



ENGINEERING

M&B Engineering Ltd.

Registered Office: 'MB House', 51, Chandrodya Society, Stadium Road, Naranpura, Ahmedabad - 380 014, Gujarat, India
CIN: U45200GJ1981PLC004437 | T: +91 79 2640 5563 / 2646 1314 | E: info@mbphenix.com / info@mbproflex.com

M&B ENGINEERING LIMITED EMPLOYEE STOCK OPTION PLAN 2024

[As amended vide shareholders' special resolution dated 15th July 2025]

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

- 1.1 This Employee Stock Option Plan shall be called M&B Engineering Limited Employee Stock Option Plan 2024' ("ESOP 2024"/ "Plan").
- 1.2 This Plan has been constituted by M&B Engineering Limited (the "Company"), a Company registered under the Companies Act, 1956, having its registered office at MB House, 51, Chandrodya Society, Opp Golden Triangle Stadium Road, Post Navjivan, Ahmedabad-380014, Gujarat, India.
- 1.3 The objectives of the ESOP 2024 are to create a variable pay structure for the employees, incentivize them in line with **Company** performance, and to retain and motivate senior and critical human resources and to promote loyalty to the Company.
- 1.4 The Company strongly believes that an equity component in the compensation goes a long way in aligning the objectives of an individual with those of the organization. The underlying philosophy of ESOP 2024 is to enable the Employees (*defined later*), present and future, to share the wealth that they help to create for the organization over a certain period of time.
- 1.5 As originally contemplated, the ESOP 2024 has been adopted with effect from the date of approval of the shareholders of the Company dated 6th June, 2024 and shall continue to be in force until its termination by the Committee (*defined later*) as per the provisions of Applicable Laws, or the date on which all of the Options (*defined later*) available for issuance under the ESOP 2024 have been issued and exercised, whichever is earlier. The ESOP 2024 has been amended vide shareholders' special resolution dated 15th July 2025 in terms of variations of certain provisions as specified in the Plan.
- 1.6 The Committee may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the ESOP 2024.

2. Definitions and Interpretations

2.1 Definitions

The terms defined in this ESOP 2024 shall have the meanings herein specified and terms **not defined in this ESOP 2024 shall have the meanings as defined in the Securities and Exchange Board of India Act, 1992 ("SEBI Act")**, the Securities Contracts (Regulation) Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)





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Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“**SEBI SBEB Regulations**”), or in any statutory modifications or re-enactments thereof, as the case may be.

- i. “**Agreement**” means the Employee Stock Option Agreement between the Company and the Option Grantee evidencing the terms and conditions of an individual Employee Stock Option. The Agreement shall be subject to the conditions of ESOP 2024. A Grant letter issued by the Company containing terms of Grant of Options shall be deemed to an Agreement for the purposes of this Plan.¹
- ii. “**Applicable Law**” means the law relating to Options by whatever name called, including and without limitation to the Companies Act, 2013, SEBI Act 1992, the SEBI SBEB Regulations and includes any statutory modification or re-enactments thereof and relevant tax, securities, exchange control or corporate laws of India or of any relevant jurisdiction or of any recognized stock exchange on which the Equity Shares are listed or quoted.
- iii. “**Board**” means the Board of Directors of the Company.
- iv. “**Committee**” means the committee constituted by the Board from time to time, to administer and supervise the ESOP 2024 and other employee benefit plan/schemes, if any, comprising of such members of the Board as provided under Rule 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to act as a compensation committee under Regulation 5 of the SEBI SBEB Regulations.
- v. “**Companies Act**” means the Companies Act, 2013 including rules framed thereunder and includes any statutory modifications or reenactments thereof.
- vi. “**Company**” means ‘ M&B Engineering Limited’, a company registered in India under the provisions of the Companies Act, 1956, having CIN: U45200GJ1981PLC004437 and having its registered office at MB House, 51, Chandrodaya Society, Opp Golden Triangle Stadium Road, Post Navjivan, Ahmedabad- 380014, Gujarat, India.
- vii. “**Company Policies / Terms of Employment**” mean the Company’s policies for Employees and the terms of employment as contained in the employment letter and any other rules / bye-laws issued from time to time.
- viii. “**Director**” means a member of the Board of the Company.

¹ This line is added vide special resolution dated 15th July 2025.





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- ix. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee for granting the Options to the Employees.
- x. **“Employee”** means²
- (i) an Employee as designated by the Company, who is exclusively working in India or outside India; or
 - (ii) a Director of the Company, whether a whole time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director; or
 - (iii) an Employee as defined in sub-clauses (i) or (ii), of a Group Company including Subsidiary Company or its associate company, in India or outside India, or of a Holding Company 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 any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company.
- xi. **“Employee Stock Option” or “Option”** means an Option given to an Employee, which gives such Employee, the right, but not an obligation, to purchase or subscribe at a future date the Equity Shares underlying the Option offered by the Company at a pre-determined price.
- xii. **“Equity Shares”** means the equity shares of face value of INR 10/-each of the Company.
- xiii. **“ESOP 2024”** means the ‘ M&B Engineering Limited Employee Stock Option Plan 2024’ under which the Company is authorized to grant Options to the Employees.
- xiv. **“Exercise”** means the exercise of Options by any Employee by making an Exercise Application to the Company for issue of underlying Equity Shares against the Options vested in him, pursuant to ESOP 2024, in accordance with the procedure laid down by the Company for the Exercise of Options.

² Employee definition is aligned with that defined in the SEBI SBEB Regulations vide special resolution dated 15th July 2025



- xv. **“Exercise Application”** means the application form or the letter of Exercise or such other documents as may be prescribed by the Committee from time to time in accordance with ESOP 2024, in which an Employee has to apply to the Company for Exercise of Options in accordance with the procedure laid down by the Company for the Exercise of Options;
- xvi. **“Exercise Period”** means such a time period after Vesting within which the Employee can Exercise his/her right to apply for the Equity Shares against the Options vested in pursuance of the ESOP 2024.
- xvii. **“Exercise Price”** means the price, if any, payable by an Employee in order to Exercise the Options granted to him in pursuance of the ESOP 2024.
- xviii. **“Grant”** means the process by which the Company issues Options to the Employees under the ESOP 2024.
- xix. **“Grant Date”** means the date of the meeting of the Committee in which the Grant of the Options to the Employees is approved.
- xx. **“Group Company”** means the company treated as such as per provisions of the SEBI SBEB Regulations.³
- xxi. **“Holding Company”** means any present or future holding company of the Company.
- xxii. **“Independent Director”** means a Director within the meaning of Section 149(6) of the Companies Act read with the regulation 16(1)(b) of the Securities Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- xxiii. **“Key Managerial Personnel”** bears the meaning assigned to the term in Section 2(51) of the Companies Act, 2013;
- xxiv. **“Market Price”** means the latest available closing price of Shares on the Stock Exchange on which the Shares of the Company are listed on the date immediately preceding the Grant Date.

Explanation- If such Shares are listed on more than one Stock Exchange, then the closing price on the Stock Exchange having higher trading volume shall be considered as the Market Price.

Provided that the term “Market Price” prior to listing of Shares of the Company shall refer to fair market value of shares as on Grant Date determined by a valuer as prescribed under the Companies Act.

- xxv. **“Misconduct”** 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

³ “Group Company” definition is added vide special resolution dated 15th July 2025.

⁴ “Market Price” definition is added vide special resolution dated 15th July 2025.





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to violation or breach of Terms of Employment as determined by the Committee after giving the Employee an opportunity of being heard, wherever required:

- a) committing of any act warranting summary termination under law; or
 - b) conduct which in the reasonable opinion of the Committee amounts to a serious breach by an Option Grantee of the obligation of trust and confidence to his employer; or
 - c) a finding by the Committee that an Employee has committed any material or consistent breach of any of the terms or conditions of the Employee service agreement including any willful neglect of or refusal to carry out any of his duties or to comply with any instruction given to him by the Committee; or
 - d) being convicted of any criminal offence; or
 - e) 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; or
 - f) having acted or attempted to act in any way which in the opinion of the Committee has brought or could bring the Company or any other member of the group into disrepute or discredit;
 - g) breach or violation of any Company Policies/ Terms of Employment; and
 - h) 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.
- xxvi. **"Option Grantee"** means an Employee who has been granted an Option in pursuance of the ESOP 2024 and who has accepted such Grant as required under the Plan and having a right but not an obligation to Exercise the Options.
- xxvii. **"Permanent Disability"** means any disability 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 Committee based on a certificate of a medical expert identified by such Committee.
- xxviii. **"Plan"** means and refers to ESOP 2024 defined hereof.





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- xxix. **"Promoter"** has the same meaning assigned to it under the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) -Regulations, 2018, as amended.
- xxx. **"Promoter Group"** shall have the same meaning assigned to it under the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
- xxxi. **"Retirement"** means retirement as per the rules of the Company.
- xxxii. **"SEBI Act"** means the Securities and Exchange Board of India Act, 1992 as amended, and includes all regulations and clarifications issued there under.
- xxxiii. **"SEBI SBEB 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 thereunder.
- xxxiv. **"Subsidiary Company(ies)"** means any present or future subsidiary company(ies) of the Company, as defined in the Companies Act.
- xxxv. **"Total Option Pool Size"** bears the meaning assigned to it at Clause 3.1;
- xxxvi. **"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;
- xxxvii. **"Vested Option"** means an Option in respect to which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to Exercise the Option.
- xxxviii. **"Vesting"** means the process by which the Employee becomes entitled to receive the benefit of a Grant made to him/ her under the ESOP 2024.
- xxxix. **"Vesting Condition"** means any condition subject to which the Options granted would vest in an Option Grantee.
- xl. **"Vesting Period"** means the period during which the Vesting of the Option granted to the Employee in pursuance of the ESOP 2024 takes place.

2.2 Interpretation

In this Plan, unless contrary intention appears:

- the clause headings are for ease of reference only and shall not be relevant to interpretation;
- a reference to a clause number is a reference to its sub-clauses;
- words in singular number include the plural and vice versa;
- words importing a gender include any other gender; and





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e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

3. Authority and Ceiling

3.1 The shareholders of the Company, in their general meeting held on 6th June, 2024 have approved the Grant of Options exercisable into Equity Shares not exceeding 7,50,000 equity shares, with each Option conferring a right upon the grantee thereof to apply for and be allotted one equity share of the Company at Exercise Price in accordance with the terms and conditions under this plan ("**Total Option Pool Size**").

3.2 Under ESOP 2024, the Company will issue its fresh Equity Shares when the Vested Options are exercised by the Option Grantees. These Shares shall be allotted to the Participants upon Exercise of the Vested Options by them, pursuant to this Scheme and the Grant letters.

3.3 The maximum number of Options that may be granted per Employee and in aggregate shall be 2,50,000 Options and subject to this ceiling, the individual Grant⁵ shall be decided by the Committee depending upon the designation and the appraisal/ assessment process. The Committee shall also decide if the Employee is categorized under Employee. 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 2024.

3.4 Options that expire / lapse / get cancelled shall become available for future Grants, subject to compliance with all the Applicable Laws.

3.5 If the number of Options that may be offered to identified Employees, during any one year, is equal to or more than 1% (one percent) of the issued equity share capital (excluding outstanding warrants & conversions) of the Company at the time of grant of Options, then the Company shall take separate prior approval from members of the Company by way of a special resolution.

3.6 The Grant of Options to non-resident Participants, if applicable, shall be in compliance with Applicable Laws, including the FEMA Regulations, as amended from time to time.

4. Administration

4.1 The ESOP 2024 shall be administered by the Committee. All questions of interpretation of the ESOP 2024 or any Option shall be determined by the Committee and such determination

⁵ The addition "*shall be 2,50,000 Options and subject to this ceiling, the individual Grant*" has been made vide special resolution dated 15th July 2025.





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shall be final and binding upon all persons having an interest in the ESOP 2024 or Option issued hereunder.

4.2 The Committee shall in accordance with this Plan and Applicable Laws determine the detailed terms and conditions of the Options, including but not limited to:

- (a) The quantum of Options to be granted under the ESOP 2024 per Employee, subject to the ceiling as specified in Clause 3.2;
- (b) The Eligibility Criteria subject to which an Employee would become entitled to be granted options ;
- (c) The Schedule for Vesting of Options;
- (d) Vesting Conditions;
- (e) The method for exercising the Vested Options;
- (f) The conditions under which the Option vested in Employees may lapse in case of termination of employment for misconduct;
- (g) ⁶The 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:
 - i. the number and Exercise 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;
 - ii. 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;
- (h) The procedure and terms for the Grant, Vest and Exercise of Option in case of Employees who are on long leave;
- (i) Approve forms, writings and/or agreements for use in pursuance of the ESOP 2024;
- (j) Frame suitable policies and systems to ensure that there is no violation of (i) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and (ii) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, by any Employee;

⁶ This sub-clause has been substituted by the corresponding provisions of the SEBI SBEB Regulations vide special resolution dated 15th July 2025.





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- (k) Frame any other byelaws, rules or procedures as it may deem fit for administering ESOP 2024;
- (l) The procedure for funding the exercising of Vested Options in case if the Company wants to provide loans to the employees, except for Key Managerial Personnel or Director of the Company, subject to Applicable Law;
- (m) The procedure for buy-back of specified securities issued under the SEBI SBEB Regulations if to be undertaken at any time by the company, and the applicable terms and conditions, including:
 - (i) permissible sources of financing for buy-back;
 - (ii) any minimum financial thresholds to be maintained by the company as per its last financial statements; and
 - (iii) limits upon quantum of specified securities that the company may buy-back in a financial year;
- (n) Decide all other matters that must be determined in connection with an Option under the Plan; and
- (o) Such other acts as permitted under the Companies Act, 2013 and the SEBI SBEB Regulations.

5. Eligibility and Applicability

5.1 Only the Employees of the Company, who have been identified by the Committee, shall be entitled to participate in this Scheme (the "Eligible Employees"). The Committee will identify the Employees who should be granted Options under this Scheme and accordingly, the Company would offer the Options to those identified Eligible Employees. In determining the eligibility of any Employee, the Committee shall consider such factors as it may deem relevant for the purpose. The criteria for determining the eligibility of an Employee to receive Options may be prescribed and / or revised from time to time at the discretion of the Committee.

5.2 The Scheme shall be applicable to the Company and any successor company thereof and Options may be granted to the Employees of the Company as determined by the Committee at its own discretion.

5.3 Appraisal process for determining the eligibility of the Employees and eligibility for Employees will be based on designation, period of service, loyalty, work ethics, moral, performance





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linked parameters such as work performance and such other criteria as may be determined by the 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 Committee at its discretion.
- (b) Grant of Options shall be evidenced by the Agreement/letter in such form, as the Committee shall from time to time determine. Such Agreement/letter shall be deemed to incorporate all the terms of the ESOP 2024, as if the same were set out therein. In the event of inconsistency between the Agreement/letter and the ESOP 2024, the ESOP 2024 shall prevail.
- (c) Unless otherwise provided by the Committee at the time when the Options are granted, the Options granted to an Employee shall be subject to the terms and conditions set forth in this Plan and the Agreement as approved by the Committee.
- (d) The procedure and terms for the Grant, Vest and Exercise of Option in case of Employees who are on long leave shall be as decided by the committee on case to case basis.

6.2 Acceptance of Grant

- (a) 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 30 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.
- (b) 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 Committee determines otherwise.
- (c) Any amount is not payable at the time of Grant nor upon acceptance of Grant.

7. Vesting Period, Schedule and Conditions

7.1 ⁷Options granted under ESOP 2024 would Vest not earlier than minimum Vesting Period of 1 year and not later than maximum Vesting Period of 4 years from the Grant Date. The

⁷ Sub-clause 7.1 which prior to amendment prescribed for a 25% uniform vesting schedule over 4 years Vesting Period or any longer period, has been substituted vide special resolution dated 15th July 2025.





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Committee is empowered to prescribe Vesting Period and schedule within this ceiling which may be different for different Grants, or Employees, or classes of Employees as per the objectives of the Grant.

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 scheme 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.

Provided further that in the event of death or Permanent Disability, the minimum Vesting Period of 1 year shall not be applicable and in such instances, the Options shall vest on the date of death or Permanent Disability.

7.2 Vesting of Options would be subject to continued employment with the Company.

However, the Committee may also, if it feels necessary in any or in all cases at its discretion, specify certain performance parameters linked to loyalty, moral, work ethics or any other such parameters at corporate, individual or any combination – subject to which the Options would vest.

7.3 As a prerequisite for a valid Vesting, a Grantee is required to be in employment or service of the Company 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 such date of Vesting.

7.4 The specific Vesting schedule and Vesting Conditions subject to which Options would vest would be detailed in writing and provided to the Option Grantee at the time of the Grant of Options.

7.5 Upon vesting the Grantee shall exercise Option(s) within the prescribed Exercise Period commencing from the date on which Options have been vested.

8. Exercise

8.1 Exercise Price





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The options will be granted at the following exercise prices as decided by the Committee, subject to Applicable Law:

- a) Post listing at a price as may be decided by the Committee; or
- b) Prior to listing, at such discount from the Market Price per Share as may be decided by the Committee.

8.2 Exercise Period

The Exercise Period in respect of an Option shall be subject to a maximum period of 2 years⁸ from the date of Vesting of Options.

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 shall be as mentioned in the grant letters.

- 8.3 The Equity Shares arising out of Exercise of Vested Options would not be subject to any lock-in period after such Exercise.
- 8.4 In the event of resignation / termination (other than due to misconduct or breach of Company Policies / Terms of Employment) of the Option Grantee from employment with the Company, all the Unvested Options shall stand forfeited on the date of submission of the resignation or termination, as applicable. However, all the Vested Options as on the date of submission of resignation / date of termination shall be exercisable by the Option Grantee not later than six months or before the expiry of the Exercise Period, whichever is earlier.
- 8.5 In the event of Retirement from employment with the Company, all Vested Options should be exercised by the Option Grantee as per the vesting and exercise schedule as given in ESOP 2024. All Unvested Options will vest not later than 180 days of retirement or superannuation in accordance with the ESOP 2024 and Applicable Law.
- 8.6 In case the Option Grantee has been suspended or in case of Option Grantee against whom an enquiry is being conducted for any reason, all Options shall stand suspended and shall not vest nor shall be exercisable until the enquiry is completed. If the Option Grantee is found guilty of misconduct under any such enquiry, the provision of Clause 8.7 shall apply.
- 8.7 In the event of termination of the employment of an Option Grantee due to misconduct or breach of Company Policies / Terms of Employment, all the Stock Options granted to such Option Grantee, including all the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination; the

⁸ Exercise Period of 60 days has been substituted by 2 years vide special resolution dated 15th July 2025.





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date of such breach shall be determined by the Committee, and its decision on this issue shall be binding and final.

- 8.8 In the event of termination of an Option Grantee from the Company due to reasons of Permanent Disability of the Option Grantee while in employment, all the Unvested options as on the date of such Permanent Disability shall also vest immediately and all Options granted can be exercised by the Option Grantee or, in case of his death, by the nominee or legal heirs immediately after, but in no event later than six months from the date of termination of the Option Grantee or before the expiry of the Exercise Period, whichever is later.
- 8.9 In the event of the death of Option Grantee while in employment, all the Options granted to him till such date shall vest in the legal heirs or nominees (if specified by the Option Grantee) of the deceased Option Grantee and can be exercised by the legal heirs or nominees of the deceased Option Grantee immediately after, but in no event later than 1 year from the date of death of the Option Grantee or before the expiry of the Exercise Period, whichever is later.
- 8.10 In the event of abandonment of employment by an Option Grantee without the Company's consent, all the Options granted to such an Option Grantee, including the Vested Options, which were not exercised at the time of abandonment of employment, shall stand terminated with immediate effect. The Committee, at its sole discretion, shall decide the date of abandonment by the Option Grantee and such decision shall be binding on all concerned.
- 8.11 In the event of separation of the Option Grantee from employment with the Company for reasons other than those mentioned above, all the Unvested Options shall stand cancelled as with effect from that date and the Committee will decide whether the Vested Options on the date of separation can be exercised by the Option Grantee or not, and such decision shall be binding and final.
- 8.12 In the event of an Employee being transferred or deputed amongst the Company, and its Subsidiaries or associate company or Group Companies, at instance of or with consent of the Company, the Option Grantee will continue to hold all Vested Options and can Exercise them anytime within the Exercise Period. All Unvested Options shall vest as per the Vesting schedule.
- 8.13 The Options shall be deemed to have Exercised when an Employee makes an Exercise Application in writing to the Company or by any other means as decided by the Committee,





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for the issue of Equity Shares against the Options vested in him, subject to payment of Exercise Price and compliance of other requisite conditions of the exercise.

8.14 Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favor of the Company or by the electronic mode through banking channels such as National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), Immediate Payment Service (IMPS) or in such other manner as the Committee may decide.

8.15 Lapse of Options

The Options not exercised within the respective Exercise Periods prescribed in sub-clauses of clause 8 shall lapse and be deemed to be cancelled on expiry of such Exercise Period. The Options Grantee shall have no rights or recourse over such lapsed/cancelled Options.

9. Lock-in

Unless mandated under any of the extant laws, the Equity Shares arising out of Exercise of Vested Options shall not be subject to any lock-in period from the date of allotment of such Equity Shares under ESOP 2024.

Provided that the Equity Shares allotted on such Exercise cannot be sold for such further period or intermittently as required under the terms of Code of Conduct for Prevention of Insider Trading of the Company framed under Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

10. Appointment of Nominee

An Option Grantee may by written notice appoint a person as his nominee(s) for the purpose of exercising the rights in case of death of the Option Grantee, subject to the obligations, in terms of ESOP 2024. The Option Grantee has the right to revoke such nomination at any time and a fresh nomination may be made on such revocation. In the event no nomination has been made by the Option Grantee then the legal heirs of the Option Grantee shall be entitled to the Options as per the provisions of ESOP 2024.

11. Surrender of Options

An Option Grantee / legal heirs / nominee may surrender any or all of the Options at any time, whether Vested or not. The entitlement to such surrender shall be limited prior to the lapse of the Exercise Period.

12. Other Terms and Conditions

12.1 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 Equity Shares covered by the Grant unless the Option Grantee exercises the Option and becomes a registered holder of the shares of the Company.





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- 12.2 If the Company issues bonus or rights shares, the Option Grantee will 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 (g) of ESOP 2024. Only if the Options are vested and exercised and the Option Grantee is a valid holder of the Equity shares of the Company, the Option Grantee would be entitled for bonus or rights shares as shareholder of the Company.
- 12.3 No person other than the Employee to whom the Option is granted shall be entitled to Exercise the Option except in the event of the death of the Option Grantee.
- 12.4 The Option shall not be transferred, pledged, hypothecated, mortgaged or otherwise encumbered or alienated in any other manner.

13. Tax Liability

The Company shall have the right to deduct from the Employee's salary, any tax obligations, whether of the Company or of the Employee, arising in connection with the Option or the Equity Shares acquired upon the Exercise thereof. The Company shall have no obligation to deliver Equity Shares to the Option Grantee until such tax obligations have been satisfied by the Option Grantee.

14. Authority to vary terms

For the purpose of efficient implementation and administration of the Plan but subject to the Applicable Laws and approval of the shareholders of the Company by way of a special resolution, Committee may revise any of the terms and conditions in respect of existing or any new grant of Options provided that the variation is not be prejudicial to the interest of the Employees. However, the Company shall be entitled to vary the terms of the Plan to meet any regulatory requirements and obligations without seeking shareholders' approval by special resolution.

15. Miscellaneous

15.1 Government Regulations

This ESOP 2024 shall be subject to all Applicable Laws, and approvals from governmental authorities. The Grant and the allotment of Equity Shares under this ESOP 2024 shall also be subject to the Company requiring Employees to comply with all Applicable Laws and be subject to the approval of the Company's Counsel.

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 sale of any Equity Shares





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hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such Equity Shares.

- 15.3 The Grant of an Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person and the Company gives such person any right or entitlement to have an Option granted to him in respect of any number of Equity Shares or any expectation that an Option might be granted to him whether subject to any condition or at all.
- 15.4 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Plan by being granted an Option on any other occasion.
- 15.5 The rights granted to an Option Grantee upon the Grant of an 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).
- 15.6 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he/she may suffer by reason of being unable to exercise an Option in whole or in part.
- 15.7 Participation in the ESOP 2024 shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the equity and the risks associated with the investments is that of the Option Grantee alone.
- 15.8 The existence of the ESOP 2024 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 Equity shares, debt or other securities having any priority or preference with respect to the Equity 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 2024 or any Grant made under the ESOP 2024. No Employee or other person shall have any claim against the Company as a result of such action.
- 15.9 **Certification from Auditors, Disclosure and Accounting Policies⁹**

⁹ This sub-clause is added vide special resolution dated 15th July 2025.





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The Company shall comply with the requirement of placing of certificate from the secretarial auditors at each annual general meeting of the Company. In addition to the disclosures that are required under the Companies Act, the Board shall disclose the details of the Plan being implemented as per SEBI SBEB Regulations. The Company shall follow the accounting policies in relation to implementation of the Plan as required under the SEBI SBEB Regulations.

16. Notices

All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP 2024 shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company and any communication to be given by the Option Grantee to the Company in respect of ESOP 2024 shall be sent to the address mentioned below:

**The Company Secretary,
M&B Engineering Limited,
at MB House, 51, Chandrodya Society,
Opp Golden Triangle Stadium Road,
Post Navjivan, Ahmedabad- 380014.**

17. Governing Law and Jurisdiction

- 17.1 The terms and conditions of the ESOP 2024 shall be governed by and construed in accordance with the laws of India.
- 17.2 The Courts of Ahmedabad, Gujarat, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2024.
- 17.3 In event of dispute arising out of in relation to any provision of the said scheme, the relevant parties shall first attempt to resolve the dispute through Arbitration and the mode of Arbitration will be decided by the Committee. In accordance with the provisions of Indian Arbitration Act.
- 17.4 Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP 2024:
- (i) in any other court of competent jurisdiction; or
 - (ii) Concurrently in more than one jurisdiction.

18. Confidentiality

- 18.1 An Option Grantee must keep the details of the ESOP 2024 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peers, colleagues, co-employees or with any employee and/ or associate of the Company





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or that of its affiliates. In case Option 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 Option Grantee. In case of non-adherence to the provisions of this clause, the Committee shall have the authority to deal with such cases as it may deem fit.

- 18.2 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.

**CERTIFIED TO BE TRUE,
FOR M&B ENGINEERING LIMITED**

**PALAK D. PAREKH
COMPANY SECRETARY &
COMPLIANCE OFFICER
(Membership No. F10209)**

