



DECCAN GOLD MINES LIMITED

**Parinee Crescenzo, C38-C39,
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Bandra (East),
Mumbai - 400 051**

DECCAN GOLD MINES LIMITED EMPLOYEES STOCK OPTION SCHEME - 2014

Certified True
for DECCAN GOLD MINES LTD.
S. Subramaniam
Authorised Signatory



1. NAME OF THE PLAN

Adopted by the resolution of the Members of Deccan Gold Mines Limited passed in their Annual General Meeting held on December 30, 2014. This Plan will be called the Deccan Gold Mines Limited Employees Stock Option Scheme - 2014. This Plan shall be effective from December 30, 2014.

2. PURPOSE OF THE PLAN

The purpose of this Plan is to attract, motivate and retain employees by rewarding performance as also retain best talents and would further enable the employees to develop a sense of ownership with the company. These purposes may be achieved through the grant of Options to the Employees to purchase Shares.

3. DEFINITIONS

In this Plan, unless repugnant or contrary to the context hereof, the terms defined below, and also their cognate expressions, when capitalized, shall have the meanings assigned to them as under:

- (i) **"Beneficiary"** means the person, persons, trust or trusts designated by a Grantee entitled to Options under this Plan, or in the absence of any designation by the Grantee, a person who is entitled by the will of the Grantee to receive the benefits specified in the Plan if the Grantee dies and includes the Grantee's executors or administrator if no other beneficiary is designated and able to act under the circumstances.
- (ii) **"Board"** means the Board of Directors of Deccan Gold Mines Limited.
- (iii) **"Closing Date"** means the last date on which the offer of Options by the Company to a Grantee can be accepted.
- (iv) **"Company" / "DGML"** shall mean Deccan Gold Mines Limited.
- (v) **"Nomination and Remuneration Committee" / "Committee"** means a committee of the Board of Directors for the purposes of the Deccan Gold Mines Limited Employees Stock Option Scheme - 2014 as per the provisions of SEBI Regulations.
- (vi) **"Employee"** means
 - (a) A permanent employee of the Company working in India or out of India; or
 - (b) A director of the Company; or
 - (c) An employee as defined in Clause (a) or (b) of a Subsidiary Company / Holding Company of DGML, in India or out of India.

But, does not include:

- (i) A employee who is a promoter or belongs to the promoter group; or
- (ii) A director, who either by himself or through his relatives or through any body-corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company at the time of granting of options; or
- (iii) Independent Directors



- (vii) **"Exercise"** means making of an application by the Employee to the Company for issue of Shares against option vested in him in pursuance of the Plan.
- (viii) **"Exercise Period"** means a period commencing from the date of Vesting of the Options and may extend up to 1 year, as may be decided by the Committee.
- (ix) **"Exercise Price"** means the price of each share payable by the Employee for exercising the Option granted to him as provided in Clause 8.
- (x) **"Financial year"** means the period beginning from April 1 and ending on to March 31 of next year, unless otherwise altered by the Company
- (xi) **"General Meeting"** means a general meeting, including through postal ballot, held by the Company under the Companies Act, 2013.
- (xii) **"Grant"** means the issue of Options to an Employee.
- (xiii) **"Grantee"** means an Employee referred to in Clause 12.
- (xiv) **"Holding"** means a holding company of the Company as defined under the Companies Act, 2013.
- (xv) **"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: If such shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volumes shall be considered as the market price.

- (xvi) **"Offer Date"** means the date on which an Option is granted to an Employee by the Committee.
- (xvii) **"Option"** means a right but not an obligation granted to an Employee in pursuance of the Plan to apply for the Shares at a future date at the Exercise Price.
- (xviii) **"Plan"** means this Deccan Gold Mines Limited Employees Stock Option Scheme - 2014.
- (xix) **"Promoter"** means:
 - (a) the person or persons who are in overall control of the Company;
 - (b) the person or persons who are instrumental in the formation of the Company or programme pursuant to which the Shares were offered to the public;
 - (c) the person or persons named in the offer document of the Company as Promoters or disclosed in the periodic reporting with the Stock Exchange(s).

Provided that a director or officer of the Company, if they are acting as such only in their professional capacity, will not be deemed to be a Promoter.
- (xx) **"Promoter Group"** means:
 - (a) an immediate relative of the Promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse);



- (b) persons whose shareholding is aggregated for the purposes of disclosing in the offer document of the Company as "shareholding of the Promoter group".
- (xxi) **"Relevant Date"** means:
- (a) In the case of grant, the date of the meeting of the Committee on which the grant is made; or
- (b) In the case of exercise, the date on which the notice of exercise is given to the Company by the Grantee.
- (xxii) **"SEBI Regulations"** means Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- (xxiii) **"Share"** means an equity share, with a nominal par value as appearing in the Company's books, which would be listed in the relevant stock exchange.
- (xxiv) **"Subsidiary"** means a subsidiary of the Company as defined under the Companies Act, 2013.
- (xxv) **"Stock Exchange"** means stock exchange on which the Shares of the Company are listed.
- (xxvi) **"Unvested Option"** means an Option, which is not a vested Option.
- (xxvii) **"Vesting"** means the process by which the employee is given right to apply for shares of the Company against the Option granted to him in pursuance of the Plan.
- (xxviii) **"Vesting Period"** means the period during which the vesting of the Options granted to the Employee in pursuance of the Plans takes place.
- (xxix) **"Vested Option"** means an Option which has Vested with the Grantee and has thereby become exercisable.
- (xxx) **"Year"** means a period of 12 months.

4. JURISDICTION AND GOVERNING LAWS

The Plan shall be subject to the jurisdiction of the High Court of Mumbai and shall be governed by the laws of India as amended from time to time.

5. TOTAL NUMBER OF OPTIONS TO BE GRANTED

The maximum number of shares which shall be subject to options under Deccan Gold Mines Limited Employees Stock Option Scheme - 2014 shall be 3,000,000 Equity Shares of face value Re. 1/- each. This limit may be appropriately revised by the Committee in case of any share split / bonus issue / merger or restructuring plan / other corporate action necessitating the same.

6. ADMINISTRATION OF PLAN

The Plan will be administered by the Committee. The Committee shall continue to serve until otherwise directed by the Board. From time to time the Board may increase the size of the



Committee and appoint additional members thereof, remove members (with or without cause) and appoint new members in substitution thereof and fill vacancies however caused.

Any action of the Committee with respect to the administration of the Plan shall be taken pursuant to a majority vote of all its members.

7. POWERS OF THE COMMITTEE

The Committee will, inter alia, have the authority to:

- (a) Determine the Employees eligible to the benefits of this Plan.
- (b) Offer Options to Employees and determine the date of Grant.
- (c) Determine the price to be payable by the Employees on the exercise of Options.
- (d) Determine the number of Options to be granted, and revise the same as may be deemed necessary in the best interests of the Company and Employees.
- (e) Determine the Vesting Period for the Options, and vary the same depending on performance appraisal and such other factors as may be deemed relevant.
- (f) Specify the performance appraisal process for Employees.
- (g) To make any amendments in this Plan as may be necessary to the best interest of the Company and Employees.
- (h) Construe and interpret this Plan and any agreements defining the rights and obligations of the Company and Employees under this Plan, and prescribe, amend and rescind rules and regulations relating to the administration of the Plan.

All decisions made by the Committee or by the Board in the matter referred to above shall be final, conclusive and binding upon all persons including the Company, the Grantee, the shareholders and the Employees. No members of the Committee or the Board shall be liable for any action or determination made in good faith with respect to this Plan or any Option granted hereunder.

8. EXERCISE PRICE

The Options granted to the Employees under this Plan shall carry an Exercise Price as may be determined by the Committee. However the Exercise Price shall not be less than the par value of the Equity Shares of the Company.

9. ELIGIBILITY TO PARTICIPATE IN THE PLAN:

- (a) Persons as are in the permanent employment of the Company or holding company / subsidiary companies in such grade and such experience as may be decided by the Board / Committee.
- (b) Directors (including non executive but excluding Independent Directors) of the Company or holding company / subsidiary companies at any time.
- (c) Such other persons, as may be from time to time, be allowed under prevailing laws and regulations and as may be approved by the Board for this purpose.

However the following employees shall not be eligible to participate in the Plan

- (i) A employee who is a promoter or belongs to the promoter group; or
- (ii) A director, who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company at the time of granting of options; or
- (iii) Independent Directors



Above persons are referred herein collectively as "the Eligible Employees".

10. APPRAISAL PROCESS FOR DETERMINING THE ELIGIBILITY OF EMPLOYEES TO THE PLAN

The appraisal process for determining the eligibility of the employee will be specified by the Committee, and will be based on criteria such as:

- Performance of the employee.
- Position and responsibilities of the Employee
- Present grade and compensation structure of the employee.
- Exceptional contribution made by the employee.
- Integrity and behavior of the employee.
- Future potential of the employee
- Such other parameters as may be decided by Committee

The Committee may at its discretion extend the benefits of the Plan to a new entrant or any existing employees on such other basis as it may deem fit. The Committee reserves the right to offer options to Eligible Employees, subject to the appraisal process as provided under the Plan.

11. GRANT OF OPTIONS

- (a) The Committee may offer Options to such Employees as determined by it and in accordance with the terms and conditions of the Plan for the time being in force. Each Option would entitle the Employee to one Share, subject to the terms of this Plan.
- (b) The offer of Options by the Committee to the Employees shall be made in writing and communicated to the Employees. Such an offer shall state the number of Options offered the Exercise Price and the Closing Date of accepting the offer.
- (c) The Closing Date shall not be more than 30 (thirty) days from the Offer Date.
- (d) An offer to a Grantee is personal to him and not assignable.

The Committee may, on such dates as it shall determine, grant to such Eligible Employees as it may in its discretion, options of the Company on the terms and conditions and the consideration as it may decide.

12. METHOD OF ACCEPTANCE

- (a) Any Employee who wishes to accept an offer made pursuant to Clause 11 of the Plan must deliver an acceptance form, in such form as the Committee may from time to time prescribe, duly completed as required therein, to the Committee on or before the Closing Date stated in the offer letter. Upon due compliance of the foregoing, the Employee would be entitled to receive Options in terms of this Plan; such Employee would be referred to as "Grantee".
- (b) Any Employee who fails to return the acceptance form, on or before the Closing Date shall, unless the Committee determines otherwise, be deemed to have rejected the offer and any acceptance received after the Closing Date shall not be valid.



- (c) Upon receipt of a duly completed acceptance form in respect of an offer from a Grantee, the Committee shall issue the Grantee, a statement, in such form as the Committee may from time to time prescribe, showing the number of Options to which the Grantee is entitled pursuant to the acceptance of such offer.

13. NON-TRANSFERABILITY OF OPTIONS

The Options granted to a Grantee under the terms of this Plan shall not be sold, pledged, assigned, mortgaged, hypothecated, transferred or alienated in any manner, other than by execution of a will or under Clause 14 in case of death of the Grantee, and may be exercised, during the life time of the Grantee, only by the Grantee.

14. BENEFICIARY DESIGNATION

Each Grantee under the Plan may designate, from time to time, any beneficiary or beneficiaries to whom any benefit under the Plan is to be delivered in case of his death. Each such designation shall revoke all prior designations by the same Grantee and shall be in a form prescribed by the Committee and will be effective only when filed by the Grantee in writing with the Committee during the Grantee's lifetime.

15. VESTING, REQUIREMENT OF VESTING AND MAXIMUM PERIOD OF VESTING

The vesting period under each plan shall commence on expiry of 1 year from the date of grant date and may extend up to 4 years.

The options may vest in one or more tranches, subject to the terms and conditions as may be stipulated by the Board / Committee, which may include satisfactory performance of the eligible employees and their continued employment with the Company / holding company / subsidiary companies, as the case may be, unless such employment / association is discontinued on account of death, permanent / total incapacity / disability or on retirement. In the event of death of an employee while in the employment, all options granted to him till such date shall vest in the legal heirs or nominees of the deceased employee. In case the employee suffers a permanent incapacity while in employment, all the options granted to him as on date of permanent incapacitation shall vest in him on that date.

If the eligible employees voluntarily terminates employment / association with the company / holding company / subsidiary companies, as the case may be, the options to the extent not vested shall lapse/expire and be forfeited forthwith. However, this shall not be applicable to the eligible employees who have resigned or who may resign from time to time to join companies, approved by the Board/ Committee, that have been established or promoted or set up by the Company.

16. EXERCISE OF OPTIONS

Options granted under the Plan and Vested with the Grantee shall be exercisable by the Grantee only within the Exercise Period. All Vested Options not Exercised within the Exercise Period shall expire. Notwithstanding anything contained in this Plan, all Options granted to the Grantee and Vested with him shall not be exercisable after the Exercise Period.

17. NOTICE OF EXERCISE



All Grantees shall deliver a written notice of Exercise, in the prescribed form, to the Committee setting forth the number of Options to be Exercised, and such other particulars, as the Committee may prescribe from time to time.

The notice referred to in this Clause shall be delivered to the Committee not less than 7 days before the Exercise of the Options by the Grantee under the Plan or such other period as may be directed by the Committee.

18. PAYMENT OF EXERCISE PRICE

Upon exercise of any Option, the Exercise Price shall be payable by the Grantee, in full on the date of exercise or such other period, as would be permitted by the Committee, but before allotment of shares. Such a payment shall be made in cheque / other valid tender. There will be no facility for cashless exercise of options.

19. LOCK IN PERIOD FOR SHARES ISSUED PURSUANT TO EXERCISE OF OPTIONS

No lock in period shall apply in respect of the Shares issued pursuant to this Plan.

20. LAPSE OF OPTIONS

- (a) In the event of termination of the Grantee's employment with the Company or holding company / subsidiary companies for any reason other than death, permanent incapacity and misconduct he may, within 30 days after the date of termination, exercise his Vested Options as on the date of such termination.

The number of Options which have Vested with the Grantee and which are not exercised by him within the aforesaid time period shall lapse. The Unvested Options of the Grantee as on such date shall lapse. However, such Options shall not lapse in case of transfer of the Grantee to the Holding / Subsidiary company.

In the event of termination of the Grantee's employment with the Company or holding company / subsidiary companies as a result of his total or permanent disability, all the Options granted to him, including the Options that remain un-Vested, till the date of such total or permanent disability shall Vest with him immediately. The Grantee shall be entitled to Exercise such Options Vested with him within a period of 12 months from the date of such total or permanent disability. All Vested Options, not exercised within the above specified period, will lapse.

- (b) In the event of the death of a Grantee in the course of service with the Company or holding company / subsidiary companies, all the Options granted to him, including the Options that remain un-Vested, shall Vest with his legal heirs or the beneficiaries immediately.

The beneficiary / legal heir of the Grantee under this Plan shall be entitled to Exercise such Options Vested with the Grantee as on the date of his death, and the Options Vested with his legal heirs or the beneficiaries, within a period of 12 months. All Vested Options, not Exercised within the above specified period will lapse.

- (c) In the event of termination of employment of the Grantee by the Company for any misconduct, reduction in levels of performance by more than 25%, willful act of the Grantee that is prejudicial to the interests of the Company, any act that is considered as unbecoming



of him, which would be ascertained keeping in view his position, responsibilities, nature of services, or failure of the Grantee to comply with his obligations under this Plan or undertaking any act that is in contravention of the provisions of this Plan as determined by the Committee, all the Vested Options (to the extent not exercised) and Unvested Options of the Grantee as on the date of such termination shall terminate.

(d) In the event of liquidation of the Company, all Unvested Options of the Grantee shall expire.

21. EFFECT OF BONUS ISSUE, RIGHTS ISSUE, STOCK SPLIT, MERGER OR OTHER CORPORATE ACTION

In the event of any bonus issue, rights issue, stock split, merger, restructuring or any such event happening subsequent to the Grant of Options, the Committee shall have the discretion to make appropriate amendments to the Plan, including changes in the number of Options, the Exercise Price or floating a new plan / extending the application of the existing Plan or any other fair and just mechanism including acceleration of Options, if deemed essential, in accordance with law as it deems fit, while striving to ensure that the rights of the Employees are not adversely affected. Any such change (being compensatory in nature) would not be deemed to be a change in the terms of the Plan. Alternatively, if it is deemed necessary, the Plan could be substituted by a new Plan, while ensuring that the rights of the Employees are not adversely affected.

22. ALLOTMENT OF SHARES

Upon receipt of notice for exercise in respect of any Options validly exercised by the Grantee, the Company shall on receipt of such notice effect allotment to the Grantee of one fully paid Share in respect of each Option exercised. The Company has the power to make allotment of shares at specified intervals which shall be deemed to be accepted by the Grantee.

All Shares allotted to an Employee on exercise of Options will rank pari-passu with all other fully paid Shares of the same class, already issued, subject to the Articles of Association of the Company. Where the Shares are traded on a stock exchange in dematerialized form; on the option of the Grantee, the Shares to be allotted on exercise of the Options shall be credited to the Grantee's dematerialized account held with a depository registered under the Securities and Exchange Board of India Act, 1992.

Until the allotment of Shares, no right to vote or receive dividend or any other rights as a shareholder shall exist with respect to the Shares underlying the Options.

23. a. TAX WITHHOLDING

The Grantee shall be liable to any taxes imposed on the Grant, holding, exercise, or disposal of the Options/ Shares under this Plan, as per the law in force at that time.

b. Compliances with law

The terms and conditions of this Plan are subject to compliance with all the applicable laws, rules and regulations, and to such approvals by any governmental agencies, as may be required in India.

24. CANCELLATION AND REISSUE OF OPTIONS



All Options that expire or for any reason are lapsed, cancelled, terminated, forfeited, fail to vest, expired, suomoto surrendered by the Grantee or for any other reason are not paid or delivered under this Plan, will again, be available for subsequent Grant under the Plan by the Committee in accordance with the provisions of the Plan or shall be transferred to any subsequent stock option plan introduced by the Company.

25. NOTICES AND CORRESPONDENCE

Any notice required to be given by a Grantee to the Company or any correspondence to be made between a Grantee and the Company, may be given or made to the principal office of the Company referred to in the Memorandum of Association / Article of Association of the Company, or such other address as may be notified by the Company in writing.

Any notice, required to be given by the Company to a Grantee or any correspondence to be made between the Company and a Grantee, shall be given or made by the Committee on behalf of the Company at the address provided by the Grantee in his acceptance form.

26. ALTERATION OF THE PLAN

Apart from the specific powers conferred to the Committee under other provisions of this Plan, the Committee may by resolution revoke, add to or vary all or any of the terms and conditions of the Plan, including the vesting period, the exercise period, number of Options and the exercise price, or all or any of the rights or obligations of the Grantees or any of them provided that the interest of the Grantee are not, thereby prejudiced.

Any such amendment shall be communicated by the Committee to the Grantees in writing.

27. DISPUTE

Any disputes or differences of any nature arising under the Plan shall be referred to the Committee and its decision shall be final and binding in all respects.

28. MAXIMUM NUMBER OF OPTIONS TO BE ISSUED AS PER EMPLOYEE AND IN AGGREGATE

The maximum number of options / securities to any eligible employee during any one year, shall be less than 1% of the issued and paid up equity shares of the company as on the date of grant of options, except otherwise decided by the Member / Board / Committee for certain identified employees.

29. DISCLOSURE AND ACCOUNTING POLICIES:

The Company shall comply with the disclosure and accounting policies as prescribed by Securities and Exchange Board of India (SEBI) and other appropriate authority, from time to time.

30. METHOD OF VALUATION

The Company shall use / follow the intrinsic value method for valuation of the options.

31. CONFIRMATION OF ACCOUNTING POLICIES STIPULATED IN THE SEBI REGULATIONS



The Committee shall determine from time to time the valuation methodology for the options issued under this Plan. In case the company calculates the employee compensation cost using the intrinsic value of the stock option, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Director's Report and also the impact of this difference on profits and on EPS of the Company shall be disclosed in the Directors' Report.

The Company shall confirm to the Accounting Policies specified in the SEBI Regulations and the Guidance Note on Accounting for Share based Payments or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein or applicable Accounting Standard.

32. TERMS AND CONDITIONS

The Compensation Committee shall determine the treatment of unvested and vested options in the event an employee leaves the employment of the Company in line with SEBI Regulations.

33. OTHER PROVISIONS

- (a) Nothing contained in this Plan (or in any other documents related to this Plan or to any Option) will confer upon any Employee, any right to continue in the employment of the Company or its Holding or Subsidiary or constitute any agreement of employment, nor will interfere in any way with the right of the Company or its Subsidiary to otherwise change such person's compensation or the benefits or to terminate the employment of such person, with or without cause, but nothing contained in this Plan or any related document will adversely affect any independent contractual right of such person without the Grantee's consent.
- (b) The Plan shall not form part of any employment contract between the Company or its Holding or Subsidiary and the Employee.
- (c) Any reference to a male Employee shall also be construed as a reference to a female Employee, as the case may be.
- (d) The Compensation Committee would have the authority to Grant Options and request the Company to issue Shares directly to Grantees, if at any time it is deemed expedient to do so.
- (e) The Plan will remain in force unless terminated by the Board of Directors.

