JINDAL STEEL EMPLOYEE BENEFIT SCHEME - 2022

1. Introduction:

1.1 This Scheme shall be called the "**Jindal Steel Employee Stock Benefit Scheme – 2022**" hereinafter referred as "**Scheme**".

1.2 The Scheme was first approved by the Board of Directors and the Shareholders of the Company on March 04, 2022 and March 28, 2022 respectively. The Scheme has been further amended and approved by the Board of Directors and the Shareholders of the Company on October 4, 2025 and November 22, 2025 respectively.

1.3 The Scheme shall continue to be effective from March 28, 2022, being the date of Shareholders' approval **("Effective Date").**

2. Term of the Scheme:

2.1 The Scheme shall continue in effect unless terminated by the Board of Directors.

2.2 Any such termination of the Scheme shall not affect Options already granted and the powers of the Committee/ Trust in relation to such Options, and the same shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Grantee/ nominee/ legal heirs and the Company.

3. Purpose of the Scheme:

3.1 The purpose of the Scheme includes the following:

3.1.1 To motivate the Employees to contribute to the growth and profitability of the Company over medium to long term.

3.1.2 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.

3.1.3 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.

3.1.4 To provide deferred rewards to Employees; and

3.1.5 To act as a tool for retention and hiring of talent. To provide financial stability and wealth creation opportunity for deserving employees.

4. Definitions:

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

4.1.1 **"Abandonment"** means absence of an employee from work for a period of 30 days or more without having communicated to the Company or its authorized representative in writing any reason of absence.

4.1.2 **"Applicable Law"** means every law applicable to Employee Benefit Schemes in force, including, without limitation to, Companies Act, 2013, SEBI (SBEB & SE) Regulations, as amended, and all relevant revenue, tax, securities or exchange control regulations or corporate laws of India to the extent applicable and the Applicable Laws, rules and regulations of any other country or jurisdiction as may be required for the administration of this Scheme and the rules and regulations of any stock exchange on which the Shares underlying a Grant are listed or quoted, as such laws, rules, regulations and requirements shall be in place from time to time.

4.1.3 **"Board of Directors"** means the Board of Directors of the Company.

4.1.4 **"Cash Mechanism"** means a route under which the Grantee will receive the Shares equivalent to the number of the Options exercised after the Grantee has made the payment of the Exercise Price, applicable tax and other charges, if any, in accordance with the terms and conditions of the Scheme and as mentioned in Grant Letter.

4.1.5 **"Claw Back"** means a contractual agreement between the Grantee and the Company, as may be set out in Grant Letter, in which case the Grantee shall relinquish any benefit that accrued to or return any benefit that is received by such Grantee to the Company (directly/ indirectly) under circumstances specified in the Grant Letter.

4.1.6 **"Committee"** means Nomination and Remuneration Committee of the Company, designated as 'Compensation Committee' for the purpose of monitoring, administering, superintending, and implementing the Scheme in compliance with SEBI (SBEB & SE) Regulations.

4.1.7 **"Company"** means Jindal Steel Limited.

4.1.8 **"Corporate Action"** means a change in the capital structure of the Company as a result of bonus issue, rights issue, split of Shares, buy back, consolidation of Shares, scheme of arrangement or other re-organization of capital structure of the Company as may be applicable from time to time.

4.1.9 **"Employee"** means:

(a) An Employee as designated by the Company, who is exclusively working in India or outside India; or

(b) 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

(c) an Employee as defined in sub-articles (a) or (b), of Subsidiary Company(ies) or its Associate Company(ies), 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 percent of the outstanding equity shares of the Company.

Note: In the event any of the above-referred excluded persons are permitted to be granted Options under Applicable Law - they shall also be considered an Employee for the purposes of this Scheme without any further approvals being required (other than approvals required by Applicable Law for such Grant).

4.1.10 **"Eligibility Criteria"** means the criteria, as may be determined from time to time by the Committee, for Grant of Options.

4.1.11 **"Exercise"** means making an application, in such manner and in such format as may be prescribed by the Committee, from time to time, by the Grantee, to the Committee/ Trust for transfer of Shares, against Vested Options.

4.1.12 **"Exercise Period"** means the time period after Vesting within which an Employee can Exercise his/her right to apply for Shares against the Vested Options.

4.1.13 **"Exercise Price"** means the price payable by the Grantee for exercising the Options vested **in** him in pursuance of the Scheme.

4.1.14 **"Grant"** means the issue of Options to the Grantee under the Scheme.

4.1.15 **"Grant Date"** means the date on which the Committee approves the Grant.

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

4.1.16 **"Grant Letter"** means the written or electronic agreement between the Company and a Grantee setting forth the terms and conditions applicable to a Grant to the Grantee under the Scheme.

4.1.17 **"Grantee**" shall mean Employee to whom Options have been granted under the Scheme.

4.1.18 **"Group"** means two or more companies which, directly or indirectly, are in a position to-

I. exercise twenty-six per cent. or more of the voting rights in the other company; or

II. appoint more than fifty per cent. of the members of the Board of Directors in the other company; or

III. control the management or affairs of the other company.

and the term "Group Company" shall be construed accordingly.

Explanation (in line with FAQs issued by SEBI dated November 16, 2021): It is clarified that if there are two companies (Company A and Company B) that together hold 26% of the share capital of the Company, the Company can Grant Options to the Employees of each of Company A and Company B even if Company A and Company B are not part of same Group.

It is clarified that in the event any of the above-referred definition (and explanation) for interpreting the term "Group") (or "Group Company") is defined or clarified to include additional persons, entities or both under Applicable Law - they shall also be considered as part of the "Group"/ "Group Company" for the purposes of this Scheme without any further approvals being required (other than approvals required by Applicable Law in this regard).

4.1.19 **"Long Leave"** means an approved leave taken by the Grantee for a period of more than three months out of twelve months starting from the date of Grant/ Vesting, as the case may be.

Provided that the period of Long Leave shall not include the period in which the Grantee is on a sabbatical or maternity leave. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Long Leave unless otherwise determined by the Committee.

4.1.20 **"Options / Employee Stock Options"** means a right but not an obligation granted to a Grantee 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 Scheme.

4.1.21 **"Permanent Incapacity"** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps a Grantee from performing any specific job, work or task which the said Grantee was capable of performing immediately before such disablement, as determined by the Committee based on a certificate of a medical expert identified by the Company.

4.1.22 **"Promoter"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

4.1.23 **"Promoter Group"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

4.1.24 **"Recognised Stock Exchange"** means a stock exchange which has been granted recognition under section 4 of the Securities Contracts (Regulation) Act, 1956.

4.1.25 **"Reference Share price"** means the latest available closing price on a Recognized Stock Exchange on which the Shares of the Company are listed on the date of immediately prior to the relevant date.

Explanation - As the Shares of the Company are listed on more than one Recognized Stock Exchange, then the closing price on the Recognized Stock Exchange having higher trading volume shall be considered Reference Share price.

4.1.26 **"Relative"** shall have the same meaning as defined in section 2(77) of the Companies Act, 2013, as amended from time to time.

4.1.27 **"Relevant Date"** means the date of the meeting of the Committee on which the Grant is made.

4.1.28 **"Scheme"** shall mean Jindal Steel Employee Benefit Scheme - 2022 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof from time to time.

4.1.29 "SEBI (SBEB & SE) Regulations" means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof.

4.1.30 "Secondary Acquisition" means acquisition of existing Shares of the Company by the Trust on the platform of a Recognised Stock Exchange for cash consideration.

4.1.31 "Shares" means Equity Shares of the Company.

4.1.32 "Subsidiary" shall have the same meaning as defined in section 2(87) of the Companies Act. 2013, as amended from time to time.

4.1.33 "Trust" shall mean an irrevocable Trust by the name' JSP Employee Benefit Trust' established by the Company under the provisions of Indian Trust Act, 1882, including any statutory modification or re-enactment thereof, for implementing the Scheme.

4.1.34 "Unvested Option" means an Option, which is not vested.

4.1.35 "Vested Option" means an Option, which has vested in pursuance to the Scheme and has thereby become exercisable.

4.1.36 "Vesting" means the process by which the Grantee becomes entitled to receive the benefit of a Grant made to him under the Scheme.

4.1.37 "Vesting Date" means the date on and from which the Option vests with the Grantees and thereby becomes exercisable.

4.1.38 "Vesting Period" means the period during which the Vesting takes place.

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;
c) Any word or expression importing the masculine, feminine or neutral genders only, shall be taken to include all three genders;
d) Any word which is not defined under the Scheme and is not otherwise elaborated or addressed in the Grant Letter or in the Company's policies shall be interpreted in *line with SEBI (SBEB & SE) Regulations, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 or the Companies Act, 2013;*
e) Articles, headings are for information only and shall not affect the construction of this document;
f) A reference to an article is respectively a reference to an Article of this document,· and
g) Reference to any Act, rules, statute or notification shall include any statutory modification, substitution or re-enactment thereof.

5. Implementation & Administration:

5.1 The Scheme shall be implemented through Trust Route wherein the Trust may acquire the Shares from the following sources:

5.1.1 Secondary Acquisition, and/or

5.1.2 Fresh allotment of Shares by the Company.

Provided that if prevailing circumstances so warrant, the Company may change the mode of implementation of the Scheme subject to the condition that a fresh approval of the Shareholders by a special resolution is obtained prior to implementing such a change and that such a change is not prejudicial to the interests of the Grantees.

5.2 The shares so acquired by the Trust will be transferred to the Grantees as and when the Options are Exercised.

5.3 Subject to Applicable Laws and the framework laid down by the Board of Directors, the Scheme shall be administered by the Committee which shall delegate the administrative powers to the Trust, as per the Applicable Laws, for proper administration of the Scheme.

5.4 The Committee is authorized to interpret the Scheme, to establish, amend and rescind any rule(s) and regulation(s) relating to the Scheme and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Scheme.

5.5 Any decision of the Committee/ Trust in the interpretation and administration of the Scheme, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all the parties concerned (including but not limited to, Grantee and/or Employee and their Nominees/ Legal heirs).

5.6 The Committee shall subject to Applicable Laws, inter alia, have powers to do following:

5.6.1 To delegate its administrative powers to the Trust.
5.6.2 To decide upon re-granting of the Options which were lapsed, forfeited or surrendered under any provisions of the Scheme.
5.6.3 To increase or decrease the pool of Options to be granted under Scheme.
5.6.4 To increase or decrease the pool of Shares to be issued under Scheme.
5.6.5 To identify the Persons eligible to participate in the Scheme.
5.6.6 To finalize the Eligibility Criteria for Grant of Options.
5.6.7 To determine the Employees eligible for Grant of Options.
5.6.8 To determine the number of Options to be granted to each Grantee and in aggregate subject of the pool of Options of the Scheme.
5.6.9 To decide upon granting of Options to new Joinees.
5.6.10 To determine the Grant Date.
5.6.11 To Grant Options to one or more eligible Employees.
5.6.12 To calculate the Exercise Price after giving due discount or charging premium on the market price, if deems fit.
5.6.13 To extend the period of acceptance of Grant.
5.6.14 To decide the Vesting Period subject to minimum and maximum period of Vesting as stated in Scheme.
5.6.15 To determine the Vesting schedule for each Grantee.
5.6.16 To decide upon the mode and manner of Exercise.
5.6.17 To allot Shares to the Trust.
5.6.18 To decide upon granting of loan to the Trust to purchase the Shares of the Company.

5.6.19 To decide upon appropriation of unappropriated inventories, which are not backed by Grant up to second subsequent financial year.

5.6.20 To decide upon treatment of Vested and Unvested Options in cases of cessation of employment as specified in the Scheme.

5.6.21 To decide upon the treatment of Vested and Unvested Options in the event of Corporate Actions taking into consideration the following:

a. the number and price of Options shall be adjusted in a manner such that the total value to the Grantee of the Options remains the same after the Corporate Action;

b. the Vesting Period and the life of Options shall be left unaltered as far as possible to protect the rights of the Grantee who has been granted such Options.

5.6.22 To cancel all or any granted Options in accordance with the Scheme.

5.6.23 To modify the vesting schedule or accelerate the Vesting of Options on a case-to-case basis, subject to completion of minimum 1 year from the date of Grant.

5.6.24 To decide upon treatment of Vested and Unvested Options in cases of dispute between the Grantee and Company.

5.6.25 To finalize letters and other documents, if any, required to be issued under the Scheme.

5.6.26 To establish, amend, suspend or waive such rules and regulations as it shall deem appropriate for the proper administration of the Scheme.

5.6.27 To appoint such agents as it shall deem necessary for the proper administration of the Scheme.

5.6.28 To frame suitable policies and procedure to ensure that there is no violation of securities laws, including the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 as amended by the Company or the Employees.

5.6.29 To determine the procedure for funding the Exercise of Options.

5.6.30 To determine the procedure for buy-back of Options granted under the Scheme, if decided to be undertaken at any time by the Company, and the applicable terms and conditions, in accordance with the Applicable Laws.

5.6.31 To determine or impose other conditions to the Grant of Options under the Scheme, as it may deem appropriate.

5.7 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 of Directors may further provide that the Committee shall exercise certain powers only after consultation with the Board of Directors and in such case, the said powers shall be exercised accordingly.

5.8 A member of the Committee shall abstain from participating in and deciding on any matter relating to Grant of any Options to himself.

6. Pool of the Scheme:

6.1 The maximum number of Options that may be granted pursuant to this Scheme shall not exceed 5% of the Paid-Up Equity Capital of the Company as on March 31, 2021, comprising into, 5,10,00,798 (Five Crore Ten Lakh Seven Hundred and Ninety-Eight) Options which shall be convertible into equal number of Shares.

6.2 Out of the overall pool of 5,10,00,798 (Five Crore Ten Lakh Seven Hundred and Ninety-Eight) Shares, the Trust may acquire such quantity of Shares by the way of Secondary

Acquisition and/ or by fresh allotment as decided by the Committee, from time to time.

6.3 If any Option granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such Option shall be available for further Grant under the Scheme unless otherwise determined by the Committee.

6.4 Further, the maximum number of Options that can be granted and the Shares arising upon Exercise of these Options shall stand adjusted in case of Corporate Actions.

6.5 The Company reserves the right to increase or decrease such number of Options and Shares as it deems fit, in accordance with the Applicable Laws.

7. JSP Employee Benefit Trust:

7.1 JSP Employee Benefit Trust is the Trust established by the Company, which hold the Shares of the Company for the purpose of extending benefits of the Scheme to the Employees.

7.2 For the purpose of this Scheme, the Trust shall acquire the Shares of the Company either via Secondary Acquisition from the market or fresh allotment from the Company. The said acquisition shall be in compliance with SEBI (SBEB & SE) Regulations and SEBT (Prohibition of Insider Trading) Regulations, 2015.

7.3 The Trust shall utilize such Shares for the purpose of transferring them to the Grantees upon Exercise of the Options under the Scheme.

7.4 Company may implement several Employee Benefit Schemes through the Trust.

7.5 The Trust will keep and maintain proper books of account, records and documents, for the Scheme so as to explain its transactions and to disclose at any point of time the financial position of the Scheme and in particular give a true and fair view of the state of affairs of Scheme.

7.6 Any person can be appointed as a trustee of the Trust, except in cases where such person:

- is a Director, Key Managerial Personnel or Promoter of the Company or its Group Company including its Holding, Subsidiary(ies) or Associate Company(ies) or any Relative of such Director, Key Managerial Personnel or Promoter; or

- beneficially holds ten percent or more of the paid-up share capital or the voting rights of the Company.

7.7 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.

7.8 The trustee shall ensure that appropriate approval from the Shareholders has been obtained by the Company in order to enable the Trust to implement the Scheme(s) and undertake Secondary Acquisition for the purposes of the Scheme(s).

7.9 The Trust shall not deal in derivatives and shall undertake only delivery-based transactions for the purposes of Secondary Acquisition as permitted by SEBI (SBEB & SE)

Regulations.

7.10 For the purposes of disclosures to the Recognized Stock Exchange, the shareholding of the Trust shall be shown as 'non-promoter and non-public' shareholding.

7.11 The Trust shall transfer the Shares to Grantees for the purpose of this Scheme. The trustee(s) of the Trust shall administer the transfer of Shares to the Grantee as per the directions of the Committee and as stipulated in the Scheme.

7.12 For the purpose of acquisition of Shares by the said Trust, the Trust may be funded by the Company, either through interest free loan or any other form of financial assistance permissible under Applicable Laws. Further, the Trust may take loan from banks or any other person/source under Applicable Laws.

7.13 The amount of interest free loan to be provided for implementation of the Scheme by the Company to the Trust shall not exceed the maximum limit prescribed under Applicable Laws, from time to time, presently not exceeding 5% of the paid-up capital and free reserves as provided in Companies Act, 2013. The tenure of such loan shall be the point where the objects of the Trust are accomplished or the repayment of loan is made, whichever is earlier. The utilization of such loan shall be for the objects of the Trust as mentioned in the trust deed. The Trust shall repay the loan to the Company by utilizing the proceeds realized from Exercise of Options by the Grantees and the accruals of the Trust during the tenure of the Scheme or termination of the Scheme.

7.14 Provided that the above prescribed limit shall be taken on consolidated basis for all Employee Benefit Scheme(s) as may be undertaken by the Company from time to time.

7.15 The Trust shall not become a mechanism for trading in Shares and hence shall not sell the Shares in the secondary market except as provided in Regulation 3(15) of SEBJ (SBEB & SE) Regulations including but not limited to enable the Employee to fund the payment of the Exercise Price, the amount necessary to meet his/her tax obligations and other related expenses pursuant to Exercise of Options granted under.

7.16 The Trust shall acquire the Shares subject to the limits as prescribed under SEBI (SBEB & SE) Regulations, from time to time.

7.17 The un-appropriated inventory of Shares which are not backed by Grants, acquired through Secondary Acquisition by the Trust, shall be appropriated latest by the end of the subsequent financial year or the second subsequent financial year subject to approval of the Committee for such extension to the second subsequent financial year or any other time period as specified by SEBI (SBEB & SE) Regulations.

7.18 The Trust shall be required to hold the Shares acquired through Secondary Acquisition for a minimum period of six months, except under the circumstances as defined in SEBI (SBEB & SE) Regulations, before the same can be transferred to the Grantees upon Exercise of Options under the Scheme.

8. Eligibility Criteria:

8.1 The Committee may on the basis of all or any of the following criteria, decide on the Employees who are eligible for the Grant of Options under the Scheme, the number of

Options to be granted and the terms and conditions thereof.

- Longevity of Service: It will be determined on the basis of tenure of employment of an Employee in the Company / Subsidiary Company(ies) / Associate Company(ies)/ Holding Company.

- Performance of Employee: Employee's performance during the financial year in the Company / Subsidiary Company(ies) / Associate company(ies)/Holding company on the basis of decided parameters.

- Criticality of talent (hiring and/or retention): This will depend on business needs and be determined by the NRC / Board (on recommendation of the management) from time to time.

- Performance of Company: Performance of the Company as per the standards to be set by the NRC/ Board of Directors from time to time.

8.2 The Employees satisfying the Eligibility Criteria shall be termed as eligible Employee**.**

8.3 New Joinees can also participate in the Scheme and be granted Options based upon the discretion of the Committee.

8.4 Nothing in the Scheme or in any Option granted pursuant to the Scheme shall confer on any Employee, any right to continue in the employment of the Company or interfere in any way with the right of the Company to terminate the Employee's employment at any time.

9. Grant of Options:

9.1 The Committee shall Grant Options to one or more eligible Employees, in accordance with the terms and conditions of the Scheme for the time being in force and subject to Employee's employment terms or his continuity in the employment.

9.2 Subject to availability of Options in the pool under the Scheme, the maximum number of Options that can be granted to any eligible Employee shall not exceed 0.1% of the issued capital of the Company at the time of Grant.

9.3 The Grant of Options shall be communicated to the eligible Employees in writing through Grant Letter specifying the Vesting Date, number of Options granted, Exercise Price, vesting schedule, and the other terms and conditions thereof.

9.4 No amount shall be payable by an Employee at the time of Grant of Options.

9.5 Upon Grant, an eligible Employee shall become Grantee under the Scheme.

9.6 Subject to the Corporate Action(s) taken by the Company, if any, the Grant of 1 (One) Option to an Employee under this Scheme shall entitle the holder of the Option to apply for 1 (One) Share in the Company upon payment of Exercise Price, applicable taxes and other charges, if any.

9.7 The Options granted to the eligible Employees shall not be transferable to any other person.

9.8 The Options granted to the eligible Employees shall not be pledged, hypothecated, mortgaged or otherwise encumbered or alienated in any other manner.

10. Method of Acceptance:

10.1 Any Grantee who wishes to accept the Grant made pursuant to the Scheme, must deliver a signed copy of Grant Letter to the Committee or any of its authorized representatives within 30 (Thirty) days from the date of receipt of the Grant Letter. The Committee may extend the said period of 30 (Thirty) days for such duration as it may deem fit for the benefits of the Grantees.

10.2 Any Grantee who fails to return the signed copy of Grant Letter and/or fails to provide his acceptance within the above-mentioned time period shall, unless the Committee determines otherwise, be deemed to have rejected the Grant and the Company is not liable to pay any such amount on such rejection.

10.3 Subject to the terms contained herein, the acceptance in accordance with this Article, 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 of Options:

11.1 The vesting of options shall commence only after the expiry of minimum period of 1 (One) year from the date of grant (as defined in the Scheme) and shall vest over a maximum period of 40 years from the date of grant or the date of retirement, whichever is earlier, in the manner prescribed by the Board of Directors and set out in the Grant Letter.

The Options to be granted under this Scheme shall be based on:

a) Achievement of Individual Performance Parameter; and/ or
b) As Loyalty Award basis longevity of service; and/ or
c) In any exceptional/ special circumstances such as any future talent hires and/or retention of key personnel.

NRC shall abide with the set performance criteria and evaluation done to determine employees who will be granted ESOPs for the ESOP Scheme 2022. Also, it will be ensured that out of the total grants made under this scheme, not more than 25% of the grants shall vest beyond 5 years from the end of the year in which option is granted.

The performance parameter shall comprise of the following:

Performance based: Top Performing Employees in Grades (CG4 and above) having achieved ratings better than “Meets Expectation” or equivalent in an annual appraisal cycle for a minimum number of years.

Longevity based: The Options to be granted to performing employees on achieving longevity milestones i.e., (upon completion of 5-10-15-20-25-30-35 years of service).

Additional options to be granted (in addition to the categories above) to be vested up to a period of 40 years or retirement date, whichever is earlier.

To reiterate the commitment to shorter term vesting for employees, not more than 25% of the grants made under this scheme will vest beyond 5 years from the end of the year in which option is granted.

The maximum exercise period for each of the above category will be five years given the cyclical nature of the industry and to protect the interests of the grantees.

Accelerated vesting shall not to be allowed except in case of death, permanent incapacity, critical and life-threatening incidents, or in case of any Corporate Restructuring.

"Permanent Incapacity" means any disability of whatsoever nature, whether physical, mental or otherwise, which renders a Grantee incapable or prevents or handicaps a Grantee from performing any specific job, work or task which the said Grantee was capable of performing immediately before such disablement, as determined by the Committee based on a certificate of a medical expert identified by the Company.

Critical and life-threatening incident(s) imply a sudden event which result(s) in a reasonable threat to life. This would include severe accidents and occurrence or diagnosis of ailments or chronic diseases with high mortality.

11.2 Vesting of Options can vary from Grantee to Grantee as per the discretion of the Committee whose decision shall be final and binding.

11.3 The vesting schedule will be clearly defined in the Grant Letter of the respective Grantees subject to minimum and maximum Vesting Period as specified in article above.

11.4 The Vesting would be subject to the continued employment of the Grantee and may further be linked with the certain performance and other criteria, as determined by the Board of Directors and mentioned in the Grant Letter.

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

11.6 Further any fractional entitlement, to which the Grantee would become entitled to upon Vesting of Options, then the Options to be actually vested be rounded off to the nearest lower integer.

11.7 The Vesting of Options shall be communicated to the eligible Grantees in writing through vesting letter.

11.8 The Grantee shall not be entitled to pay any amount at the lime of Vesting of Options.

12. Exercise of Options:

12.1 After Vesting, Options can be Exercised either wholly or partly within maximum of 5 (Five) years from the date of respective Vesting, through Cash Mechanism after submitting the Exercise application along with payment of the Exercise Price, applicable taxes and other charges, if any.

12.2 Failure to comply within this time period, shall result in lapsing of Vested Options in the hands of Grantee. The amount paid by the Employee, if any, for the Exercise of Options may be refunded, if the Options are not Exercised by the Employee within the Exercise

Period.

12.3 The mode and manner of the Exercise shall be communicated to the Grantees individually.

12.4 Upon valid Exercise, the Trust will transfer Shares to the Grantees.

12.5 Upon such transfer, the Grantee shall become a member of the Company.

12.6 The Grantee may avail the financing facility if provided by the Company either through its own or from any third party, from time to time. In such case, transfer of Shares shall be made only after the receipt of Exercise Form, Exercise Price, applicable Income Tax and other charges, if any.

12.7 Notwithstanding anything contained elsewhere in the Scheme, the Trust in consultation with the Company, may not transfer Shares, in the event of the Grantee being found to be involved in fraud, misfeasance, moral turpitude, misconduct, gross negligence, breach of trust and in such an event(s) the rights under the Options (whether vested or not) shall lapse, forthwith, without any claim on, or recourse to the Company.

12.8 If the Vesting or Exercise of Options is prevented by any law or regulation in force and/or the Trust is forbidden to transfer the Shares pursuant to Exercise of Options under such law or regulation, then in such an event the Company or the Trust shall not be liable to compensate the Grantee in any manner whatsoever.

12.9 The Committee shall have the power to cancel all or any of the Options granted under the Scheme, if so required, under any law for the time being in force or the order of any jurisdictional court. In the event of any such cancellation, the Company shall not be liable to compensate the Grantee in any manner.

13. Exercise Price:

13.1 Under this Scheme, the Exercise Price of the Shares will be decided by the Committee and will either be:

13.1.1 In case the Shares acquired by the Trust are from Secondary Acquisition then the Exercise Price will be at a premium not below 25% and not exceeding 65% of the Market Price in addition to the face value. For better clarity, Exercise Price = Face Value + a premium of 25% to 65% of the Market Price. All options being granted in a particular year will be at the same Exercise price for all employees in any of the categories mentioned above.

13.1.2 In case the shares acquired by the Trust are from fresh allotment then the Exercise Price will be based upon the Reference Share Price as defined in the Scheme. Shareholder as well as other statutory approvals shall be sought prior to such an issuance.

For the purpose of this clause, “Market Price” means the latest available closing price on a recognised 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 recognised stock exchange, then the closing price on the recognised stock exchange having higher trading volume shall be considered as the Market Price.

13.2 The NRC will have no power to re-price the options if on vesting, the same are not exercised. The unexercised options will duly lapse post completion of the exercise period.

13.3 The aggregate Exercise Price payable at the time of Exercise shall be paid by the Grantee (not opting for financing options), by cheque, deduction from salary (if salary of the month of Exercise is not paid and is sufficient for payment of Exercise Price) or NEFT in the name of the Trust i.e., JSP Employee Benefit Trust. However, in case the Grantee has availed financing option as stated in Article 12.6, the aggregate Exercise Price shall be paid at any time before transfer of Shares as per the terms and conditions of financing.

13.4 The tax amount arising at the time of Exercise of Options shall be paid by the Grantee (not opting for financing options) at the time of Exercise via cheque, deduction from salary (if salary of the month of Exercise is not paid and is sufficient for payment of Exercise Price) or NEFT to the Company i.e., Jindal Steel Limited. However, in case the Grantee has availed financing option as stated in Article 12.6, the aggregate income tax shall be paid at any time in the month of Exercise before transfer of Shares as per the terms and conditions of financing.

14. Cessation of Employment:

Subject to the employment terms of a Grantee, notwithstanding any other clause in this document, the following terms shall be applicable:

14.1 In the event of cessation of employment due to death

a) All Options granted as on date of death would vest in the Legal Heirs/ Nominee of the Grantee on that day. The Options would be exercisable by the Legal Heirs / Nominee within a period of 3 (Three) years from the date of death or expiry of Exercise Period, whichever is earlier, failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.

b) All other terms and conditions of the Scheme shall apply to such Options. Provided that, in order to Exercise the Options of the deceased Grantee, the Legal Heirs / Nominee have to submit the following documents to the Company, to the satisfaction of the Committee and the Committee may at its discretion waive off the requirement to submit any of the documents:

A. 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.
- Photocopy 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)

B. In case nominee is appointed

- Photocopy 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)

14.2 In the event of cessation of employment due to Permanent Incapacity:

All Options granted to Grantee as on date of Permanent incapacity would vest in Grantee on that day. The Options would be exercisable within a period of 3 (Three) years from the date of Permanent Incapacity or expiry of Exercise Period, whichever is earlier, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.

14.3 In the event of cessation of employment due to resignation or termination *(not due to misconduct, moral turpitude or ethical/ compliance violations or like event)*

a) All Unvested Options, on the date of cessation, shall expire and stand terminated with effect from that date unless otherwise determined by the Committee whose decision will be final and binding.

b) All Vested Options shall be exercisable by the Grantee by the last working day in the Company or before expiry of Exercise Period, whichever is earlier. The Vested Options not so Exercised shall lapse irrevocably and the rights there under shall be extinguished.

14.4 In the event of cessation of employment clue to retirement/superannuation

a) Decision on all Unvested Options, on the date of cessation of employment, shall be at the sole discretion of the Committee whose decision will be final and binding.

b) All Vested Options shall be exercisable by the Grantee by the last working day in the Company or before expiry of Exercise Period, whichever is earlier. The Vested Options not so Exercised shall lapse irrevocably and the rights there under shall be extinguished.

14.5 In the event of separation from employment of a director who have vacated the office due to retirement:

a) Decision on all Unvested Options, on the date of cessation of employment, shall be at the sole discretion of the Committee whose decision will be final and binding.

b) All Vested Options shall be exercisable by the Grantee by the last working day in the Company or before expiry of Exercise Period, whichever is earlier. The Vested Options not so exercised shall lapse irrevocably and the rights there under shall be extinguished.

14.6 In the event of cessation of employment clue to termination *(due to misconduct, moral turpitude or ethical/ compliance violations or like event)*

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.

14.7 In the event that a Grantee is **transferred or deputed to an Associate or an Affiliate Company** prior to Vesting or Exercise of Options, the Vesting and Exercise of Options, as per the terms of Grant, shall continue even after his transfer or deputation.

14.8 In the event of **Abandonment of service by the Grantee**, all Options (Whether vested or not) at the time of Abandonment of service, shall stand terminated forthwith. The date of Abandonment of service by the Grantee shall be decided by the Committee at its sole discretion which decision shall be binding on such Grantee.

14.9 In the event of a Grantee going on **Long Leave**, the treatment of Options granted to him/her, whether vested or not, shall be determined by the Committee, whose decision shall be final & binding.

14.10 In the event that a Grantee is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing Company, prior to the Vesting or Exercise, the treatment of Options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Grantee.

14.11 In the event where a **Dispute arises between Grantee and the Company**, Vesting and/or Exercise of Options will be put on hold till the date of settlement, to the satisfaction of the Committee.

14.12 The Committee may modify the terms for cessation or employment as mentioned in foregoing paras 14.1 to 14.11.

15. Lock in requirements:

15.1 The Shares allotted to the Grantees pursuant to Exercise of Options may be subject to such lock-in period from the date of allotment, as decided by the Committee.

16. Claw back:

16.1 All the Options granted under this Scheme, shall be subject to the Claw back arrangements in the circumstances as specified at the time of Grant of Options, if any.

17. Other terms and conditions:

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 Options in whole or in part.

17.3 Any statutory taxes or other charges applicable on such Vesting or Exercise of such Options would be the sole liability and responsibility of the Grantee, and the Grantee will not have any recourse to the Company in this regard.

17.4 The maximum quantum of benefits that will be provided to every eligible Employee under the Scheme will be the difference between the market value of Company's Share on the Recognized Stock Exchanges as on the Date of Exercise of Options and the Exercise Price paid by the Employee.

17.5 The Grantee shall abide by the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 as may be amended from time to time, Company's Code of Conduct for prevention of insider trading and Code of practices and procedures for fair disclosure of unpublished price sensitive information adopted by the Company under SEBI (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time. Further, The Grantee shall indemnify and keep indemnified the Company in respect of any direct or indirect liability arising as a result or consequence of the violation of above, if applicable.

18. Notices and correspondence:

18.1 Any notice required to be given by a Grantee to the Company or the Committee or any correspondence to be made between a Grantee and the Company or the Committee may be given or made to the Company/ Committee at the corporate office or registered office of the Company or at the place as may be notified by the Company/ Committee in writing or at the specific designated email id of the Company.

18.2 Any notice, required to be given by the Company or the Committee to a Grantee or any correspondence to be made between the Company or the Committee and a Grantee shall be given or made by the Company or the Committee on behalf of the Company at the address as stated in the official records of the Company or at the official email Id of the Grantee.

19. Nomination of Beneficiary:

19.1 Each Grantee under the Scheme may nominate, from time to time, any Beneficiary or Beneficiaries to whom any benefit under the Scheme is to be delivered in case of his or her death before he receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Grantee, shall be in a form prescribed by the Company and will be effective only when filed by the Grantee in writing with the Company during the Grantee's lifetime.

19.2 lf the Grantee fails to make a nomination, the Shares shall Vest on his/her legal heirs in the event of his/her death.

20. Corporate Action:

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

20.2 If there is a 'Corporate Action' of the Company before the Options granted under this Scheme are Exercised, the Grantee shall be entitled on Exercise of the Options, to such number of resultant Shares to which he/she would have been entitled as if all of the then outstanding Options Exercised by him/her, 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 Corporate Action, the Committee, subject to the provisions of Applicable Laws, shall make fair and reasonable adjustments under the Scheme, as it deems fit, with respect to the number of Options, Exercise Price and make any other necessary amendments to the Scheme for this purpose. The Vesting Period and life of the Options shall be left unaltered as far as possible.

20.3 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 in the relevant scheme of such reconstitution / amalgamation / sell-off not prejudicial to the interest of the Grantee.

20.4 In the event of a dissolution or liquidation of the Company, the Company will notify the Grantees as soon as practicable prior to the effective date of such dissolution or liquidation and the treatment of Options Granted (whether Vested or not) shall be decided by the Committee.

21. Disclosure and Accounting Policies:

21.1 The Company shall make all the necessary disclosures required under the provisions of the SEBI (SBEB & SE) Regulations and other Applicable Law. 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.

21.2 The Company shall comply with the disclosure requirements and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB & SE) Regulations or as may be prescribed by regulatory authorities from time to time.

22. Taxability on the Grantee:

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

There would be following points of Taxation on the Grantee:

- **Point 1:** At the time of Exercise, the difference between the Market Price of the Shares as on date of Exercise and the Exercise Price will be added as a perquisite under salary in the month of Exercise. The Grantee 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/-.

- **Point 2:** At the time of sale of the Shares of the Company by the Grantee. On selling of the Shares, the concerned Employee would be liable to income tax as per the applicable provisions of the laws at the time of sale of the Shares.

23. Surrender of Options:

23.1 Any Grantee to whom the Options are granted under this Scheme, may at any time, surrender his Options to the Company. 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 will be added back to the pool of the Scheme and pursuant to this, the Grantee shall cease to have all rights and obligations over such Options.

24. Dispute:

24.1 In the event of a dispute arising out of or in relation to the provisions of this Scheme (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.

24.2 In case of such failure, either party may refer the dispute to a single arbitrator to be appointed by Managing Director of the Company. The arbitration proceedings shall be held in Haryana 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 Haryana.

25. Governing Law:

25.1 This Scheme and all related documents there under shall be governed by and construed in accordance with the SEBI (SBEB & SE) Regulations and other Applicable Laws of India.

25.2 Any term of the Scheme that is contrary to the requirement of the SEBI (SBEB & SE) Regulations or any other Applicable Law shall not apply to the extent of such contradiction. The provisions of this Scheme are severable; and if any provision(s) is/are held to be illegal, invalid or unenforceable, then to the extent permitted by Applicable Law, such provision(s) shall not affect the legality or validity or the Scheme or the acts done thereunder.

26. Regulatory Approvals and Compliance with the Applicable Law:

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

26.2 The inability of the Company to obtain approval from any regulatory body having jurisdiction, which authority is deemed by the Committee to be necessary for the lawful transfer of any Shares hereunder, will relieve the Company of any liability in respect of the failure to transfer such Shares as to which such requisite approval will not have been obtained.

26.3 Shares will not be transferred to a Grantee pursuant to the Exercise of Options unless such Exercise the delivery of Shares will comply with Applicable Law.

27. Modification of Scheme:

27.1 Subject to the Applicable Laws, the Committee may, at any time:

27.1.1 Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Scheme or all or any of the rights and obligations of the Grantee;

27.1.2 Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the specific Grantee 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 or class or category of such Grantees.

27.2 Any amendment, variation or modification under the Scheme shall not be prejudicial to the interest or the Grantees of the Company.

28. Confidentiality:

28.1 Notwithstanding anything contained in this Scheme, the Grantee shall not divulge the details of the Scheme and/ or his holdings to any person except with the prior written permission of the Committee unless so required to do under the Applicable Laws or any statutes or regulations applicable to such Grantee.

******** End of the Scheme ********