupt the operations and adversely affect the business and results of the company, due to which company will incur increased cost and penalties.

b. We face significant competition in our business from Indian and international General Electric Power Generation, companies.

c. Our future operating results are difficult to predict.

Our operating results may fluctuate in the future due to a number of factors, many of which are beyond our control. Our results of operations during any fiscal year and from period to period are difficult to predict. Our business and results of operations may be adversely affected by other factors:

- Demand for our products;
- Our ability to retain existing customers or encourage repeat purchases;
- Our ability to manage our inventory;
- Consumer tastes and preferences;
- General economic conditions;
- Advertising and other marketing costs;
- The costs to acquire;
- Our, or our competitors' pricing and marketing strategies; and

- Conditions or trends in the General Electric Power Generation, Mining and Steel industry.

d. Dynamic scenario

Change in technology may render our current technology obsolete and require us to make substantial investment which could affect the company finance and operation.

4. Continuing Disclosures:

The Grantee would be entitled to receive copies of all documents that are sent to the members of the Company. This shall include the annual accounts of the Company as well as notices of meetings and the accompanying explanatory statements. However, the Grantee will not be entitled to attend and vote in the meeting or receive any dividend in respect of unexercised options.

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PART C: SALIENT FEATURES OF THE PLAN

1. Introduction of the Plan:

- 1.1** This Plan shall be called the “Lloyds Metals and Energy Limited Employee Stock Option Plan – 2017” hereinafter referred as “LLOYDS ESOP – 2017” or “the Plan”.
- 1.2** The Plan was prepared and recommended by the Nomination and Remuneration Committee in its meeting held on 07th August, 2017 to the Board of Directors of the Company, who approved the same on 07th August, 2017. The Shareholders of the Company approved the Plan on September 19, 2017.
- 1.3** The Plan was further ratified on March 06, 2018 and later on amended on August 08, 2018 by the members of the Company.
- 1.4** The Plan is being effective from date of approval of members of the Company for ratification of the Plan.
- 1.5** The Plan as originally envisaged has come into force on September 19, 2017 on which the shareholders of the Company have approved the Plan. In the meantime, the Company intends to amend the Plan with a view to align it with the requirement of the new SEBI SBEB & SE Regulations. Thus, the Plan has been amended by the Nomination and Remuneration Committee of the Company vide resolution dated 30th March, 2022
- 1.6** The Plan shall continue to be in force until (i) its termination by the Board/ Nomination and Remuneration Committee or (ii) the date on which all of the Options available for issuance under the Plan have been exercised, whichever is earlier.

2. Purpose of the Plan:

- 2.1** The Principle purposes of this Plan are as under:
 - a)** To motivate the Employees to contribute to the growth and profitability of the Company.
 - b)** To recognize and reward the efforts of employees and their continued association with the Company.
 - c)** To provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company.
 - d)** To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long term interests of the Company.
 - e)** To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come.

- f) To provide the employees an incentive to continue and strengthen their association with the Company so as to result in long term benefits to the Company as well as the employee.
- g) To provide additional deferred rewards to Employees

3 **Definitions:**

In this Plan, except where the context otherwise requires, the following expressions or terms shall have the meanings indicated there against.

- 3.1 **“Applicable Law”** includes every law relating to Employee Stock Options in force, including, without limitation to, Companies Act, 2013, Securities and Exchange Board of India Act, 1992, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred as SEBI SBEB & SE Regulations), Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and all relevant revenue, tax, securities or exchange control regulations or corporate laws of India or any relevant jurisdiction or of any Recognized Stock Exchange on which the Shares are listed or quoted. The Applicable Law includes any provision of the applicable law, rules, regulations, notifications, circular(s) or any other similar form of directives issued by the competent authority under the relevant applicable law.
- 3.2 **“Beneficiary(ies)”** shall means the person(s), trust(s) designated by the Grantee or in the absence of any designation by the Grantee, person(s) who is or are entitled by the will of the Grantee to receive the benefit specified in the Plan, the legal heirs of the Grantee, if the Grantee dies intestate and includes his executors or administrators, if no other beneficiary is designated and able to act under the circumstances and such other person as may be added from time to time to the class of beneficiaries by notice in writing and by the nomination form in the exercise of any powers conferred under the Plan or any other agreements forming part thereof.
- 3.3 **“Board”** means the Board of Directors of the Company and includes any Committee(s) consisting of one or more members of the Board and/ or one or more officials of the Company, which the Board may constitute to exercise powers of the Board.
- 3.4 **“Committee”** means the Nomination and Remuneration Committee of the Company designated as Compensation Committee comprising of such members of the Board as required under Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and having such powers as specified under the SEBI SBEB & SE Regulations read with powers as specified in this Plan, inter-alia, for administration and superintendence of this Plan. The Committee shall delegate the administration of the Plan to the Trust.
- 3.5 **“Company”** means Lloyds Metals and Energy Limited, a Company incorporated under the provisions of the Companies Act, 1956 having its Registered Office at “Plot No. A 1-2, MIDC Area, Ghugus, Chandrapur, Maharashtra – 442505.

- 3.6 **“Corporate Action”** means a change in the capital structure of the Company as a result of sub-division of Shares, consolidation of Shares, issue of Bonus Shares, issue of Shares on Rights basis.
- 3.7 **“Death”** for the purpose of this Plan shall mean death of an Employee during the continuance of employment or service, which shall not include death due to suicide and any other reason(s) specified, if any, under the human resource policy of the Company.
- 3.8 **“Director”** means a member of the Board of the Company.
- 3.9 **“Employee”** means-
- i. A permanent Employee of the Company who has been working in India or outside India; or
 - ii. A Director of the Company, whether a Whole-Time Director or not but excluding an Independent Director; or
 - iii. An employee or director as per (i) and (ii) above, of Holding or Subsidiary(s) of the company but does not include:
 - a. An Employee who is a Promoter or a person belonging to the Promoter Group; or
 - b. A director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.
 - c. Employees of Companies who are below Assistant General Manager Level.
- 3.10 **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee based on internal ratings including loyalty, performance and designation in the Career group for granting the Options to the Grantees.
- 3.11 **“Exercise”** means making of an application by a Grantee to the Trust for issuance/ transfer of Shares against the Vested Options to him, in pursuance of this Plan, in accordance with the procedure laid down by the Company for Exercise of options.
- 3.12 **“Exercise date”** means the date on which the Grantee / Beneficiary exercises his Vested Options and in case of partial Exercise shall mean each date on which the Grantee / Beneficiary Exercises part of his Vested Options.
- 3.13 **“Exercise Period”** means the time period after vesting within which an Grantee should exercise his right to apply for shares against the vested option in pursuance of the Plan.
- 3.14 **“Exercise Price”** means the price payable by the Grantee in order to Exercise the Options granted to him as per the Plan. Under this Plan, the Exercise Price will be informed to the Grantee, by the Committee, through grant letter.
- 3.15 **“Grant”** means the process by which the Company issues Options to the Grantee

under the Plan.

- 3.16 “Grant Date”** means the date of the meeting of the Committee in which grant of Options to the grantees are approved;

Explanation- For accounting purposes, the Grant Date will be determined in accordance with applicable accounting standards.

- 3.17 “Grant Letter”** means the letter by which Grant of Options is communicated to the Grantee.

- 3.18 “Grantee(s)”** shall mean an Eligible Employee at the time of Grant of the Option to be eligible to participate under the Plan.

- 3.19 “Holding Company”** means any present or future holding company of the Company, as defined in the Companies Act 2013.

- 3.20 “Independent Director”** means a Director within the meaning of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

- 3.21 “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.

Explanation – since the Company’s shares are listed on more than one stock exchange, the closing price on the stock exchange having higher trading volume shall be considered as the market price.

- 3.22 “Option”** means a 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, in accordance with this Plan.

- 3.23 “Plan”** shall mean Lloyds Metals and Energy Limited Employee Stock Option Plan – 2017 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof from time to time.

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

- 3.25 “Promoter”** 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.

- 3.26 “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.

- 3.27 **“Retirement”** means retirement as per the Company Policies/Terms of Employment;
- 3.28 **“Recognized Stock Exchange”** means a stock exchange which has been granted recognition under section 4 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)
- 3.29 **“SEBI SBEB & SE Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and includes all regulations and clarifications issued there under;
- 3.30 **“Secretarial Auditor”** means a company secretary in practice appointed by the Company under rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit pursuant to regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.31 **“Shares”** means equity shares of the Company of face value of Re. 1/- each;
- 3.32 **“Subsidiary Company”** means any present or future subsidiary company of the Company, as defined in the Companies Act 2013.
- 3.33 **“Trust” or “Employee Welfare Trust”** means the Lloyds Employee Welfare Trust which has been formed for the purpose of implementation of Employee Stock Option Plans of the Company.
- 3.34 **“Trustees”** shall mean the trustees appointed under the Trust Deed of the Lloyds Employee Welfare Trust.
- 3.35 **“Unvested Options”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Grantee has not become eligible to Exercise the Options.
- 3.36 **“Vesting”** means the process by which the employee becomes entitled to receive the benefit of a grant made to him under the Plan.
- 3.37 **“Vesting Date”** means the date on and from which the Option vests with the employee/Beneficiary and there by becomes exercisable.
- 3.38 **“Vesting Period”** means the period during which the vesting of the Options granted to the Grantees in pursuance of this Plan takes place;
- 3.39 **“Vested Options”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Grantee has become eligible to Exercise the rights.

Interpretation:

In this document, unless the contrary intention appears:

- a) The singular includes the plural and vice versa;***
- b) The word “person” includes an individual, a firm, a body corporate or unincorporated body or authority; and***
- c) Any word or expression importing the masculine, feminine or neuter genders only, shall be taken to include all three genders.***

Article Headings:

Article headings are for information only and shall not affect the construction of this document.

References:

A reference to a Clause or Schedule is respectively a reference to a Clause or Schedule of this document. The Schedules to this document shall for all purposes form part of this document.

Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.

4. Implementation of the Plan:

- 4.1** The Company proposes to implement the Plan through the Trust Route wherein the Trust will acquire shares of the company through fresh allotment from the company and which will be transferred to the Employees upon successful exercise.
- 4.2** The Company believes that the implementation of the Plan through trust will be in the best interests of the Company and its shareholders and will enable the Company to retain quality talent.

5. Administration of the Plan:

- 5.1** This Plan shall be administered by the Committee. All the functions relating to administration and superintendence of the Plan shall stand vested with the Committee in which case the rights, powers, duties or liabilities of the Board to the extent delegated shall be discharged by the said Committee. All questions of interpretation of this Plan shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in this Plan.
- 5.2** The Committee shall, in accordance with this Plan and Applicable Laws, determine the following:
 - i.** Adopt rules and regulations for implementing the Plan from time to time.
 - ii.** Identification of classes of Employees entitled to participate in the Plan.
 - iii.** Grant Options to the identified Eligible Employee and determine the Grant date.

- iv. Determine the number of Options to be Granted to each Grantee and in aggregate subject to the ceiling under the Plan.
- v. To decide the specified time period within which the Employee shall exercise the vested options in the event of termination or resignation of an Employee.
- vi. To accelerate the vesting of options on a case to case basis, as the Committee deems fit, subject to completion of minimum 1 year from the date of grant of options.
- vii. To modify the vesting schedule on a case to case basis, as the Committee deems fit, subject to completion of minimum 1 year from the date of grant of options.
- viii. To decide upon 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.
- ix. The Vesting and Exercise of option in case of Employees who are on long leave i.e. who are on leave of more than 3 months.
- x. The procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, inter alia, be taken into consideration by the committee.
 - the number and price of options shall be adjusted in a manner such that total value to the Employee of the options remains the same after the corporate action;
 - the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the Employee(s) who is granted such options;
- xi. Determine the method for exercising the Vested Options, period of Exercise, etc.
- xii. Determine the Exercise price of the Options Granted.
- xiii. Delegate the administration of the Plan to the Trust
- xiv. Re-pricing of the options which are not exercised, whether or not they have been vested if Employee stock options rendered unattractive due to fall in the price of the shares in the market.
- xv. Determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option Granted hereunder.
- xvi. Determine the terms and conditions under which vested option can lapse in case of termination of employment for misconduct.

- xvii. Determine the procedure for buy-back of Options granted under the Plan if to be undertaken at any time by the Company, and the applicable terms and conditions including:
 - a. Permissible sources of financing for buy-back;
 - b. Any minimum financial threshold to be maintained by the Company as per its last financial statements; and
 - c. Limits upon quantum of Options that the Company may buy-back in a financial year
- xviii. The procedure for funding for Exercise of Options, as permitted under the Applicable Laws.
- xix. Approve forms or agreements for use under the Plan.
- xx. Transferability of Employee stock options.
- xxi. Decide all other matters that must be determined in connection with an Option under the Plan in accordance with SEBI SBEB & SE Regulations.
- xxii. Construe and interpret the terms of the Plan, and the Options Granted pursuant to the Plan.
- xxiii. To ensure there should be no violation of:
 - Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations 2003.

The powers and functions of the Committee can be specified, varied, altered or modified from time to time by the Board of Directors, subject to the rules and regulations as may be in force. The Board may further provide that the Committee shall exercise certain powers only after consultation with the Board and in such case, the said powers shall be exercised accordingly.

No member of the Committee shall be personally liable for any decision or action taken in good faith with respect to the Plan.

A member of the Committee shall abstain from participating in and deciding on any matter relating to grant of any Option to him.

6. Share Pool of The Plan:

- 6.1 The total pool of options under the Plan is 1,11,29,129 (One Crore Eleven Lakhs Twenty Nine Thousand One Hundred Twenty Nine) Options representing 5 % of fully paid-up equity shares in the Company, in aggregate as on 1,11,29,129 Equity Shares, of face value of Re. 1/- (Rupee One Only) each, to be issued and allotted by the Company which shall be convertible into equal number of Equity Shares of the Company.

- 6.2 If any Option granted under the Plan lapses or forfeited or surrendered under any provision of the Plan, such Option shall be available for further grant under the Plan as per the discretion of the committee.
- 6.3 Further, the maximum number of options that can be granted and the shares arise upon the exercise of these options shall stand automatically enhanced in case of bonus shares, Consolidation, Split and Reorganization of capital structure.
- 6.4 The Company reserves the right to increase or decrease such number of shares as it deems fit, in accordance with the applicable laws.

7. Appraisal and Eligibility of an Employee:

- 7.1 As soon as may be possible after the Plan comes into effect and at times thereafter, as deemed fit by the Committee, the Committee shall on the basis of the following criteria, including but not limited to, decide on the Employees who are eligible for the grant / vesting of Options under the Plan and the terms and conditions thereof.
- Loyalty: It will be determined on the basis of tenure of employment of an Employee in the Company.
 - Performance: Employee's performance during the financial year on the basis of the parameters decided by the management.
 - Designation: Employee's designation in the Career Group as per the HR Policy of the Company.
 - The present and potential contribution of the Employee to the success of the Company,
 - High market value/difficulty in replacing the Employee and
 - High risk of losing the Employee to competition,
 - Value addition by the new entrant if any
- 7.2 New Joinees can also participate in the Plan based upon the discretion of the Committee.
- 7.3 The Committee may in its absolute discretion vary or modify such criteria and/or selection and/or the terms and conditions for granting any Option to any Employee or class of Employees.
- 7.4 Nothing in the Plan or in any Option granted pursuant to the Plan shall confer on any individual, any right to continue in the employment of the Company or interfere in any way with the right of the Company to terminate the individual's employment at any time.

8. Lloyds Employees Welfare Trust:

- 8.1 Lloyds Employees welfare trust is the trust established by the Settlor i.e. Lloyds Metals and Energy Limited, which holds the shares of the Company for implementation of LLOYDS ESOP 2017.
- 8.2 The trust will keep and maintain proper books of account, records and documents, for the Plan so as to explain its transactions and to disclose at any point of time the financial position of the Plan and in particular give a true and fair view of the state of affairs of the Plan.

- 8.3** The trustees of the trust shall not vote in respect of the shares held by such trust, so as to avoid any misuse arising out of exercising such voting rights and shall not deal in derivatives for any reason whatsoever.
- 8.4** For the purpose of acquisition of shares, from the Company by way of fresh allotment to the trust, the trust shall be funded by the Company, either through a loan or any other form of financial assistance permissible under Applicable Laws. Further, the Trust may take loan from banks or any other source under Applicable Laws.
- 8.5** The amount of loan to be provided for implementation of the Plan by the company to the trust shall not exceeding 5% of the aggregate of paid up capital and free reserves of the Company for the purpose of extending benefits of the Lloyds Metals and Energy Limited Employee Stock Option Plan – 2017 to the employees of the Company, its Holding and its Subsidiary (ies). The amount of loan provided will be utilized by the trust for the purpose of buying Equity shares from the Company. The tenure of such loan will be until all the payment has been made by the trust to the Company. Trust will repay the loan amount to the Company as and when the employee will pay the exercise amount to the Trust.
- 8.6** The Trust shall transfer the Shares to Grantees in the manner specified in the Trust Deed. The Trustee(s) of the Trust shall administer the transfer of shares to the Optionee as per the directions of the Committee and as stipulated in the Plan.
- 8.7** The shares allotted to the Trust by the company shall be listed immediately on stock exchanges, where the equity shares of the Company are listed.
- 8.8** For the purposes of disclosures to the Recognized Stock Exchange, the shareholding of the trust will be shown as ‘non-promoter and non-public’ shareholding and shall not form part of the public shareholding which needs to be maintained at a minimum of twenty-five percent as prescribed under Securities Contracts (Regulation) Rules, 1957.
- 8.9** The trustees of a trust, which is governed under these regulations, shall not vote in respect of the shares held by such trust, so as to avoid any misuse arising out of exercising such voting rights.
- 8.10** The trust shall be required to make disclosures and comply with the other requirements applicable to insiders or promoters under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

9. Grant of Options:

- 9.1** The Committee, in accordance with the terms and conditions of the Plan for the time being in force and subject to Employee’s continuity in the employment, his performance, hierarchy and other parameters as set out by the Committee grant Options to one or more Employees.
- 9.2** The maximum number of Options that can be granted to any eligible Employee during any one-year shall not equal or exceed 1% of the issued capital of the Company at the time of grant of Options. The Committee may decide to grant

such number of options equal to or exceeding 1% of the issued capital to any eligible Employee as the case may be, subject to the separate approval of the shareholders in a general meeting.

- 9.3** Each Option granted shall be advised to the Grantee in writing, specifying the date, number of Options granted, the Exercise Price, the Vesting schedule of the Option, the earliest date on which the Options under the grant shall be eligible for vesting, and other terms and conditions thereof.
- 9.4** An offer made under this Plan is personal to the Grantee and cannot be transferred, pledged, hypothecated or otherwise alienated in any manner whatsoever.
- 9.5** Any grant of options to a non- executive non- independent director shall be made in compliance of Regulation 17(6)(c) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

10. Method of Acceptance:

- 10.1** Any Grantee who wishes to accept the Grant made pursuant to Article 9 hereof, must deliver a signed copy of grant letter on or before the closing date i.e. within a period of 30 days from the date of receipt of respective Grant Letters, to the Company.
- 10.2** If acceptance from the Employee is not received within time period as specified above, it shall be treated as rejection of offer and the Company is not liable to pay any amount on such rejection. Any Acceptance received after the period stated shall not be valid.
- 10.3** Subject to the terms contained herein and in grant letter, the acceptance of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option.

11. Vesting period:

- 11.1** The options granted under Plan shall vest based upon the performance of the Employee, subject to completion of minimum 1 (One) year from the date of Grant and as may be decided by the Committee subject to maximum period of 5 (Five) years.
- 11.2** **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 may be adjusted against the minimum Vesting Period required under this Sub-clause in due compliance with the provisions of SEBI SBEB & SE Regulations.
- 11.3** **Provided further that** in the event of Death or Permanent Incapacity of an Employee, the minimum Vesting Period shall not be applicable and in such

instances, all the Unvested Options shall vest with effect from date of the Death or Permanent Incapacity.

11.4 The vesting schedule is as follow:

% of Options Vested	Year
20.00%	End of the 1st year from the date of grant
20.00%	End of the 2nd year from the date of grant
20.00%	End of the 3rd year from the date of grant
20.00%	End of the 4th year from the date of grant
20.00%	End of the 5th year from the date of grant

11.5 The Committee shall have the power to modify the vesting schedule on a case-to-case basis subject to the minimum gap of 1 (One) year between the grant and first vesting.

12. Exercise Price:

12.1 The Exercise Price shall be based on the Market Price of the Company which shall mean the latest closing price on a Recognized Stock Exchange on which the shares of the company are listed one day before the date of the meeting of the Committee wherein the grants of options will be approved.

12.2 The Committee has a power to provide suitable discount or charge premium on such price as arrived above. However, in any case the Exercise Price shall not go below the par value of Equity Share of the Company.

12.3 Further Committee has the power to re price the grants in future if the Grant made under the Plan is rendered unattractive due to the fall in the price of Shares in the Stock Market.

12.4 The aggregate Exercise Price payable at the time of Exercise shall be paid by a cheque or demand draft drawn in the name of the Trust i.e. Lloyds Employees Welfare Trust.

12.5 The tax amount arising at the time of exercise of Options shall be payable at the time of Exercise by a cheque or demand draft drawn in the name of the Company i.e. i.e. Lloyds Metals and Energy Limited.

13. Exercising of Options:

13.1 The vested Options shall be exercisable either wholly or in part, according to the terms and conditions as determined and mentioned under the Plan during the exercise period.

13.2 After vesting, the options can be exercised by the grantee by making an application to the trust for transfer of equivalent number of shares after he has made the payment of the exercise price and applicable taxes.

13.3 Under the Plan, the Exercise period for the vested options will be 3 (three) years from the date of respective vesting.

13.4 Failure to comply with this time period, after accepting the same, shall result in lapsing of vested options in the hands of Grantee. The options which get lapsed will be add-back to the pool of ungranted options of this Plan, and will be available for further grants under the Plan.

13.5 Company will allot shares to the Grantees upon valid exercise of options by them.

13.6 A Grantee can exercise the vested Options subject to the adherence of Insider Trading Code of Conduct of the Company.

14. Lock in requirements and exit opportunity:

14.1 The Shares allotted to the Grantees pursuant to exercise of an Option will not be subject to any lock-in period and can be freely sold an employee.

14.2 **Provided that** the Shares allotted on such Exercise cannot be sold 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.

15. Cessation of employment:

15.1 Resignation / Termination of employment not due to misconduct or ethical/compliance violations

All Unvested Options, on the date of exit, shall expire and stand terminated with effect from the date of exit.

All Vested Options as on that date shall be exercisable by the employee before his last working day in the organization. The vested options not so exercised shall lapse irrevocably and the rights there under shall be extinguished.

15.2 Death of an employee

In case of a death of an Grantee to whom the Options are Granted, all Options that have been Granted to the Grantee shall be deemed to have been Vested in the Grantee on the date of his/her death and shall be exercisable by his/her nominees and in the absence of any nominee, by the Employee's legal heirs and successors.

All such Options shall be exercisable by the legal heirs, successors and/or nominees, as the case may be, within a period of six months from the date of death of the Grantee, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.

To enable the Grantee to nominate persons in respect of the Options, the company shall make available to the Grantee specific nomination forms from time to time. All other terms and conditions of the Plan shall apply to such Options. Provided that, in order to exercise the options of the deceased Grantee, his legal heirs / nominee have to submit following documents to the Company.

In case nominee is not appointed

- Copy of the Succession Certificate/Probate of Will/Letter of administration.
- No objection certificate from the other legal heirs.
- Photo copy of the death certificate duly attested by the proper authority (English translated version if in the vernacular language)
- Specimen signature of the person(s) in whose name Shares are to be transmitted (duly attested by the bank)
- Copy of PAN card of the applicant (self-attested)
- Copy of address proof (self-attested)

In case nominee is appointed

- Photo copy of the death certificate duly attested by the proper authority (English translated version if in the vernacular language)
- Specimen signature of the person(s) in whose name Shares are to be transmitted (duly attested by the bank)
- Copy of PAN card of the applicant (self-attested)
- Copy of address proof (self-attested)

15.3 Permanent disablement

In case an Grantee suffers a permanent disablement/incapacity while in employment and as consequence of it his/her employment with the company comes to an end, all the Options granted to him/ her as on the date of permanent disablement/incapacitation, shall Vest in him/ her on that date. All such Options shall be Exercisable within a period of six months from the date of such permanent disablement failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.

15.4 Retirement of an employee

All Vested Options can be Exercised within a period of 3(Three) months from the date of Retirement / Superannuation, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.
All Unvested Options will get lapsed.

15.5 In the event of Termination due to misconduct of the Employment

If an Grantee is terminated due to misconduct or ethical/ compliance violations, all options granted whether vested or not shall stand terminated with immediate effect unless otherwise determined by the Committee, whose determination will be final and binding.

15.6 Vesting of Options in case of long leave

In the event of a Grantee going on Long Leave, i.e. absence from the office for more than three months, the treatment of options granted to him/her, whether vested or not, shall be determined by the Committee, whose decision shall be final & binding.

15.7 In the event that an Grantee who has been granted benefits under this 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.

15.8 In the event where arises a Dispute between Grantee and the Company, exercise will be put on hold till the date of settlement.

16. Corporate Action:

16.1 Except as hereinafter provided, any grant made shall be subject to adjustment, by the Committee, at its discretion, as to the number and price of Options or Shares, as the case may be, in the event of ‘Corporate Action’ as defined herein.

16.2 If there is a ‘Corporate Action’ of the Company before the Options granted under this Plan are exercised, the Employee shall be entitled on Exercise of the Options, to such number of Resultant Shares to which he would have been entitled as if all the then outstanding Options exercised by him, had been exercised before such ‘Change in the Capital Structure’ had taken place and the rights under the Options shall stand correspondingly adjusted. In the event of a Bonus Issue, sub-division or consolidation of capital, the Committee, subject to the provisions of applicable laws to the Stock options, shall make fair and reasonable adjustments under the Plan, as it deems fit, with respect to the number of options, exercise price, distribution of sums and make any other necessary amendments to the Plan for this purpose. The vesting period and life of the options shall be left unaltered as far as possible.

16.3 In the event of severance of employment of a Grantee, as a part of reconstitution / amalgamation / sell-off or otherwise, the options granted and not exercised before such reconstitution / amalgamation / sell-off, shall be exercised as per the terms and conditions determined by the Committee at that time.

16.4 In the event of a dissolution or liquidation of the Company, any vested options outstanding under the Plan shall be cancelled if not exercised prior to such event and no compensation shall be payable in respect of the options so cancelled.

16.5 In the event of a reverse merger, the treatment of vested as well as unvested options will be decided by the Committee, whose decision shall be final and binding.

16.6 In the event of demerger of the Company, the respective Committees of the Resulting & the De-merged Company will take the decision regarding the time period for the exercise of the vested options and the treatment of unvested options.

17. Terms and Conditions of Shares:

17.1 Nothing herein is intended to or shall give the Grantee, any right to status of any kind as a shareholder of the Company in respect of any share covered by the grant unless the Grantee exercises the options and becomes the registered shareholder of the Company.

17.2 The 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 Option in whole or in part.

17.3 The Grantee shall abide by the Insider Trading Code of Conduct of the Company.

18. Tax – liability on the Grantee:

The exercisable options are subject to the applicable provisions of the Income tax Act, 1961.

There would be a double point of Taxation on the Employee

- **Point 1:-** At the time of exercise of the Options the difference between the market price of the shares as on date of exercise of the Options and the Exercise Price will be added as a perquisite under salary in the month of exercise. The employee will be liable to pay the taxes at the individual slab rate in which he falls.

Eg: Exercise Price= Rs. 25 per option / Market Price of share on exercise = Rs. 100 per shares / Perquisite = Rs.100 – Rs.25 = Rs.75/- per share

Suppose employee falls in 30% slab, his perquisite tax will be Rs.23/-

The payment of perquisite tax, in respect of exercise of the Options shall be made by the employee to the Company or the Company shall have the right to recover tax from the employee.

Point 2:- At the time of sale of the shares of the company by the employee, through stock exchange. Employee has to pay STCG/LTCG at the time of sale as the case may be.

19. Rights as a Shareholder:

19.1 The Grantee shall not be able to exercise any rights of a shareholder in respect of the Options granted to him / her until he / she is allotted the requisite Equity Shares upon his/her exercising the Option so granted to him / her in accordance with the Plan. However, all the Grantees will receive communications as per the Securities and Exchange Board of India (Share Based Employees Benefit & Sweat Equity) Regulations, 2021, as amended from time to time.

19.2 No Grantee shall have a right to receive any dividend or to vote at any meeting of the company or in any manner enjoy the benefits of a shareholder in respect of Options Granted or Vested in the Grantee, until and unless Equity Shares are allotted to the Grantee upon Exercise of the Options. All Equity Shares of the company issued consequent to such Exercise shall rank on pari-passu basis (i.e. on par with and with the same rights and benefits of) with the then existing Equity Shares of the company.

20. Modification of Plan:

- 20.1** Subject to the Applicable Laws and prior approval of shareholders by way of special resolution, the Committee may, at any time:
- revoke, add to, alter, amend or vary all or any of the terms and conditions of the Plan or all or any of the rights and obligations of the Grantee;
 - Formulate various sets of special terms and conditions in addition to those set out herein, to specific Grantee / Beneficiary or class or category of Grantees. Each of such sets of special terms and conditions shall be restricted in its application to those specific Grantee / beneficiary or class or category of such Grantees.
- 20.2** Any amendment, variation or modification under the Plan shall not be prejudicial to the interest of the Grantees of the Company.
- 20.3** The Committee shall be entitled to vary the terms of the Plan to meet any regulatory requirements.
- 20.4** The Committee may re-price the Options, which are not exercised, if LLOYDS ESOP- 2017 is rendered unattractive due to fall in the Share price in the stock market, subject to approval of the Shareholders by a special resolution. Provided that the Committee shall ensure that such re-pricing shall not be detrimental to the interest of the Grantee(s) and such re-pricing is in terms/compliance with the Applicable Laws.

21. Notices:

- 21.1** All notices of communication required to be given by the Company to an Grantee by virtue of this Plan shall be in writing. The communications shall be made by the Company in any one or more of the following ways:
- 21.1.1** Sending communication(s) to the address of the Grantee available in the records of the Company; or
 - 21.1.2** Delivering the communication(s) to the Grantee in person with acknowledgement of receipt thereof; or
 - 21.1.3** Emailing the communication(s) to the Grantee at the official email address provided if any by the Company during the continuance of employment or at the email address provided by the Grantee after cessation of employment.
- 21.2** Any communication to be given by a Grantee to the Company in respect of ESOP 2017 shall be sent to the officer at the address mentioned below:

Name: Ms. Trushali shah

Designation: Company Secretary

Address: Plot No.: A 1-2, MIDC Area, Ghugus, Chandrapur-442505.

E-mail ID: tdshah@lloyds.in

Severability:

22.1 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 any other provision of this Plan, but this Plan shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein and this Plan shall be carried out as nearly as possible according to its original terms and intent.

23. Surrender of Options:

23.1 Any Grantee to whom the options are granted under this Plan, may at any time, surrender his options to the management. In such case the company would not be liable to pay any compensation to the Grantee on account of his surrender of options. The options so surrendered by the Grantee will be added back to the pool of ungranted options and pursuant to this the Grantee shall cease to have all rights and obligations over such options.

24. Forbidden to exercise by any Law:

24.1 If the Exercise of Options within the Exercise Period is prevented by any law or regulation in force and the Grantee is forbidden to exercise the Options under such law or regulation, then in such an event the Company shall not be liable to compensate the Grantee in any manner.

25. Accounting and Disclosures Policy:

25.1 The Company shall comply with the requirements of IND-AS 102 and shall use Fair value method and the fair value of options would be calculated as per the prescribed method under the applicable regulations.

25.2 In case the Company opts for expensing of share based employee benefit using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the Options, shall be disclosed in the Directors' report and the impact of this difference on profits and on earning per Share of the Company shall also be disclosed in the Directors' report.

25.3 Compensation cost will be booked in the books of account of the Company over the vesting period. Compensation cost will be equivalent to the fair value of the Options as on grant date.

25.4 The Company shall comply with the accounting and disclosure requirements as prescribed under Regulation 15 of the SEBI SBEB & SE Regulations.

26. Listing of the Shares

26.1 For listing of Shares pursuant to the Plan, the Company shall obtain the in-principle approval of the Recognized Stock Exchanges where it proposes to list said shares prior to the Grant of Options

26.2 Further, subject to the approval of the Stock Exchange, the Shares issued and allotted on Exercise of the Options shall be listed on the Stock Exchanges on which the Shares of the Company are listed.

27. Certificate from Secretarial Auditors

27.1 The Board shall at each annual general meeting place before the shareholders a certificate from the Secretarial Auditor of the Company that the Plan has been implemented in accordance with the SEBI SBEB & SE Regulations and in accordance with the resolution of the Company passed in the general meeting where this Plan is approved

28. Contract of Employment:

28.1 Nothing in this Plan shall be construed as affording such an individual any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.

28.2 The Plan does not purport to afford nor affords any additional rights than what is contemplated in accordance with the Plan and it shall not entitle any Grantee to any compensation or damages in consequence of the termination of such office or employment or cessation of Director for any reason.

28.3 This Plan does not confer on any person any legal or equitable rights against the Company either directly or indirectly or give rise to any cause of action in law or equity against the Company.

28.4 This Plan is purely at the absolute discretion of the Board of Director of Company.

27. Arbitration:

27.1 In the event of a dispute arising out of or in relation to the provisions of this Plan (including a dispute relating to the construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such dispute through an amicable settlement. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after reasonable attempts, which attempt shall continue for not more than 30 days, gives 10 days' notice thereof to the other party in writing.

27.2 In case of such failure, either party may refer the dispute to a single arbitrator to be appointed by Managing Director or CEO of the Company. The arbitration proceedings shall be held in Mumbai, India under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator shall give a reasoned award in writing. The arbitrator shall also decide on the costs of the arbitration proceedings. The parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law at Mumbai, India.

28. Governing Law:

28.1 This Plan and all related documents there under shall be governed by and construed in accordance with the Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations, 2021 and other Applicable laws of India.

28.2 The employee agrees and acknowledges that the Employee has received and read a copy of the Plan. The Options are subject to the Plan. Any term of the Plan that is contrary to the requirement of the SEBI SBEB & SE Regulations/Guidelines or any other Applicable Law or other Indian Regulations shall not apply to the extent it is contrary.

28.3 The Court at Mumbai shall have exclusive jurisdiction on any matter arising out of this Plan.

29. Regulatory Approvals:

29.1 The implementation of the Plan, the Granting of any Option under the Plan and the issuance of any Shares under this Plan shall be subject to the procurement by the Company and the Grantee / Beneficiary of all approvals and permits, if any, required by any regulatory authorities having jurisdiction over the Plan. The Grantee / Beneficiary under this Plan will, if requested by the Committee/ Company, provide such assurances and representations to the Company or the Committee, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.

30. Term of the Plan:

30.1 Except as provided elsewhere specifically, the Plan shall continue in effect unless terminated by the Board or the Committee or until all options available to be granted under the Plan are fully exercised.

30.2 Any such termination of the Plan shall not effect Options already granted and such Options shall remain in full force and effect if the Plan had not been terminated unless mutually agreed otherwise between the Employee/ Beneficiary and the Committee/the Company.

31. Confidentiality:

31.1 Grantees must keep the details of this Plan and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates or any third party.

31.2 In case Grantee is found in breach of this confidentiality clause, 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 confidentiality Clause shall be final, binding and cannot be questioned by Grantee.

31.3 In case of non-adherence to the provisions of this clause, the Committee will have the authority to deal with such cases as it may deem fit. On acceptance of Grant, the Grantee agrees that the Company may be required to disclose information of the Grantee during the process of implementation of this Plan or while availing services relating to ESOP consulting, advisory services or ESOP Management services and/ or any other such incidental services. The Grantee hereby accords his consent that such confidential information regarding his Options entitlements may be disclosed by the Company to its officers, professional advisors, agents and consultants on a need to know basis.

..... **End of the Plan**